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Subject:	Proposal for a DECISION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL amending Decision (EU) 2017/1324 as regards the continuation of the Union's participation in the Partnership for Research and Innovation in the Mediterranean Area (PRIMA) under Horizon Europe - Mandate for negotiations with the European Parliament
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At its meeting on 20 September 2023, Coreper confirmed the agreement reached at technical level on the text of the above-mentioned Decision, as set out in Annex. Coreper also agreed that, on the basis of this text, negotiations could start with the European Parliament in the context of the ordinary legislative procedure.

2023/0207 (COD)

Proposal for a

DECISION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

amending Decision (EU) 2017/1324 as regards the continuation of the Union's participation in the Partnership for Research and Innovation in the Mediterranean Area (PRIMA) under Horizon Europe

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 185 and the second paragraph of Article 188 thereof,

Having regard to the proposal from the European Commission,

After transmission of the draft legislative act to the national parliaments,

Having regard to the opinion of the European Economic and Social Committee¹,

Acting in accordance with the ordinary legislative procedure,

¹ Opinion of the European Economic and Social Committee on the 'Proposal for a Decision of the European Parliament and of the Council on the participation of the Union in the Partnership for Research and Innovation in the Mediterranean Area (PRIMA) jointly undertaken by several Member States' (COM(2016) 662 final — 2016/0325 (COD), C 125, 21.4.2017, p. 80.

Whereas:

- (1) Decision (EU) 2017/1324 of the European Parliament and of the Council² was adopted under the previous Framework Programme for Research and Innovation, namely Horizon 2020, for a period up to 31 December 2028.
- (2) In accordance with the PRIMA basic act, the final calls for proposals under the relevant annual work programme will be launched in 2024 and all indirect R&I actions will be finalised by 2028.
- (3) The Member States participating in PRIMA declared their intention to continue in their joint initiative beyond 2024 and called for the continued participation of the Union in the same institutional framework of Article 185.
- (4) Since the initial rationale and objectives of PRIMA partnership are still valid and the interim evaluation report³ concluded that PRIMA is a successful instrument with an added value for the Union, the Union should continue to provide financial support to allow PRIMA to fund research and innovation actions under the same thematic scope until 2027, and bring that instrument in synchronisation with the Union's multiannual financial framework (MFF) and MFF-aligned programming cycles of R&I programmes. Moreover, the overall duration of PRIMA should be extended until 2031 to allow for the full implementation of supported research and innovation actions.

² Decision (EU) 2017/1324 of the European Parliament and of the Council of 4 July 2017 on the participation of the Union in the Partnership for Research and Innovation in the Mediterranean Area (PRIMA) jointly undertaken by several Member States (OJ L 185, 18.7.2017, p. 1).

³ COM(2023) 285final

- (5) The continued Union financial support to PRIMA should come from the general budget of the Union allocated to the Specific Programme implementing Horizon Europe, established by Council Decision 2021/764⁴, specifically from Pillar II ‘Global challenges and European Industrial Competitiveness’, and the relevant thematic cluster (vi) ‘Food, Bioeconomy, Natural Resources, Agriculture and Environment’.
- (6) PRIMA is funded under Regulation (EU) No 1291/2013 of the European Parliament and of the Council⁵. For the purpose of its continuation from 2025 onward, it should, be funded and operated under Regulation (EU) 2021/695 of the European Parliament and of the Council⁶. Therefore, Decision (EU) 2017/1324 should be aligned with the requirements of Regulation (EU) 2021/695 and Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council⁷.

⁴ Council Decision (EU) 2021/764 of 10 May 2021 establishing the Specific Programme implementing Horizon Europe – the Framework Programme for Research and Innovation, and repealing Decision 2013/743/EU (OJ L 167I, 12.5.2021, p. 1).

⁵ Regulation (EU) No 1291/2013 of the European Parliament and of the Council of 11 December 2013 establishing Horizon 2020 - the Framework Programme for Research and Innovation (2014-2020) and repealing Decision No 1982/2006/EC Text with EEA relevance (OJ L 347, 20.12.2013, p. 104)

⁶ Regulation (EU) 2021/695 of the European Parliament and of the Council of 28 April 2021 establishing Horizon Europe – the Framework Programme for Research and Innovation, laying down its rules for participation and dissemination, and repealing Regulations (EU) No 1290/2013 and (EU) No 1291/2013 (OJ L 170, 12.5.2021, p. 1)

⁷ Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 (OJ L 193, 30.7.2018, p. 1).

- (7) Decision (EU) 2017/1324 should be aligned with the objectives and the research and innovation priorities of Horizon Europe and with the general principles and conditions laid down in Article 10, and Annex III and Annex VI of Regulation (EU) 2021/695. Therefore, it is necessary to have at least 40% of Member States participating in the extended PRIMA partnership. Moreover, the PRIMA partnership should operate in one of the priority areas for institutionalised European partnerships, and that all Participating States should express their long-term financial commitment. Those conditions are already met as current Member State participation rate is 41%, PRIMA partnership fits in the priority area Partnership Area 5: ‘Sustainable, inclusive and circular bio-based solutions’ of Annex VI, and the Participating States declared their long-term financial commitments to the PRIMA partnership.
- (8) The Union’s financial contribution to the PRIMA Partnership should be subject to a formal commitment by the Participating States to make a financial contribution at least at the level of the Union contribution. For that reason, compliance with the formal financial commitments should be closely monitored by the PRIMA implementation structure (PRIMA-IS) on a regular basis.
- (9) For the purpose of achieving the objectives of PRIMA, the aggregate contribution of the Participating States should be at least equal to the Union contribution. Participating States should therefore match the Union contribution under Horizon Europe in accordance with the principle set out in Annex III to Regulation (EU) 2021/695. In order to ensure that that principle is fully safeguarded, only contributions from Participating States made after 31 December 2024 should be taken into account.
- (10) In order to ensure their continued commitment to the objectives of PRIMA funded under Regulation (EU) 2021/695 and commitment to new obligations pursuant to Regulation (EU) 2021/695 and Regulation (EU, Euratom) 2018/1046, Algeria, Egypt, Jordan, Lebanon and Morocco should formally accept the new terms and conditions stemming from this amending decision, by concluding agreements with the Union, in the form of an exchange of letters, amending and supplementing the existing international agreements for scientific and technological cooperation concluded with them. This should not affect their participation in activities of PRIMA funded under Regulation (EU) No 1291/2013.

- (11) The overall Union contribution should be set as a maximum amount. It should be possible, in accordance with Article 16(5) of Regulation (EU) 2021/695, that the Union contribution from Horizon Europe to PRIMA be increased by such contributions from third countries associated to Horizon Europe. This should be subject to the total amount by which the Union contribution is increased being at least matched by the contribution from the Participating States.
- (12) Taking into account the objectives of PRIMA, entities established in third countries which are not Participating States should be eligible to apply for funding in specific call topics provided for in the PRIMA annual work programme. All appropriate measures, including contractual measures, should be taken to protect the financial interests of the Union. For that purpose, science and technology agreements with third countries in which such entities are established should be concluded.
- (13) While ex post audits of expenditure on indirect action funded under Regulation (EU) No 1291/2013 should continue to be performed in accordance with the relevant provisions of that Regulation, indirect actions funded under Horizon Europe should be audited in accordance with Regulation (EU) 2021/695.
- (14) Regulation (EU) 2021/695 places an increased focus on access to the results and other action related information by the Commission for the purpose of developing, implementing and monitoring Union policies or programmes in the case of institutionalised European partnerships. Therefore, the PRIMA-IS should ensure that the Commission has access to all information related to the indirect actions it funds, including contributions and results of beneficiaries participating in indirect actions. To uphold their interest, the Participating States should also have access to information relating to proposals which include applicants established in their territories. Such access rights should comply with applicable confidentiality rules.

- (15) The extension of PRIMA requires monitoring and evaluation of this partnership in accordance with Horizon Europe related provisions. The Commission should conduct an interim evaluation of PRIMA by 31 December 2025 at the latest, and, a final evaluation by 31 December 2031 at the latest, that should feed into the overall interim and final evaluations of Horizon Europe. The evaluations should assess the quality and efficiency of PRIMA and the progress made towards achieving its objectives throughout its entire life-cycle, including its implementation under both Horizon 2020 and Horizon Europe. The Commission should publish and disseminate the results and conclusions of those evaluations. In accordance with Article 10(2), point (c), of Regulation (EU) 2021/695, PRIMA should have a clear life-cycle approach, be limited in time and include the conditions for phasing-out the funding under Horizon Europe.
- (16) Decision (EU) 2017/1324 should therefore be amended accordingly,

HAVE ADOPTED THIS DECISION:

Article 1

Decision (EU) 2017/1324 is amended as follows:

(1) Article 1 is amended as follows:

(a) paragraph 1 is replaced by the following:

‘1. The Union shall participate in the Partnership for Research and Innovation in the Mediterranean Area (‘PRIMA’), an institutionalised European partnership as referred to in Article 10(1), point (c), of Regulation (EU) 2021/695 of the European Parliament and of the Council⁸, jointly undertaken by Bulgaria, Croatia, Cyprus, France, Germany, Greece, Israel, Italy, Luxembourg, Malta, Portugal, Slovenia, Spain, Tunisia and Turkey (‘Participating States’), in accordance with the conditions laid down in this Decision and upon notification of their participation in the activities of PRIMA by signing a letter of commitment.’;

(b) paragraph 2 is replaced by the following:

‘2. Algeria, Egypt, Jordan, Lebanon and Morocco shall continue to be Participating States for the purpose of the activities of PRIMA funded under Article 3(1), point (a). For the purpose of their participation in activities of PRIMA funded under Article 3(1), point (b), they shall only be considered Participating States subject to the conclusion of an agreement, in the form of exchange of letters, amending and supplementing the existing international agreements for scientific and technological cooperation with the Union and setting out the new terms and conditions of their participation in PRIMA.’;

⁸ 25 Regulation (EU) 2021/695 of the European Parliament and of the Council of 28 April 2021 establishing Horizon Europe – the Framework Programme for Research and Innovation, laying down its rules for participation and dissemination, and repealing Regulations (EU) No 1290/2013 and (EU) No 1291/2013 (OJ L 170, 12.5.2021, p. 1)

(c) paragraphs 3 and 4 are replaced by the following:

‘3. Any Member State and any third country associated to Horizon 2020 or Horizon Europe, other than those listed in paragraph 1 of this Article, may participate in PRIMA provided that they fulfil the condition laid down in Article 4(1), point (c) and comply, in particular, with Article 11(5). They shall sign a letter of commitment confirming the terms and conditions of their participation in PRIMA with regard to Horizon 2020 or Horizon Europe respectively.

Member States and third countries associated to Horizon 2020 or Horizon Europe that fulfil the conditions set out in the first subparagraph shall be considered as Participating States for the purposes of this Decision.

4. Any third country not associated to Horizon 2020 or Horizon Europe, other than those listed in paragraph 2, may participate in PRIMA provided that:

- (a) they fulfil the condition laid down in Article 4(1), point (c) and comply, in particular, with Article 11(5);
- (b) the implementation structure for PRIMA (‘PRIMA-IS’) approves their participation in PRIMA after examining the relevance of their participation to achieving the objectives of PRIMA; and
- (c) they conclude an international agreement for scientific and technological cooperation with the Union setting out the terms and conditions of their participation in PRIMA.

Third countries that fulfil the conditions set out in the first subparagraph shall be considered as Participating States for the purposes of this Decision.’;

(2) in Article 2, paragraph 1 is replaced by the following:

‘1. PRIMA shall contribute to the general and specific objectives of Regulation (EU) 2021/695 and in particular Article 3 thereof and shall deliver on the general objectives of building research and innovation capacities and developing knowledge and common innovative solutions for agro-food systems, making them sustainable, and for integrated water provision and management in the Mediterranean area, making those systems, their management and the provision more climate resilient, efficient, cost-effective and environmentally and socially sustainable, and contribute to solving water scarcity, food security, nutrition, health, well-being and migration problems upstream.’ ;

(3) Article 3 is amended as follows:

(a) paragraphs 1 and 2 are replaced by the following:

‘1. The Union financial contribution, including EEA appropriations, shall equal the Participating States’ contributions to PRIMA. The Union contribution shall be up to EUR 325 000 000 and shall be distributed as follows:

(a) up to EUR 220 000 000 from Horizon 2020;

(b) up to EUR 105 000 000 from Horizon Europe.

The amount of the Union financial contribution from Horizon Europe may be increased by contributions from third countries associated to Horizon Europe in accordance with Article 16(5) of Regulation (EU) 2021/695 and provided that the total increase in the Union contribution is at least matched by the contribution from the Participating States referred to in Article 1(1).

2. The Union financial contribution referred to in paragraph 1, point (a) of this Article shall be paid from the appropriations in the general budget of the Union allocated to the relevant parts of the specific programme implementing Horizon 2020, established by Council Decision 2013/743/EU, and in particular from Part II ‘Industrial leadership’ and Part III ‘Societal challenges’, in accordance with Article 57 of Regulation (EU) 2021/695 and Article 62(1), point (c)(vii) of Regulation (EU, Euratom) 2018/1046.’ ;

b) the following paragraph 2a is inserted:

‘2a. The Union financial contribution referred to in paragraph 1, point (b) of this Article shall be paid from the appropriations in the general budget of the Union allocated to the relevant parts of the specific programme implementing Horizon Europe, established by Council Decision 2021/764⁹, specifically from Pillar II ‘Global challenges and European Industrial Competitiveness’, cluster (vi) ‘Food, Bioeconomy, Natural Resources, Agriculture and Environment’, and in accordance with Article 62(1), point (c)(vii) of Regulation (EU, Euratom) 2018/1046.’ ;

(4) Article 4 is amended as follows:

(a) in paragraph 1, points (b), (c) and (d) are replaced by the following:

‘(b) the designation by the Participating States, or by organisations designated by the Participating States, of an entity with legal personality, as referred to in Article 62(1), point (c)(vii) of Regulation (EU, Euratom) No 2018/1046, as PRIMA-IS, which shall be responsible for implementing PRIMA efficiently, for receiving, allocating and monitoring the Union financial contribution referred to in Article 3(1) of this Decision as well as the Participating States' contributions, where appropriate, and for ensuring that all necessary actions are undertaken to achieve the objectives of PRIMA;

(c) the commitment by the Participating States to contribute to the financing of PRIMA with a contribution from national resources relevant to the objectives of PRIMA that is at least equal to the Union contribution;

(d) the demonstration by PRIMA-IS of its capacity to implement PRIMA, including receiving, allocating and monitoring the Union financial contribution referred to in Article 3(1) in the framework of indirect management of the Union budget in accordance with Articles 62 and 154 of Regulation (EU, Euratom) 2018/1046.’ ;

⁹ Council Decision (EU) 2021/764 of 10 May 2021 establishing the Specific Programme implementing Horizon Europe – the Framework Programme for Research and Innovation, and repealing Decision 2013/743/EU (OJ L 167I, 12.5.2021, p. 1).

(b) paragraph 2, point (c) is replaced by the following :

‘(c) the compliance by PRIMA-IS with the reporting requirements set out in Article 155 of Regulation (EU, Euratom) 2018/1046;’ ;

(c) paragraph 3 is replaced by the following:

‘The Commission shall assess on an ongoing basis the fulfilment of commitments undertaken by the Participating States and may take appropriate measures, including those in Article 9.’;

(5) Article 5 is amended as follows:

(a) paragraph 1 is replaced by the following:

‘1. The Participating States shall make or arrange for their national funding bodies to make contributions, whether financial or in kind, of at least EUR 325 000 000 during the period from 7 August 2017 until 31 December 2031.’ ;

(b) paragraph 6 is replaced by the following:

‘6. Contributions referred to in paragraph 2, points (a), (b) and (c) counting as contributions from Participating States shall be made after the adoption of the annual work programme. Where the annual work programme is adopted during the reference year referred to in Article 6(2), the contributions referred to in paragraph 2, point (c), counting as contributions from Participating States included in the annual work programme, may include contributions made from 1 January of that year. However, the contributions referred to in paragraph 2, point (c), counting as contributions from Participating States included in the first annual work programme, may include contributions made after 7 August 2017.’;

- (6) Article 6 is replaced by the following:

Article 6

Activities and implementation of PRIMA

‘1. PRIMA shall support a wide range of research and innovation activities, as described in its annual work programme, by means of:

(a) indirect actions within the meaning of Regulations (EU) No 1290/2013 and (EU) 2021/695 funded by PRIMA-IS in accordance with Article 7 of this Decision, mainly in the form of grants following transnational open, transparent and competitive calls for proposals organised by PRIMA-IS, including:

(i) research and innovation actions, as well as innovation actions;

(ii) coordination and support actions focusing on dissemination and outreach to promote PRIMA and maximise its impacts;

(b) activities funded by the Participating States without the Union financial contribution referred to in Article 3(1) that contribute to the objectives of PRIMA or that are directly linked to the uptake of results from projects under PRIMA and that consist of:

(i) activities selected following transnational open, transparent and competitive calls for proposals organised by PRIMA-IS, managed by the national funding bodies under the national programmes of the Participating States, providing financial support mainly in the form of grants;

(ii) activities under the national programmes of the Participating States including transnational projects.

2. PRIMA shall be implemented on the basis of annual work programmes covering activities to be undertaken for the period from 1 January to 31 December of a given year ('reference year'). PRIMA-IS shall adopt the annual work programmes by 31 March of the reference year, after obtaining approval from the Commission. In adopting the annual work programmes, both PRIMA-IS and the Commission shall act without undue delay. PRIMA-IS shall make the annual work programme publicly available.

3. Activities referred to in points (a) and (b) of paragraph 1 may be launched only in the reference year and only after the adoption of the annual work programme for that year.

4. If the annual work programme is adopted during the reference year, the Union financial contribution referred to in Article 3(1) may be used to reimburse the administrative costs of PRIMA-IS incurred from 1 January of that reference year in line with the annual work programme. However, the Union financial contribution referred to in Article 3(1) may reimburse administrative costs of PRIMA-IS incurred as from 7 August 2017 in line with the first annual work programme.

5. Activities may be funded under PRIMA only if they are set out in the annual work programme. The annual work programme shall distinguish between the activities referred to in paragraph 1, point (a), the activities referred to in paragraph 1, point (b) and the administrative costs of PRIMA-IS. It shall provide for their corresponding expenditure estimates as well as for the budget allocation to activities funded with the Union financial contribution referred to in Article 3(1) and to activities funded by the Participating States without the Union financial contribution referred to in Article 3(1). The annual work programme shall also include the estimated value of the Participating States' in-kind contributions referred to in point (b) of Article 5(2).

6. Amended annual work programmes for a reference year and annual work programmes for subsequent reference years shall take into account the results of previous calls for proposals. They shall endeavour to address insufficient coverage of scientific topics, in particular, those initially addressed in activities under paragraph 1, point (b) that could not be adequately funded.

7. The final activities to be funded, including the final calls for proposals under the relevant annual work programmes shall be launched by 31 December 2027. In duly justified cases, they may be launched by 31 December 2028.

8. Activities to be funded by the Participating States without the Union financial contribution referred to in Article 3(1) may be included in the annual work programme only following the positive outcome of their external independent evaluation by international peer review with regard to the objectives of PRIMA, as organised by PRIMA-IS.

9. Activities included in the annual work programme that are funded by the Participating States in accordance with Article 6(1), point (b) shall be implemented in compliance with common principles to be adopted by the PRIMA-IS, after obtaining approval from the Commission. The common principles shall take into account the principles set out in this Decision, in Title VIII of Regulation (EU, Euratom) 2018/1046 and in Chapter II of Regulation (EU) 2021/695. PRIMA-IS shall also adopt, after obtaining approval from the Commission, the reporting requirements of the Participating States to PRIMA-IS, including with regard to indicators inserted into each of those activities.

10. The activities referred to in paragraph 1, point (b)(i) shall, in addition to the common principles referred to in paragraph 9, comply with the following conditions:

- (a) the proposals shall be for transnational projects, with minimum participation of at least three independent legal entities established in three different countries considered to be Participating States in accordance with this Decision by the submission deadline under the relevant call for proposals, of which:
 - (i) at least one is established in a Member State or third country associated to Horizon 2020 or Horizon Europe respectively and does not fall under point (ii); and
 - (ii) at least one is established in a third country listed in Article 1(2), or in a third country from the Mediterranean region;
- (b) the proposals shall be selected following transnational calls for proposals and shall be evaluated by at least three independent experts, on the basis of the following award criteria: excellence, impact, and quality and efficiency of the implementation;

(c) the proposals shall be ranked according to the evaluation results. The selection shall be made by PRIMA-IS and should follow that ranking. The Participating States shall agree on an adequate funding mode that allows for maximising the number of proposals above threshold to be funded on the basis of that ranking, in particular, by providing reserve amounts to the national contributions for calls for proposals. In the event that one or more projects cannot be funded, the projects following directly in the ranking may be selected.

11. PRIMA-IS shall monitor and report annually to the Commission on the implementation of all activities included in the annual work programme.

12. Any communication or publication relating to the activities of PRIMA, and performed in cooperation with PRIMA, whether undertaken by PRIMA-IS, a Participating State or its national funding bodies, or participants to an activity, shall be labelled or co-labelled as follows: '[name of the activity] is part of the PRIMA programme co-funded by the European Union.' ;

(7) Article 7 is replaced by the following:

Article 7

Rules for participation and dissemination

‘1. PRIMA-IS shall be considered to be a funding body within the meaning of Regulation (EU) No 1290/2013 and of Article 2(14) of Regulation (EU) 2021/695 and shall provide financial support to indirect actions referred to in Article 6(1), point (a) of this Decision in accordance with the rules set out in the respective Regulations and subject to the derogations set out in this Article.

2. In accordance with Article 17(2) of Regulation (EU) 2021/695 and by way of derogation from Article 9(1), point (b) of Regulation (EU) No 1290/2013, and from Article 22(2) of Regulation (EU) 2021/695, the minimum number of participants shall be three legal entities established in three different countries considered to be Participating States by the submission deadline under the relevant call for proposals of which at least one is established:

- (a) in a Member State or third country associated to Horizon 2020 or Horizon Europe respectively and does not fall under point (b); and
- (b) in a third country listed in Article 1(2), or in a third country from the Mediterranean region.

3. By way of derogation from Article 9(3) of Regulation (EU) No 1290/2013 and from Article 22(2) of Regulation (EU) 2021/695, in duly justified cases provided for in the annual work programme, the minimum condition shall be the participation of one legal entity established in a Participating State by the submission deadline under the relevant call for proposals.

4. By way of derogation from Article 10(1) and (2) of Regulation (EU) No 1290/2013 and from Article 23(1) and (2) of Regulation (EU) 2021/695, the following participants shall be eligible for funding by PRIMA-IS:

- (a) any legal entity established in a Participating State or created pursuant to Union law;
- (b) any international European interest organisation, as defined in Article 2(1), point (12) of Regulation (EU) No 1290/2013 for activities of PRIMA funded under Article 3(1), point (a) or any international European research organisation, as defined in Article 2(15) of Regulation (EU) 2021/695 for activities of PRIMA funded under Article 3 (1), point (b).

5. In the case of a participating international organisation or of a participating legal entity established in a country which is not a Participating State, neither of which is eligible for funding in accordance with paragraph 4, funding by PRIMA-IS may be granted provided that at least one of the following conditions is fulfilled:

- (a) participation of the international organisation or legal entity concerned is deemed to be essential by PRIMA-IS for implementing the action;
- (b) participation of such entities is foreseen in the annual work programme and the possibility of such funding is provided for under a bilateral scientific and technological agreement or under any other arrangement that ensures the protection of the financial interest of the Union, which is concluded between the Union and, the international organisation or, for entities established in a country which is not a Participating State, the country in which the legal entity is established.

6. Without prejudice to Regulation (EU, Euratom) 2018/1046, the applicable model grant agreement may lay down that legal entities established in countries which are not Participating States and which receive funding from PRIMA-IS shall also provide appropriate financial guarantees.

7. The Union shall conclude agreements with third countries that allow the protection of the financial interests of the Union.’ ;

(8) Article 8 is amended as follows:

(a) paragraph 1 is replaced by the following :

‘1. Subject to a positive ex-ante assessment of PRIMA-IS in accordance with Article 154(3) of Regulation (EU, Euratom) 2018/1046 and the provision of adequate financial guarantees in accordance with point Article 62(1), point (c)(vi) of that Regulation, the Commission, on behalf of the Union, shall conclude a Financial Framework Partnership agreement and contribution agreements with PRIMA-IS.’ ;

(b) in paragraph 2 the first sentence is replaced by the following:

‘ The Financial Framework Partnership agreement referred to in paragraph 1 of this Article shall be concluded in accordance with Article 130 of Regulation (EU, Euratom) 2018/1046.’;

(9) In Article 9 the following paragraph 3 is added:

‘3. The Commission’s decision to terminate, proportionally reduce or suspend the Union financial contribution shall not hinder the reimbursement of eligible costs already incurred by the Participating States before the decision is notified to PRIMA IS.’;

(10) Article 10 is amended as follows:

(a) paragraph 1 is replaced by the following:

‘1. Ex-post audits of expenditure on indirect action under Regulation (EU) No 1291/2013 shall be carried out by PRIMA-IS in accordance with Article 29 of that Regulation.’;

(b) the following paragraph 1a is inserted:

‘1a. Audits of expenditure on indirect actions under Regulation (EU) 2021/695 shall be carried out by the PRIMA IS in accordance with Article 53 of Regulation (EU) 2021/695 as part of the Horizon Europe programme indirect actions, in particular in accordance with the audit strategy referred to in Article 53(2) of that Regulation.’;

(11) Article 11 is amended as follows:

(a) the following paragraph 3a is inserted:

‘3a. The European Public Prosecutor’s Office (EPPO) is empowered, in accordance with Council Regulation (EU) 2017/1939¹⁰, to investigate and prosecute criminal offences affecting the financial interests of the Union as set out in Article 4 of that Regulation.’ ;

(b) paragraph 4 is replaced by the following:

‘4. Without prejudice to paragraphs 1 to 3a, contracts, grant agreements and grant decisions, resulting from the implementation of this Decision shall contain provisions expressly empowering the Commission, PRIMA-IS, the Court of Auditors, the EPPO and OLAF to conduct such audits and investigations in accordance with their respective competences. Where the implementation of an action is outsourced or sub-delegated, in whole or in part, or where it requires the award of a procurement contract or financial support to a third party, the contract, grant agreement or grant decision shall include the contractor's or beneficiary's obligation to impose on any third party involved explicit acceptance of those powers of the Commission, PRIMA-IS, the Court of Auditors, EPPO and OLAF.’;

¹⁰ Council Regulation (EU) 2017/1939 of 12 October 2017 implementing enhanced cooperation on the establishment of the European Public Prosecutor’s Office (‘the EPPO’)(OJ L 283, 31.10.2017, p. 1)

(c) the following paragraph 4a is inserted:

‘ 4a. The PRIMA- IS shall grant each Participating States’ national court of auditors, on their request, access to all the information related to the national contributions of the respective Participating State, including information in electronic format, needed in order to conduct their audits.’;

(d) paragraph 5 is replaced by the following :

‘5. In implementing PRIMA, the Participating States shall take the legislative, regulatory, administrative and other measures necessary for protecting the Union's financial interests, in particular, to ensure full recovery of any amounts due to the Union in accordance with Regulation (EU, Euratom) 2018/1046.’;

(12) the following Article 11a is inserted:

‘Article 11a

Access to results and information on proposals

1. The PRIMA-IS shall provide the Commission access to all information related to the indirect actions it funds. Such information shall include contributions and results of beneficiaries participating in indirect actions, or any other information deemed necessary for developing, implementing, monitoring and evaluating Union or where applicable Participating States’ policies or programmes. Such information shall also be accessible to the authorities of the Participating States where it refers to indirect actions which include beneficiaries established in their respective territories. Such access rights are limited to non-commercial and non-competitive use and shall comply with applicable confidentiality rules.
2. For the purposes of developing, implementing, monitoring and evaluating Union policies or programmes, the PRIMA-IS shall provide the Commission with the information included in submitted proposals. This shall apply *mutatis mutandis* to Participating States regarding proposals which include applicants established in their respective territories.’;

(13) in Article 12, paragraphs 2 to 5 are replaced by the following:

‘2. PRIMA-IS shall be governed by the Board of Trustees, in which all Participating States are represented. The Board of Trustees shall be the decision-making body of PRIMA-IS.

The Board of Trustees, after obtaining approval from the Commission, shall adopt the following:

- (a) the annual work programme;
- (b) the common principles referred to in Article 6(9);
- (c) the Participating States' reporting requirements to PRIMA-IS.

The Board of Trustees shall verify that the conditions set out in Article 1(3) and point (c) of Article 4(1) are fulfilled and shall inform the Commission accordingly.

The Board of Trustees shall approve the participation in PRIMA of any third country not associated to Horizon 2020 or Horizon Europe other than those listed in Article 1(2), after examining the relevance of its participation to achieving the objectives of PRIMA.

Each Participating State shall have one vote in the Board of Trustees. Decisions shall be taken by consensus. Where no consensus is reached the Board of Trustees shall adopt its decisions by a majority of at least 75 % of the valid votes cast.

The Union, represented by the Commission, shall be invited to all the meetings of the Board of Trustees as an observer, and may take part in the discussions. It shall receive all necessary documents.

3. The Board of Trustees shall determine the number of Steering Committee members, which shall not be less than five, and shall appoint them. The Steering Committee shall monitor the work of the director and advise the Board of Trustees on the implementation of PRIMA by the Secretariat. In particular, it shall provide guidance on the implementation of the annual budget and on the annual work programme.

4. The Board of Trustees shall establish the Secretariat of PRIMA-IS as the executive body of PRIMA.

The Secretariat shall:

- (a) implement the annual work programme;
- (b) provide support to the other bodies of PRIMA-IS;
- (c) monitor and report on the implementation of PRIMA;
- (d) manage the Union financial contribution referred to in Article 3(1) and the Participating States' financial contributions and report on their use;
- (e) increase the visibility of PRIMA through advocacy and communication;
- (f) liaise with the Commission in accordance with the financial framework partnership agreement referred to in Article 8;
- (g) ensure the transparency of PRIMA activities.

5. The Board of Trustees shall appoint a Scientific Advisory Committee consisting of renowned independent experts, competent in areas relevant to PRIMA. The Board of Trustees shall establish the number of Scientific Advisory Committee members, and the arrangements for their appointment in accordance with Article 49 of Regulation (EU) 2021/695.

The Scientific Advisory Committee shall:

- (a) advise the Board of Trustees on strategic priorities and needs;
- (b) advise the Board of Trustees on the content and scope of the draft annual work plan from a scientific and technical standpoint;
- (c) review the scientific and technical aspects of the implementation of PRIMA and deliver an opinion on its annual report.’;

(14) Article 14 is replaced by the following:

‘Article 14

Monitoring and Evaluation

1. The activities of PRIMA shall be continuously monitored and subject to periodic reviews to ensure the highest impact, scientific excellence and the most effective and efficient use of resources. The outcome of the monitoring and of the periodic reviews shall feed into the monitoring of European partnerships as part of the Horizon Europe evaluations, pursuant to Articles 50 and 52 of Regulation (EU) 2021/695.
2. The PRIMA-IS shall organise the continuous monitoring and reporting of the management and the implementation of their activities and the periodic reviews of the outputs, results and impact of the funded indirect actions implemented in accordance with Article 50 of Regulation (EU) 2021/695 and Annex III to that Regulation.
3. By 31 December 2025 the Commission shall conduct an interim evaluation and by 31 December 2031 a final evaluation of PRIMA in the framework of the Horizon Europe evaluations, in accordance with Article 52 of Regulation (EU) 2021/695, with the assistance of external independent experts selected on the basis of an open and transparent process.

4. The interim and final evaluations referred to in paragraph 3 shall examine how PRIMA fulfils its mission and objectives, cover all its activities and evaluate its European added value, effectiveness, efficiency, including its openness and transparency, the relevance of the activities pursued, including in industry and by SMEs, and their consistency and complementarity with relevant regional, national and Union policies, including synergies with other parts of Horizon Europe, such as other partnerships, missions, clusters and thematic or specific programmes. The evaluations shall take into account the views of stakeholders, at both Union and national level. They shall include, where relevant, an assessment of the most effective policy intervention mode for any future action, as well as the relevance and coherence of any possible renewal of PRIMA, given the overall policy priorities and the research and innovation support landscape, including the positioning against other initiatives supported through Horizon Europe. When carrying out those evaluations, the Commission shall fully consider the administrative impact on PRIMA and shall seek to reduce the administrative burden and to ensure that the evaluation process is kept simple and fully transparent.

5. The Commission shall publish and disseminate the results and conclusions of the evaluations referred to in paragraph 3.’ ;

(15) the following Articles 14a, 14b and 14c are inserted :

‘Article 14a

Confidentiality

Without prejudice to Article 11a the PRIMA- IS shall ensure the protection of confidential information, the disclosure of which beyond the Union institutions, bodies, offices or agencies, has the potential to damage the interests of the PRIMA-IS, its members or of the participants in the activities of PRIMA. Such confidential information shall include personal, commercial, sensitive non-classified and classified information.

Article 14b

Conflicts of interest

1. The PRIMA-IS, its bodies, members and staff shall avoid any conflict of interest in carrying out their activities.
2. The PRIMA-IS shall adopt rules for the prevention, avoidance and management of conflicts of interest in respect of its staff, the members and other persons serving in any of its bodies or groups of the PRIMA-IS, in accordance with Article 61 of Regulation (EU, Euratom) 2018/1046.
3. The PRIMA-IS shall establish a code of conduct for members of its bodies, which shall include the publication of declarations of professional activities, financial interests and conflicts of interest in accordance with data protection rules.

Article 14c

Ongoing actions, activities and commitments

Actions or activities of the PRIMA-IS or commitments by the Participating States referred to in this Decision initiated or undertaken under Regulation (EU) No 1291/2013, shall continue to be governed by the provisions of that Regulation except where otherwise provided in this Decision.’.

Article 2

Entry into force

This Decision shall enter into force on the twentieth day after its publication in the *Official Journal of the European Union*.

Article 3

Addressees

This Decision is addressed to the Member States.

Done at Brussels,

For the European Parliament
The President

For the Council
The President
