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PROPOSAL

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To:	Ms Thérèse BLANCHET, Secretary-General of the Council of the European Union
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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

Delegations will find attached document COM(2023) 359 final.

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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

EXPLANATORY MEMORANDUM

1. CONTEXT OF THE PROPOSAL

- **Reasons for and objectives of the proposal**

The Partnership for Research and Innovation in the Mediterranean Area (PRIMA) is an Institutionalised European Partnership under Article 185 TFEU established by Decision (EU) 2017/1324¹, in which the EU participates in a research programme undertaken jointly by several Member States.

PRIMA aims to build research and innovation capacities and to develop knowledge and common innovative solutions for agro-food systems, to make them sustainable, and for integrated water provision and management in the Mediterranean area. Achieving this strategic objective will make water provision and food systems more climate resilient, efficient, cost-effective and environmentally and socially sustainable, and will contribute to solving water scarcity, food security, nutrition, health, well-being and migration problems upstream.

PRIMA currently consists of nineteen Participating States: eleven EU Member States (Croatia, Cyprus, France, Germany, Greece, Italy, Luxembourg, Malta, Portugal, Slovenia, and Spain); three countries associated to Horizon 2020 (Israel, Tunisia and Turkey) and five third countries non-associated to Horizon 2020 (Algeria, Egypt, Jordan, Lebanon and Morocco).

PRIMA started its operation in 2018 under the predecessor Framework Programme for Research and Innovation (R&I) Horizon 2020. The active period for launching R&I calls under Horizon 2020 will last until 2024. The total foreseen Union contribution under Horizon 2020 amounts to EUR 220 million and the original financial commitments of Participating States exceeded EUR 270 million. Currently, the Union's contribution comes from the Horizon 2020 programme. Until the end of 2022, PRIMA funded 202 collaborative R&I projects with a total budget of EUR 285.7 million with the contribution from the Union's budget at the level of EUR 142.67 million and with contribution from the Participating States at the level of EUR 143.03 million.

PRIMA was subject to an interim evaluation in 2022 published on 31 May 2023². According to the interim evaluation report, PRIMA has shown to be an effective instrument for R&I collaboration in the Mediterranean, implementing key R&I interests in line with the EU's geopolitical priorities. Based on their positive experience, a majority of the Participating States declared their long-term commitment to this initiative and called for continued participation of the EU in the current form of an Article 185 TFEU institutionalised European partnership.

¹ 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)

² Interim Evaluation of the Partnership for Research and Innovation in the Mediterranean Area (PRIMA) COM(2023) 285 final

This proposal for an amendment of Decision 2017/1324 (the PRIMA Basic Act) constitutes an extension of active operation (publication of R&I calls) until 2027 under the current R&I Framework Programme- Horizon Europe. The amendment will provide for additional budget, from both the EU financial contribution from the Horizon Europe programme and the Participating States' financial contributions, to ensure continuation at the current level of activities for three further years. The PRIMA operating rules will be adapted to the Horizon Europe rules including better protection of the Union's financial interests, monitoring and reporting. The extension of the active phase of PRIMA to 2027 will bring this initiative in line with the programme cycle under Horizon Europe.

The amendment of the PRIMA Basic Act will enable the extended activities of PRIMA to continue its current objectives of tackling the existing and emerging challenges related to water, agricultural and food systems in the Mediterranean region, while promoting science diplomacy, facilitating the alignment of national R&I policies and enabling international scientific collaboration. The thematic focus became even more relevant in recent years, due to increasing effects of climate change, the effects of the COVID-19 pandemic and the destabilising effect of Russia's illegal and unjustified aggression against the Ukraine on the fragile agriculture markets in a number of Mediterranean countries.

- **Consistency with existing policy provisions in the policy area**

The thematic areas and objectives of the PRIMA partnership in terms of Decision (EU) 2017/1324 remain unchanged. The thematic focus on water, agriculture and food systems is consistent with the current priorities of the EU, in particular with the European Green Deal³ and related Farm to Fork strategy⁴, and Climate Adaptation strategy⁵ and Zero Pollution Action Plan⁶. The objectives of PRIMA are also well aligned with the objectives of the EU Bioeconomy Strategy⁷.

The Horizon Europe R&I programme is set to contribute to the European Green Deal and the PRIMA partnership appears to be a specific instrument for effective contribution to a number of Green Deal objectives. The PRIMA partnership is more particularly in conformity with the objectives of Horizon Europe cluster (vi) 'Food, Bioeconomy, Natural Resources, Agriculture and Environment'. The PRIMA Strategic Research and Innovation Agenda is fully compatible with the cluster (vi) Strategic Plan. The PRIMA annual work programmes are closely coordinated with cluster (vi) part of the Horizon Europe Work Programmes and programming documents of the European Missions⁸ 'Soil Deal for Europe', 'Restore our Oceans and Waters' and 'Adaptation to Climate Change' to ensure complementarity and synergies.

³ https://commission.europa.eu/strategy-and-policy/priorities-2019-2024/european-green-deal_en

⁴ Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions A Farm to Fork Strategy for a fair, healthy and environmentally friendly food system, COM/2020/381 final

⁵ Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions Forging a climate-resilient Europe - the new EU Strategy on Adaptation to Climate Change, COM/2021/82 final

⁶ Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions Pathway to a Healthy Planet for All EU Action Plan: 'Towards Zero Pollution for Air, Water and Soil', COM/2021/400 final

⁷ A sustainable Bioeconomy for Europe: Strengthening the connection between economy, society and the environment, COM(2018) 673 final

⁸ EU Missions in Horizon Europe (europa.eu)

The proposal for extension of PRIMA is consistent with the criteria and rules for institutionalised European partnerships stipulated by the Horizon Europe Regulation⁹. In particular, it complies with the new requirements for Article 185 TFEU partnerships introduced by the Horizon Europe Regulation.

The condition of mandatory participation threshold of at least 40% of the Member States set out in Annex III is met, as eleven Member States representing 41% of Member States participate in PRIMA.

The long-term commitment of partners as required by Annex III 1(d) was demonstrated at the launch of the PRIMA partnership when the majority of Participating States committed to the funding period of ten years. The Participating States reiterated their commitment in the declaration of the Union for Mediterranean ministerial meeting in July 2022¹⁰, in their letters to the Commission and in their statements at the Competitiveness Council in December 2022.

The PRIMA partnership fits within the scope of the thematic areas for institutionalised European partnerships defined in Annex VI of the Horizon Europe Regulation, specifically to the partnership area 5 ‘Sustainable, inclusive and circular bio-based solutions’, as water, agricultural and food systems are integral parts of bioeconomy and bio-based systems.

- **Consistency with other Union policies**

PRIMA develops and demonstrates innovative solutions that support the implementation of a number of EU policies. PRIMA- funded projects, with their thematic focus on water, agriculture and food, contribute to the objectives of sectoral policies such as the water policy, in particular the Water Framework Directive¹¹, the Common Agricultural Policy, the Bioeconomy Strategy, the Climate Adaptation Strategy and the Circular Economy Action Plan¹².

As an instrument for international collaboration, PRIMA strengthens strategic, long-term regional cooperation between the EU and the Southern Mediterranean region, in line with the EU cooperation framework with Southern Neighbourhood Countries, as expressed in the Joint Communication for a New Agenda for the Mediterranean¹³ and its Economic and Investment Plan, as well as the regional policy dialogue with Mediterranean partners endorsed at the Union for the Mediterranean (UfM) Regional Platform for Research and Innovation. The New Agenda for the Mediterranean sets out objectives for the years to come to build fairer, more prosperous and inclusive societies for the benefit of people, especially the youth, where R&I is a key element.

⁹ 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

¹⁰ UfM-Ministerial-Declaration-RI-EN-270622.pdf (ufmsecretariat.org)

¹¹ Directive 2000/60/EC of the European Parliament and of the Council of 23 October 2000 establishing a framework for Community action in the field of water policy, OJ L 327 , 22/12/2000

¹² Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions - A new Circular Economy Action Plan For a cleaner and more competitive Europe, COM/2020/98 final

¹³ joint_communication_renewed_partnership_southern_neighbourhood.pdf (europa.eu)

In the context of the Union for Mediterranean R&I Roadmaps, the PRIMA partnership will be instrumental for the implementation of the climate change roadmap, as acknowledged by the UfM R&I Ministerial Declaration in 2022.

PRIMA supports also the implementation of the EU's Global Approach to R&I¹⁴, which prioritises the Mediterranean as one of its regions for cooperation.

By contributing to solving water scarcity, food security, nutrition, health, well-being and migration problems, PRIMA will support significantly the implementation of the 2030 United Nations Agenda for Sustainable Development, in particular Sustainable Development Goal (SDG) 2 (Zero Hunger), SDG 6 (Clean Water and Sanitation), SDG 10 (Reduced Inequalities), and SDG 12 (Responsible Consumption and Production), notably in the Mediterranean region.

By addressing the interlinkages between water, energy and food and their reliance and impact on ecosystems, PRIMA plays an important role to accelerate the much-needed transition towards a green economy in the Mediterranean region fostering green and sustainable development solutions to increase the resilience to climate change, thus contributing to the European Green Deal objectives in the region. More particularly, PRIMA activities under the thematic area of water management contributes to delivering the European Green Deal objectives related to the Zero Pollution Action Plan, Biodiversity Strategy and the upcoming Integrated Nutrient Management Action Plan, while activities related to thematic areas on farming systems and food value chain will support the implementation of Farm to Fork Strategy.

PRIMA is further exploring promising synergies with other Horizon Europe instruments, e.g. the Horizon Europe missions, notably the missions “A Soil Deal for Europe” and “Save our Oceans and Waters by 2030”. PRIMA envisages sharing its knowledge, infrastructure and network with relevant partners to support missions by designing specific joint actions (e.g. coordinated calls with the Horizon Europe Mission “A Soil Deal for Europe” in PRIMA's Annual Work Plans). PRIMA can further strengthen the international dimension of Horizon Europe Partnerships¹⁵: Sustainable food systems for people, planet & climate; Water Security for the Planet; Agroecology living labs and research infrastructures; Agriculture of data; Animal health and welfare.

PRIMA is also complementary to the Food and Nutrition Security and Sustainable Agriculture (FNSSA) priority of the EU-African Union High Level Policy Dialogue research and innovation cooperation. The FNSSA priority opens the way to PRIMA partners for further pan-African and cross-European collaboration.

¹⁴ Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on the Global Approach to Research and Innovation Europe's strategy for international cooperation in a changing world, COM/2021/252 final

¹⁵ European Partnerships in Horizon Europe (europa.eu)

2. LEGAL BASIS, SUBSIDIARITY AND PROPORTIONALITY

• Legal basis

The proposal extends the period within which the Union shall continue its participation in PRIMA setting out the necessary legal framework to enable it to operate under the Horizon Europe R&I Framework Programme as well as the Financial Regulation¹⁶ while further pursuing the activities initiated under the Horizon 2020 R&I Framework Programme.

The proposed amendments are founded on the same legal basis as the legislative act they seek to amend, notably Article 185 TFEU and second paragraph of Article 188 TFEU.

• Subsidiarity (for non-exclusive competence)

The subsidiarity principle applies, as the proposal does not fall under the exclusive competence of the European Union. Subsidiarity is safeguarded by the proposal being based on Article 185 TFEU, which explicitly provides for the participation of the Union in research programmes undertaken by several Member States.

The objectives of PRIMA, the attainment of which shall continue to be central in this proposal, cannot be sufficiently achieved by the Member States acting alone this taking into account that there is an evident, demonstrable added value in action being undertaken at Union level given the scale, scope and complexity of the efforts needed for the achievement of the ambitions it aims to pursue. Moreover, given that the proposal aims at supplementing already existing EU legislation, this continues to be best achieved at EU level rather than by different national initiatives. Notwithstanding this, the proposal should also continue to complement and reinforce national, local and regional activities in the relevant area.

• Proportionality

The proposal complies with the proportionality principle, as Member States will be responsible for developing their joint programme and all operational aspects. The dedicated implementation structure -(PRIMA-IS)- has already demonstrated that it can implement the programme efficiently and effectively¹⁷. The Union will provide incentives for improved coordination, ensure synergies with and contributions to EU policies and the priorities of Horizon Europe, monitor implementation of the programme and ensure protection of the EU's financial interests

¹⁶ 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, pp. 1-222)

¹⁷ Interim Evaluation of the Partnership for Research and Innovation in the Mediterranean Area (PRIMA), COM(2023) 285 final

- **Choice of the instrument**

This proposal is for an amending Decision of a previously existing legislative act enacted on the basis of Article 185 TFEU. For this kind of instrument, Article 188(2) TFEU requires that the European Parliament and the Council adopt a decision.

The results of the first years of PRIMA implementation and the indications from Call for Evidence (see also section 3. ‘Stakeholder consultation’ below) have shown that an institutionalised European partnership under Article 185 TFEU is the most appropriate way to achieve the objectives of PRIMA. Such an institutionalised partnership is also the preferred choice of the Participating States.

Continuing PRIMA as a partnership initiative under Article 185 TFEU would further enable the development of the ongoing collaboration with Neighbourhood countries. The Union and the countries concerned will carry on determining together their mutual priorities, entering a new phase of cooperation, in line with the priorities of the European Neighbourhood Policy.

Furthermore, an institutionalised European partnership based on Article 185 TFEU allows a wide range of research and innovation actions and financial contributions, according to the funding source (either Horizon Europe or national), management and rules, which has proven to be efficient during the first years of the implementation of PRIMA. This instrument is also appropriate for the participation of third countries.

3. RESULTS OF EX-POST EVALUATIONS, STAKEHOLDER CONSULTATIONS AND IMPACT ASSESSMENTS

- **Ex-post evaluations/fitness checks of existing legislation**

In 2022, independent, third-party experts conducted an interim evaluation of PRIMA covering the period from the inception of PRIMA (2017) until March 2022.

The interim evaluation confirmed that PRIMA had made good progress in implementing its objectives and it is well managed. PRIMA adequately addresses environmental, socio-economic and policy challenges that are crucial to the future development and sustainability of the Mediterranean region, and plays a unique role in the Mediterranean research and innovation ecosystem. PRIMA helped foster scientific integration across Participating States, allowing especially the Southern Mediterranean Participating States to leverage their research and innovation capacities.

PRIMA’s EU added value is also high, as it contributes to key EU political priorities, objectives and initiatives such as the European Green Deal, in particular Farm to Fork and Biodiversity strategies, Bioeconomy Strategy, Climate Adaptation Strategy and the Circular Economy Action Plan, as well as the overarching SDGs.

The interim evaluation report also recommends actions to further improve PRIMA outcomes and impacts.

- **Stakeholder consultations**

No stakeholder consultation has been carried out. The original public consultation input is still considered as valid. The character of proposed amendments does not require a new stakeholders consultation.

- **Collection and use of expertise**

In the context of the interim evaluation, a Call for Evidence has been published and the results have been taken into consideration.

- **Impact assessment**

No impact assessment has been carried out. The original analysis and choice of options is still considered as valid. The character of the amendment does not require a new impact assessment.

- **Regulatory fitness and simplification**

No simplification effect is expected as the proposal is an extension of the existing partnership.

- **Fundamental rights**

The proposed Decision has no consequences for the protection of fundamental rights.

4. BUDGETARY IMPLICATIONS

The total Union contribution to the extended initiative shall be up to EUR 325 million including the EEA contribution. Out of this amount, EUR 220 million were committed from the Horizon 2020 Programme for the programming period 2018-2024. EUR 105 million, to be committed in the period 2025-2027, will come from the Horizon Europe, cluster (vi) 'Food, Bioeconomy, Natural Resources, Agriculture and Environment'.

The maximum amount of the EU contribution to administrative costs for the whole duration of the initiative is up to 6%, corresponding to EUR 19.5 million from the total Union contribution of EUR 325 million.

The EU contribution is managed by the PRIMA Implementation Structure (PRIMA-IS), following the delegation agreement and transfer of funds agreement. The provisions of the Decision and of the delegation agreement concluded in 2018 between the Commission and the PRIMA-IS must ensure that the EU financial interests are protected.

5. OTHER ELEMENTS

- **Implementation plans and monitoring, evaluation and reporting arrangements**

The implementation of the initiative will be based on an updated strategic research and innovation agenda agreed between the Commission and Participating States.

PRIMA's performance will be monitored through annual reports submitted by the PRIMA-IS to the European Commission for approval. This will include reporting progress on the key performance indicators and other metrics set out in the strategic research and innovation agenda.

The proposal foresees an additional interim evaluation not later than 2025 and a final evaluation not later than 2030.

- **Detailed explanation of the specific provisions of the proposal**

Article 1 amends the Decision 2017/1324 and adapts it to the new regulatory framework set by the Horizon Europe Regulation (EU) 2021/695 and the Financial Regulation 2018/1046.

Article 1(1) provides for amendment of the international agreements with the five Participating States that are not associated to Horizon Europe programme.

Article 1(3) provides for additional Union financial contribution from the Horizon Europe programme and specifies from which budget line of the Horizon Europe Programme the Union financial contribution will be provided.

Article 1(5) specifies the minimum financial contribution of the Participating States and extends the duration to which such contribution is committed, i.e. until 31 December 2031.

Articles 1(6) extends the active period of PRIMA operation until 2027.

Articles 1(12) introduces new provisions related to access to results and information on proposals.

Article 1(14) introduces new provisions related to monitoring and evaluation.

Article 1(15) introduces new provisions related to confidentiality, conflicts of interest, and ongoing actions, activities and commitments.

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 Committee¹⁸,

Acting in accordance with the ordinary legislative procedure,

Whereas:

- (1) Decision (EU) 2017/1324 of the European Parliament and of the Council¹⁹ 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.

¹⁸ 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.

¹⁹ 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) 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 report²⁰ 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.
- (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 2021/764²¹, and in particular 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 Council²². 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 Council²³. 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 Council²⁴.
- (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

²⁰ COM(2023) 285final

²¹ 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).

²² 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)

²³ 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)

²⁴ 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).

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. 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 Council²⁵, jointly undertaken by 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

²⁵ 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)

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.’;

(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 2021/764²⁶, and in particular 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;

²⁶ 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).

(c) the commitment by each Participating State 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.’ ;

(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 bordering the Mediterranean Sea;
- (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 bordering the Mediterranean Sea.

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) 2017/1939²⁷, 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

²⁷ 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)

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.';

(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.

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.’;

(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. The Commission shall conduct an interim evaluation and 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*

LEGISLATIVE FINANCIAL STATEMENT

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LEGISLATIVE FINANCIAL STATEMENT

1. FRAMEWORK OF THE PROPOSAL/INITIATIVE

1.1. Title of the proposal/initiative

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

1.2. Policy area(s) concerned (*Programme cluster*)

Activity: Horizon Europe, Pillar II 'Global challenges and European Industrial Competitiveness', cluster (vi) Food, Bioeconomy, Natural Resources, Agriculture and Environment

1.3. The proposal/initiative relates to:

☐ a new action

☐ a new action following a pilot project/preparatory action²⁸

☒ the extension of an existing action

☐ a merger or redirection of one or more actions towards another/a new action

1.4. Grounds for the proposal/initiative

1.4.1. Requirement(s) to be met in the short or long term including a detailed timeline for roll-out of the implementation of the initiative

The initiative main objective is to support collaborative research and innovation that will tackle some challenges driven by climate change, population growth and urbanisation, and contribute to sustainable development in the Mediterranean region. The initiative will deliver innovative solutions in the fields of water management, agriculture and food systems contributing to health and wellbeing of the population and will help prevent societal conflicts and mass migration in the Southern Mediterranean.

The initiative will extend the active operation of the existing PRIMA partnership established under article 185 TFEU by Decision 2017/1324 (PRIMA basic act). The current PRIMA partnership's operation period is 2018-2024 and the Union contribution is provided by the Horizon 2020 programme. This initiative will extend the period of active operation to 2027 and will bring PRIMA partnership in synchronisation with Union's multiannual financial framework (MFF) and MFF-aligned programming cycles of R&I programmes.

²⁸

As referred to in Article 58(2)(a) or (b) of the Financial Regulation.

The extension of PRIMA partnership will require additional financial contributions from the Union and Participating States. It is proposed that PRIMA will continue to operate in the same thematic areas (water management, agriculture and food systems) at the same level of activities with the annual budget of approximately EUR 70 million Eur. The Union annual contribution amounts to approximately EUR 35 million EUR and the Participating States contribute financially with at least the same amount. The Participating States also contribute with additional in-kind contribution (R&I actions programmed and funded at national level).

The additional financial contribution from the Union at the level of EUR 105 million EUR for the period 2025-2027 will come from Horizon Europe, Pillar II ‘Global challenges and European Industrial Competitiveness’, cluster (vi) Food, Bioeconomy, Natural Resources, Agriculture and Environment. The initiative complies with the new requirements for institutional partnerships introduced by Horizon Europe regulation (Article 10, Annex III and Annex VI), e.g. the participation of Member States exceeds the 40% minimum, PRIMA falls under the priority areas for institutional partnership, and the Participating States expressed their long-term commitments to the partnership.

As the new Union’s financial contribution comes from a different programme the PRIMA basic act has to be adapted to the new regulatory framework. This initiative will amend the Decision 2017/1324 in particular to adapt it to the Regulation (EU) 2021/695 and Regulation (EU, Euratom) 2018/1046. The new regulatory framework has to be reflected also in the international agreements with 5 Participating States that are not Member States nor associated to Horizon Europe (Algeria, Egypt, Jordan, Lebanon and Morocco).

Adoption of the Decision amending the PRIMA basic act is expected in 2024. Consequently, a new Financial Framework Agreement and a contribution agreement will be concluded with the existing PRIMA dedicated implementing structure (PRIMA-IS). The Union contribution will be implemented in three annual commitments based on PRIMA Annual Work Programmes in 2025, 2026 and 2027.

The period for implementation of indirect actions will be extended to 2031.

- 1.4.2. *Added value of Union involvement (it may result from different factors, e.g. coordination gains, legal certainty, greater effectiveness or complementarities). For the purposes of this point 'added value of Union involvement' is the value resulting from Union intervention, which is additional to the value that would have been otherwise created by Member States alone.*

PRIMA Article 185 partnership is expected to have impacts in terms of excellent collaborative R&I activities, focusing and alignment of national R&I systems and science diplomacy. The institutional format and the participation of the EU in the partnership achieve the impacts that would not be possible to achieve through other forms of collaboration at national level and non-institutionalised format.

PRIMA has demonstrated a significant financial leverage impact, influenced national R&I strategies so they are aligned and complementary to PRIMA’s strategic R&I agenda and triggered a reform of R&I funding procedures in the Participating States where national funding procedures hampered scientific collaboration. The

institutionalised format has enabled participation of non-associated countries on the equal footing with other Participating States, which would not be possible in non-institutionalised partnerships and without EU participation.

The EU added value was confirmed by the interim evaluation report conducted in 2022 by external evaluators.

1.4.3. *Lessons learned from similar experiences in the past*

The PRIMA partnership demonstrated during the first years of its operation that it is an effective instrument for international scientific collaboration and science diplomacy. The interim evaluation report concluded it is achieving its objectives and delivers a significant EU added value. Many Participating States, both EU Member States and non-EU countries consider PRIMA as a model for R&I collaboration that could be applied in other thematic areas in the future, as expressed in the UfM ministerial meeting in 2022, in letters to the Commission and statements in the Competitiveness Council meeting in December 2022.

1.4.4. *Compatibility and possible synergy with other appropriate instruments*

At strategic level PRIMA partnership is compatible with EU policy priorities, notable the Green Deal, Climate Adaptation Strategy, Farm to Fork Strategy, Bioeconomy Strategy, Circular Economy Action Plan, CAP and Water policies.

At programming level the PRIMA Annual Work Plans are well coordinated with other relevant R&I instruments such as the Soil Mission, the Climate Adaptation mission or the Water for All partnership. PRIMA is complementary to the Mediterranean Initiative in the Horizon Europe Work Programme 2023-2024.

In the period of extension 2025-2027 the PRIMA programming documents will be coordinated with the existing instruments and initiatives as well as with the relevant new initiatives stemming from the Horizon Europe Strategic Plan 2025-2027.

1.5. **Duration and financial impact**

☒ **limited duration**

- ☒ in effect from [01/01]2025 to [31/12]2031
- ☒ Financial impact from 2025 to 2027 for commitment appropriations and from 2025 to 2031 for payment appropriations.

☐ **unlimited duration**

- Implementation with a start-up period from YYYY to YYYY,
- followed by full-scale operation.

1.6. Management mode(s) planned²⁹

- ☐ **Direct management** by the Commission
 - ☐ by its departments, including by its staff in the Union delegations;
 - ☐ by the executive agencies
- ☐ **Shared management** with the Member States
- ☒ **Indirect management** by entrusting budget implementation tasks to:
 - ☐ third countries or the bodies they have designated;
 - ☐ international organisations and their agencies (to be specified);
 - ☐ the EIB and the European Investment Fund;
 - ☐ bodies referred to in Articles 70 and 71 of the Financial Regulation;
 - ☐ public law bodies;
 - ☒ bodies governed by private law with a public service mission to the extent that they provide adequate financial guarantees;
 - ☐ bodies governed by the private law of a Member State that are entrusted with the implementation of a public-private partnership and that provide adequate financial guarantees;
 - ☐ persons entrusted with the implementation of specific actions in the CFSP pursuant to Title V of the TEU, and identified in the relevant basic act.

If more than one management mode is indicated, please provide details in the 'Comments' section.

Comments

PRIMA dedicated implementing structure (PRIMA-IS) is a foundation under Spanish law governed by the Board of Trustees representing the Participating States. The European Commission is an observer in the Board of Trustees.

The Union's financial contribution to the initiative will be provided through the PRIMA-IS. The Participating States provided individual financial guarantees through which they collectively accept financial liability for any financial loss to the EU up the level of Union financial contribution. These financial guarantees will be renewed by the Participating States for the period 2025-2027 after the adoption of the amended PRIMA basic act.

²⁹ Details of management modes and references to the Financial Regulation may be found on the BudgWeb site:
<https://myintracomm.ec.europa.eu/budgweb/EN/man/budgmanag/Pages/budgmanag.aspx>

2. MANAGEMENT MEASURES

2.1. Monitoring and reporting rules

The amended PRIMA basic act will align the monitoring and reporting rules to the requirements of Regulation (EU) 2021/695 and Regulation (EU, Euratom) 2018/1046.

PRIMA-IS will report on activities and fulfilment of obligations of the Participating States on annual basis.

The Commission will carry out an additional interim evaluation in 2025 and the final evaluation in 2030. The results of these evaluations will be presented to the European Parliament and the Council.

2.2. Management and control system(s)

2.2.1. *Justification of the management mode(s), the funding implementation mechanism(s), the payment modalities and the control strategy proposed*

The PRIMA partnership in the period of extension 2025-2027 will continue to be implemented in indirect management mode. This is justified as a implementation mode for public-public partnerships with financial and in kind contributions from Participating States.

The PRIMA budget will be implemented by the existing PRIMA-IS. Before the new Transfer of Funds Agreement are concluded the Commission will verify if the PRIMA-IS continues to meet the requirements of Regulation (EU, Euratom) 2018/1046 concerning financial management and internal control framework and what changes need to be implemented to the existing Delegation Agreement.

Annual budgets will be implemented through Annual Work Plans that will be scrutinised and approved by the Commission.

The Commission will ensure that the rules applicable to PRIMA fully comply with the requirements of the Financial Regulation.

Monitoring arrangements, including through the Union supervision into the governance of the Partnership, as well as reporting arrangements will ensure that the Commission services can meet the accountability requirements both to the College and to the Budgetary Authority.

The internal control framework for PRIMA-IS for the implementation of the PRIMA is built on:

- the implementation of the Internal Control Standards offering at least equivalent guarantees to those of the Commission;
- procedures for selecting the best projects through independent evaluation and conclusion of grant agreements;
- project and contract management throughout the lifetime of every project;

- ex-ante checks of claims, including receipt of audit certificates and ex-ante certification of cost methodologies;
- ex-post audits on a sample of claims as part of the Horizon Europe ex-post audits;
- scientific evaluation of project results

2.2.2. *Information concerning the risks identified and the internal control system(s) set up to mitigate them*

(1) Capacity of the dedicated implementation structure PRIMA-IS to manage the Union's budget and to protect the EU's financial interests.

The control method will be in line with the requirements as laid out in the EU financial regulations, and in particular that the Commission retains the right to terminate, reduce or suspend its contribution if the implementation is not acceptable or appropriate.

(2) Capacity of participating states to finance their contributions to the programme.

EU funds can only be released upon evidence of national annual financial commitments and appropriate level of payments towards national participants in the projects. Another safeguard is that EU funding cannot exceed 50% of the total public funding provided in the programme.

2.2.3. *Estimation and justification of the cost-effectiveness of the controls (ratio of "control costs ÷ value of the related funds managed"), and assessment of the expected levels of risk of error (at payment & at closure)*

As the rules for participation of Horizon Europe applicable to PRIMA are similar to those that the Commission will use in its Work Programme, it can be expected that the error margin will be similar to that foreseen by the Commission for Horizon Europe, i.e. to give reasonable assurance that the risk of error over the course of the multiannual expenditure period is, on an annual basis, within a range of 2-5%.

See the Legislative Financial Statement for Horizon Europe for full details of the error rate expected with respect to participants.

2.3. Measures to prevent fraud and irregularities

Specify existing or envisaged prevention and protection measures, e.g. from the Anti-Fraud Strategy.

The Commission will ensure that procedures to fight against fraud at all stages of the management process are applied by the PRIMA-IS.

The proposals for Horizon Europe have been subject to fraud proofing and an assessment of their impact. Overall, the measures proposed should have a positive impact on the fight against fraud, especially the greater emphasis on risk-based audit and reinforced scientific evaluation and control.

The Commission will ensure that appropriate measures are in place to guarantee that, when actions financed under this Regulation are implemented, the financial interests of the Union are protected by the application of preventive measures against fraud, corruption and any other illegal activities, by effective checks and, if irregularities are detected, by the recovery of the amounts wrongly paid and, where appropriate, by effective, proportionate and deterrent penalties.

The Court of Auditors shall have the power of audit, on the basis of documents and on-the-spot, over all grant beneficiaries, contractors and subcontractors who have received Union funds under the Programme.

The European Anti-Fraud Office (OLAF) may carry out on-the-spot checks and inspections on economic operators concerned directly or indirectly by such funding in accordance with the procedures laid down in Regulation

3. ESTIMATED FINANCIAL IMPACT OF THE PROPOSAL/INITIATIVE

3.1. Heading of the multiannual financial framework and new expenditure budget line(s) proposed

Heading of multiannual financial framework	Budget line	Type of expenditure	Contribution			
	Heading 1 Single Market, Innovation and Digital – Horizon Europe	Diff./Non-diff. ³⁰	from EFTA countries ³¹	from candidate countries ³²	from third countries	within the meaning of Article [21(2)(b)] of the Financial Regulation
1	01 02 02 60 – cluster (vi) Food, Bioeconomy, Natural Resources, Agriculture and Environment	Diff.	YES	YES	YES	YES

³⁰ Diff. = Differentiated appropriations / Non-diff. = Non-differentiated appropriations.

³¹ EFTA: European Free Trade Association.

³² Candidate countries and, where applicable, potential candidates from the Western Balkans.

3.2. Estimated impact on expenditure

3.2.1. Summary of estimated impact on expenditure

EUR million (to three decimal places)

Heading of multiannual financial framework	1	Single Market, Innovation and Digital – Horizon Europe - Cluster (vi) Food, Bioeconomy, Natural Resources, Agriculture and Environment
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			2021	2022	2023	2024	2025	2026	2027	Post 2027	TOTAL
Operational appropriations (split according to the budget lines listed under 3.1)	Commitments ³³	(1)					34.100	34.100	36.800	0	105.000
	Payments ³⁴	(2)					1.200	20.940	20.940	61.920	105.000
Appropriations of an administrative nature financed from the envelope of the programme ³⁵	Commitments = Payments	(3)					0.147	0.097	0.097	0	0.341
TOTAL appropriations for the envelope of the programme	Commitments	=1+3					32.247	34.197	36.897	0	105.341
	Payments	=2+3					1.347	21.037	21.037	61.920	105.341

³³ Commitments for years 2025 and 2026 include each EUR 1.2M for PRIMA administrative costs. Commitments for year 2027 include EUR 1.2M for 2027 and EUR 2.7M for Post 2027 PRIMA administrative costs.

³⁴ Payments for years 2026 and 2027 include each EUR 1.2M for PRIMA administrative costs. Payments in Post 2027 include EUR 2.7M for Post 2027 PRIMA administrative costs.

³⁵ Technical and/or administrative assistance and expenditure in support of the implementation of EU programmes and/or actions (former 'BA' lines), indirect research, direct research. Covering the administration of the Horizon Europe actions. The FTE costs are determined on the basis of the average yearly cost to be used as from 2023 for salaries for Contractual Staff (EUR 0.091) including other administrative costs (EUR 0.029) referred to buildings and IT costs for Indirect Research staff. The indication of staff needs in the Commission DGs is as well of indicative and non-binding nature.

Heading of multiannual financial framework	7	‘Administrative expenditure’
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EUR million (to three decimal places)

		2021	2022	2023	2024	2025	2026	2027	<i>Post 2027</i>	TOTAL
Human resources		-	-	-	-					
Other administrative expenditure		-	-	-	-					
TOTAL appropriations under HEADING 7 of the multiannual financial framework	(Total commitments = Total payments)	-	-	-	-					

EUR million (to three decimal places)

		2021	2022	2023	2024	2025	2026	2027	<i>Post 2027</i>	TOTAL
TOTAL appropriations across HEADINGS of the multiannual financial framework	Commitments					34.250	34.201	36.902	0	105.353
	Payments					1.350	21.041	21.042	61.920	105.353

3.2.2. Summary of estimated impact on appropriations of an administrative nature

- ☐ The proposal/initiative does not require the use of appropriations of an administrative nature
- ☒ The proposal/initiative requires the use of appropriations of an administrative nature, as explained below:

EUR million (to three decimal places)

Years	2021	2022	2023	2024	2025	2026	2027	TOTAL
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HEADING 7 of the multiannual financial framework								
Human resources								
Other administrative expenditure								
Subtotal HEADING 7 of the multiannual financial framework								

Outside HEADING 7³⁶ of the multiannual financial framework								
Human resources					0.091	0.091	0.091	0.273
Other expenditure of an administrative nature					0.056	0.006	0.006	0.068
Subtotal outside HEADING 7 of the multiannual financial framework					0.147	0.097	0.097	0.341

TOTAL					0.147	0.097	0.097	0.341
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The appropriations required for human resources and other expenditure of an administrative nature will be met by appropriations from the DG that are already assigned to management of the action and/or have been redeployed within the DG, together if necessary with any additional allocation which may be granted to the managing DG under the annual allocation procedure and in the light of budgetary constraints.

³⁶ Technical and/or administrative assistance and expenditure in support of the implementation of EU programmes and/or actions (former 'BA' lines), indirect research, direct research.

3.2.2.1. Estimated requirements of human resources

- ☐ The proposal/initiative does not require the use of human resources.
- ☒ The proposal/initiative requires the use of human resources, as explained below³⁷

Estimate to be expressed in full time equivalent units

Years		2021	2022	2023	2024	2025	2026	2027
○ Establishment plan posts (officials and temporary staff)								
Headquarters and Commission's Representation Offices								
Delegations		-	-	-	-	-	-	-
Research		-	-	-	-	-	-	-
○ External staff (in Full Time Equivalent unit: FTE) - AC, AL, END, INT and JED ³⁸								
Heading 7								
Financed from HEADING 7 of the multiannual financial framework	- at Headquarters	-	-	-	-	-	-	-
	- in Delegations	-	-	-	-	-	-	-
Financed from the envelope of the programme ³⁹	- at Headquarters	-	-	-	-			
	- in Delegations	-	-	-	-	-	-	-
Research		-	-	-	-	1	1	1
Other (specify)		-	-	-	-	-	-	-
TOTAL		-	-	-	-	1	1	1

The human resources required will be met by staff from the DG who are already assigned to management of the action and/or have been redeployed within the DG, together if necessary with any additional allocation which may be granted to the managing DG under the annual allocation procedure and in the light of budgetary constraints.

Description of tasks to be carried out:

Officials and temporary staff	n/a
External staff	Policy Officer for programme supervision and policy guidance and evaluation/governance administrative tasks and responsibilities for the Commission. To represent European Commission in all decision bodies of the Partnership (Board if Trustees of PRIMA-IS) and ensure compliance with Basic Act and EU policies.

³⁷ The indication of staff needs in the Commission DGs is as well of indicative and non-binding nature.

³⁸ AC= Contract Staff; AL = Local Staff; END = Seconded National Expert; INT = agency staff; JPD= Junior Professionals in Delegations.

³⁹ Sub-ceiling for external staff covered by operational appropriations (former 'BA' lines).

3.2.3. Third-party contributions

The proposal/initiative:

- ☐ does not provide for co-financing by third parties
- ☒ provides for the co-financing by third parties estimated below:

Appropriations in EUR million (to three decimal places)

Years	2021	2022	2023	2024	2025	2026	2027	TOTAL
Participating States					35.000	35.000	35.000	105.000
TOTAL appropriations co-financed					35.000	35.000	35.000	105.000

3.3. Estimated impact on revenue

- ☒ The proposal/initiative has no financial impact on revenue.
- ☐ The proposal/initiative has the following financial impact:
 - ☐ on own resources
 - ☐ on other revenue

please indicate, if the revenue is assigned to expenditure lines ☐

EUR million (to three decimal places)

Budget revenue line:	Impact of the proposal/initiative ⁴⁰						
	2021	2022	2023	2024	2025	2026	2027
Article							

For assigned revenue, specify the budget expenditure line(s) affected.

Other remarks (e.g. method/formula used for calculating the impact on revenue or any other information).

⁴⁰ As regards traditional own resources (customs duties, sugar levies), the amounts indicated must be net amounts, i.e. gross amounts after deduction of 20 % for collection costs.