



Council of the
European Union

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RECH 447
COASI 113

NOTE

Subject: ANNEX to the COUNCIL DECISION authorising the opening of negotiations with New Zealand for an Agreement on the general principles for the participation of New Zealand in Union programmes and on the association of New Zealand to Horizon Europe – the Framework Programme for Research and Innovation (2021-2027)

DIRECTIVES FOR THE NEGOTIATION OF AN AGREEMENT BETWEEN the European Union and New Zealand on the general principles for the participation of New Zealand in Union programmes and on the association of New Zealand to Horizon Europe

1. The agreement should provide for the terms and conditions of the participation of New Zealand to any Union programme. It shall:
 - (a) ensure a fair balance as regards the contributions and benefits of the third country participating in the Union programmes;
 - (b) lay down the conditions of participation in the Union programmes, including the calculation of the financial contributions to the individual programmes and their administrative costs. These contributions shall constitute assigned revenues in accordance with Article 21 (5) of the Financial Regulation¹;
 - (c) not confer to the third country any decision-making power in respect of the Union programmes;
 - (d) guarantee the rights of the Union to ensure sound financial management and to protect its financial interests.

2. The agreement should foresee that possible future associations of New Zealand to other Union programmes should take the form of individual protocols to the agreement. Such protocols should be adopted by a body established under the agreement. The general principles relevant for participation to any Union programme should be set by this agreement.

¹ 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).

3. The protocol on the participation in Horizon Europe should provide for specific terms and conditions of the participation of New Zealand to Pillar II ‘Global Challenges and European Industrial Competitiveness’ of Horizon Europe – the Framework Programme for Research and Innovation (2021-2027), in line with the Regulation (EU) 2021/695 of the European Parliament and of the Council², Council Decision (EU) 2021/764³ and any other rules pertaining to the implementation of the Programme.
4. The agreement should determine the level of financial contribution payable by New Zealand to the general budget of the Union.
5. The agreement should provide for an observer status of New Zealand to the Horizon Europe Programme Committee in function of New Zealand’s scope of association to the Programme (thus only for those configurations of the Programme Committee which are involved in implementation of Pillar II).
6. The protocol on the participation in Horizon Europe should provide for a reciprocity clause ensuring reciprocal participation of legal entities established in the Union in New Zealand’s programme(s) equivalent to Pillar II of Horizon Europe, as far as possible.
 - 6a. The protocol on the participation in Horizon Europe should recall the relevant Horizon Europe provisions related to the protection of the Union’s strategic assets, interests, autonomy or security.
 - 6b. The agreement should promote shared fundamental values and principles, including in international cooperation in research and innovation.

² 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 EU L 170, 12.5.2021, p.1).

³ 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 EU L 167 I, 12.5.2021, p.1).

7. The agreement should set forth rules concerning sound financial management in relation to Union funding. In particular, the agreement should provide for the adequate protection of the financial interest of the Union, including the prevention, detection, correction and investigation of irregularities, including fraud, the recovery of funds lost, wrongly paid or incorrectly used, and, where appropriate, the imposition of administrative penalties and the recovery of money. The European Anti-Fraud Office (OLAF) may carry out administrative investigations, including on-the-spot checks and inspections. The European Public Prosecutor's Office may investigate and prosecute criminal offences against the financial interests of the Union.
 8. The Commission should, during negotiations, assess the possibility to include a clause on provisional application with a retroactive effect.
 9. The agreement should be in conformity with related EU policies and objectives.
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