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NOTE

From: General Secretariat of the Council
To: Delegations

No. prev. doc.: ST 12772/23 + ADD 1 + ADD 2
No. Cion doc.: COM(2023) 527

Subject: ANNEX to the Proposal for a COUNCIL DECISION on the position to be taken on behalf of the European Union in the Specialised Committee on Participation in Union Programmes
- Presidency compromise proposal

Delegations will find Presidency proposal with changes marked as **bold underline** and ~~striketrough~~ as compared to the original Commission proposal set out in documents ST 12772/23 INIT + ADD 1 + ADD 2. No changes are proposed for the ADD 1 + ADD 2 documents.

ANNEX 1

Decision No 1/2023 of the Specialised Committee on Participation in Union Programmes established by Article 8(1)(s) of the Trade and Cooperation Agreement between the European Union and the European Atomic Energy Community, of the one part, and the United Kingdom of Great Britain and Northern Ireland, of the other part,

of ...

adopting Protocols I and II and amending Annex 47 to the Trade and Cooperation Agreement

THE SPECIALISED COMMITTEE ON PARTICIPATION IN UNION PROGRAMMES,

Having regard to the Trade and Cooperation Agreement between the European Union and the European Atomic Energy Community, of the one part, and the United Kingdom of Great Britain and Northern Ireland, of the other part¹ (the ‘Trade and Cooperation Agreement’), and in particular Articles 710(2), 714(11) and 731(3) thereof,

Whereas:

- (1) Pursuant to Article 710(2), and Article 731(3) of the Trade and Cooperation Agreement, the Specialised Committee on Participation in Union Programmes established by Article 8(1)(s) of the Trade and Cooperation Agreement is empowered to adopt Protocol I Programmes and activities in which the United Kingdom participates (‘Protocol I’), and Protocol II on access of the United Kingdom to services established under certain Union programmes and activities in which the United Kingdom does not participate (‘Protocol II’).

¹ OJ L 149, 30.4.2021, p.10.

- (2) Protocols I and II apply from the fourth year of the Union's multiannual financial framework 2021-2027. United Kingdom entities did not participate from the beginning of the programmes and activities identified therein. Due to these circumstances, Protocol I should include specific modalities in the form of an additional mechanism to address the situation in which the amounts of the initial legal commitments (competitive grants) entered into with the United Kingdom or United Kingdom entities in relation to a given budgetary year would be substantially lower than the corresponding operational contribution paid by the United Kingdom for the same year to the Horizon Europe programme, in line with the existing terms and conditions of the Trade and Cooperation Agreement. If such difference in absolute terms exceeds 16% of the corresponding operational contribution for that budgetary year, under the mechanism, the operational contribution to be paid by the United Kingdom for the second budgetary year following that budgetary year should be reduced by the difference between the absolute amount calculated in accordance with the method laid down in Article 716(2) for that budgetary year and the amount which corresponds to 16% of the corresponding operational contribution for the same year. The mechanism should be without prejudice to the performance review set out in Article 721 of the Trade and Cooperation Agreement. For the purpose of avoiding a double adjustment, the amount of any adjustment made under the additional mechanism is to be taken into account in the application of Article 721(3)(b) of the Trade and Cooperation Agreement.
- (3) Pursuant to Article 714(11) of the Trade and Cooperation Agreement, the Specialised Committee on Participation in Union Programmes established by Article 8(1)(s) of the Trade and Cooperation Agreement is empowered to amend Annex 47 to the Trade and Cooperation Agreement.
- (4) The Union programmes' basic acts referred to in the Joint Declaration on participation in Union Programmes and access to programme services referred to in Council Decision (EU) 2020/2252 have now been adopted.

HAS ADOPTED THIS DECISION:

Article 1

Protocols I and II as set out in the Annex to this Decision are hereby adopted.

Article 2

Annex 47 to the Trade and Cooperation Agreement is hereby amended as follows:

a) Paragraphs 4, 6 and 7 are deleted.

b) Paragraph 5 becomes paragraph 4 and shall read as follows:

“The call for funds for a given year shall have the value established by dividing the annual amount calculated in application of Article 714 of this Agreement, including any adjustment under Article 714(8), Article 716 or 717 of this Agreement, by the number of calls for funds for that year pursuant to paragraph 2 of this Annex.”

c) Paragraphs 8 and 9 become paragraphs 5 and 6 respectively.

Article 3

This Decision shall enter into force on the date of its adoption.

It shall apply from 1 January 2024.

Done at ...,

For the Specialised Committee on Participation in Union Programmes

The Co-chairs