

Brussels, 18 June 2021 (OR. en)

9826/21

LIMITE

RECH 304 COMPET 485 CODEC 899

Interinstitutional File: 2021/0049(COD)

NOTE

From:	General Secretariat of the Council
To:	Permanent Representatives Committee
No. prev. doc.:	9667/21
No. Cion doc.:	6439/21
Subject:	Proposal for a DECISION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on the participation of the Union in the European Partnership on Metrology jointly undertaken by several Member States
	- Mandate for negotiations with the European Parliament

I. **INTRODUCTION**

- 1. On 23 February 2021, the European Commission submitted to the European Parliament and to the Council a proposal for a Decision on the participation of the Union in the European Partnership on Metrology jointly undertaken by several Member States, including its impact assessment¹.
- 2. The proposal is part of the package of three proposals on European Institutionalised Partnerships under Horizon Europe, the new framework programme for research and innovation for the period 2021 to 2027. It is the only partnership based on Article 185 TFEU (public-public) in the partnerships' package. Metrology is the scientific study of measurement and a key enabler of economic and social activity. Recognizing it as a public good, and in order to avoid the fragmentation of activities and duplication of effort across Members States, the co-legislators acknowledged the field as one of the priority areas for partnerships.

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- 3. The <u>European Parliament's</u> Committee on Industry, Research and Energy (ITRE) appointed Ms Maria da Graça CARVALHO (EPP, PT) as Rapporteur on the proposal. The ITRE Committee is expected to vote on its amendments to the Commission proposal and adopt the mandate for negotiations on 15 July 2021, with the negotiating mandate being announced at the September plenary.
- 4. The opinion of the European Economic and Social Committee was adopted in plenary session on 9 June 2021².

II. WORK WITHIN THE COUNCIL

- 5. The Research Working Party (RECH WP) started examining the proposal on 1 March 2021 with a presentation from the Commission on the proposal and its corresponding impact assessment.
- 6. An analysis of the impact assessment took place at the RECH WP meeting on 4 March 2021 on the basis of the indicative checklist developed to examine Commission impact assessments in the Council³. Delegations overall welcomed the work carried out in the impact assessment. Their questions and requests for clarification focused mainly on the elements where the proposed partnership differs from its predecessor, the EMPIR partnership. Those concerned the overall budget and the mismatch between the Union contribution and the Participating States contribution, the life cycle of the partnership going beyond the current MFF, as well as the participation of industry, the geographical networks and the reporting mechanisms.
- 7. The examination of the proposal started on 12 April 2021. Overall, there have been seven RECH WP meetings to examine the proposal. Delegations have in general welcomed the Commission's proposal and expressed support for the continuation of the Metrology partnership. Following extensive discussions in the RECH WP, the Presidency has included a number of changes to the text. At its last meeting on 16 June 2021, the RECH WP succeeded to solve all the outstanding issues and to support the Presidency compromise proposal as reflected in the Annex to this Note.

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- 8. On 28 May 2021, the <u>Competitiveness Council (Research part)</u>, Ministers were informed by the Presidency on the progress made on the examination of the proposal.
- 9. The main changes compared to the Commission proposal can be summarised as follows:
 - a) Participation in the Metrology Partnership: The text of Article 1 has been streamlined for better clarity. The Article reflects three different groups of Participating States, with the Member States and EEA countries that have expressed their commitment to participate or continue participating in the European Partnership on Metrology in the first paragraph; other Member States as well as countries associated to Horizon Europe in the second paragraph; and third countries that conclude an international agreement for scientific and technological cooperation with the Union in the third paragraph. The participation of countries not included in the first group of countries is subject to the condition laid down in point (c) of Article 4(1).
 - that the Union financial contribution: In Article 3(1) a change was introduced to indicate that the Union financial contribution to the partnership, which will be up to EUR 300 million, includes the EEA appropriations and matches the contributions from the first group of Participating States set out in Article 1(1). In order to address concerns expressed by many delegations, the text was further developed to clarify that the amount by which the Union contribution may be increased with contributions from third countries that become associated to Horizon Europe, shall be at least matched by the contribution from the new Participating States in the partnership which belong to the second group of countries outlined in Article 1(2).
 - c) <u>Management of financial contributions</u>: There was a clear need to further clarify the role of EURAMET in the management of the financial contributions to the Metrology Partnership, in accordance with Article 10(1) of the Regulation on Horizon Europe, without prejudice to their direct financial contributions to national metrology institutes. The necessary clarifications have been provided in the new recital 14a.

- delegations, the text of the proposal was modified to introduce references to a harmonized approach to determining costs for the purpose of valuing the in-kind contributions. The introduction of a harmonized approach helps to avoid an unjustified administrative burden caused by differences in accounting practices between different Participating States, and even between different metrology institutes within the same country. In Article 5(5) the harmonized approach concept has been introduced, in point (g) of Article 14(3) the Metrology Partnership Committee has been tasked with establishing it, and in Article 16(3) the Secretariat of EURAMET is tasked with supporting the Participating States in its application.
- e) <u>Timeline of the partnership</u>: In order to address concerns expressed by some delegations regarding the life cycle of the partnership (from 1 January 2021 until 31 December 2031, as stated in Article 5(1)) going beyond the current Multiannual Financial Framework, further clarifications were introduced in recitals 12a and 24. Complementing the provision in Article 7(6), according to which the calls for proposals shall be launched by the end of 2027, recital 12a clarifies that the partnership period would last until the end of 2031 in order to allow for grant implementation until the completion of the last indirect actions. Recital 24 further underlines the need for the Metrology Partnership to have a clear life cycle approach, be limited in time and include conditions for phasing-out Horizon Europe funding, in line with the Horizon Europe Regulation.

III. CONCLUSION

- 10. In light of the above, the Permanent Representatives Committee is invited to:
 - endorse the Presidency compromise text as set out in the Annex to this note; and
 - grant a mandate to the Presidency on the basis of that text to start negotiations with the European Parliament with a view to reaching an agreement in first reading.

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2021/0049 (COD)

Proposal for a

DECISION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

on the participation of the Union in the European Partnership on Metrology jointly undertaken by several Member States

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 subparagraph 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 Committee⁴,

Acting in accordance with the ordinary legislative procedure,

Whereas:

(1) In order to achieve the greatest possible impact of Union funding and the most effective contribution to the Union's policy objectives, Regulation (EU) [XXX] of the European Parliament and of the Council⁵ established Horizon Europe, the framework programme for research and innovation, that is, the policy and legal framework for European Partnerships with private and/or public sector partners. European Partnerships are a key element of the policy approach of Horizon Europe. They are set up to deliver on Union priorities targeted by Horizon Europe and ensure clear impact for the Union and its people, which can be achieved more effectively in a partnership, through a strategic vision that is shared and committed to by partners, rather than by the Union alone.

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⁴ OJ C, , p. .

Regulation [XXX] of the European Parliament and of the Council [date] establishing Horizon Europe – the framework programme for research and innovation (OJ C, , p.). [Please insert full reference].

- (2) In particular, European Partnerships in the Horizon Europe pillar 'Global challenges and European industrial competitiveness' are expected to play an important role in achieving the strategic objectives of accelerating the transitions towards sustainable development goals and a green and digital Europe and in contributing to recovery. European Partnerships are key to address complex cross-border challenges that require an integrated approach. They make it possible to address the transformational, systematic and market failures by bringing together a broad range of players across the value chains and industrial ecosystems to work towards a common vision and translating it into concrete roadmaps and a coordinated implementation of activities. Furthermore, they allow concentrating efforts and resources on common priorities to solve the complex challenges ahead.
- (3) To deliver on priorities and impact, European Partnerships should be developed through a broad involvement of relevant stakeholders across Europe, including industry, research organisations, bodies with a public service mission at local, regional, national or international level, and civil society organisations such as foundations that support and/or carry out research and innovation. These European Partnerships should also be one of the measures to strengthen cooperation between private and/or public sector partners at the international level, including by joining up research and innovation programmes and cross-border investment in research and innovation, bringing mutual benefits to people and businesses.
- (4) In line with the objectives of Regulation (EU) XXX, any Member State and any country associated to Horizon Europe should be entitled to participate in the European Partnership on Metrology ('the Metrology Partnership'). In order to ensure complementarity within the European Economic Area and with other neighbouring countries, other third countries should be able to participate in the Metrology Partnership, subject to the conclusion of a relevant international agreement for scientific and technological cooperation with the Union and the agreement of the Participating States.

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⁶ European Commission (2018), Horizon Europe Impact Assessment, SWD(2018) 307

- (5) Horizon Europe introduces a more strategic, coherent and impact-driven approach to European Partnerships, building on the lessons learned from the Horizon 2020 interim evaluation. Horizon Europe Regulation intends to make a more effective use of Institutionalised European Partnerships notably by focusing on clear objectives, outcomes and impact that can be achieved by 2030, and by ensuring a clear contribution to the related Union policy priorities and policies. Close collaboration and synergies with other relevant initiatives at Union, national and regional level, in particular with other European Partnerships, will be key in achieving greater impact and ensuring that the results are used.
- (6) By Decision No 555/2014/EU of the European Parliament and of the Council⁷, the Union decided to make a financial contribution to the European metrology programme for innovation and research ('EMPIR') matching that of the participating states but not exceeding EUR 300 000 000, for the duration of the 2014-2020 framework programme for research and innovation ('Horizon 2020') established by Regulation (EU) No 1291/2013 of the European Parliament and of the Council⁸. In the mid-term evaluation of EMPIR in July 2017, a new initiative was suggested.

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Decision No 555/2014/EU of the European Parliament and of the Council of 15 May 2014 on the participation of the Union in a European Metrology Programme for Innovation and Research (EMPIR) jointly undertaken by several Member States (OJ L 169, 7.6.2014, p. 2).

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 (OJ L 347, 20.12.2013, p. 104).

- (7) The Union's financial contribution should be subject to formal commitments from the Participating States to financially contribute to the implementation of the Metrology Partnership and to the fulfilment of those commitments. Participating States' contributions should include a contribution to administrative costs, subject to a ceiling of 5% of the budget of the Metrology Partnership. Participating States should commit to increase, if necessary, their contribution to the Metrology Partnership by establishing a reserve funding capability to ensure that they are able to fund their national entities, national metrology institutes (NMIs) and designated institutes (DIs) participating in the activities of the Metrology Partnership. The joint implementation of the Metrology Partnership requires an implementation structure. The Union's financial contribution should be managed in accordance with the principle of sound financial management and with the relevant rules on indirect management laid down in Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council⁹.
- (8) The Metrology Partnership should be established. Such a partnership would be more effective compared to traditional calls or a co-funded partnership under the work programmes prepared under all the related clusters of pillar 2 of Horizon Europe.

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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).

- (9) The objective of this Decision is the participation of the Union in the Metrology Partnership in order to support its general objectives. The requirements of metrology are of such a scale and complexity that investments are needed that go beyond the core research budgets of the NMIs and DIs. The excellence required for research and the development of cutting-edge metrology solutions is spread across national borders and hence cannot be attained at national level only. Since the objectives of this Decision cannot be sufficiently achieved by the Member States, but can be better achieved at Union level by integrating national efforts into a consistent European approach, by bringing together compartmentalised national research programmes, by helping design common research and funding strategies across national borders, and by achieving the critical mass of actors and investments required, the Union may adopt measures, in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty on European Union. In accordance with the principle of proportionality as set out in that same Article, this Decision does not go beyond what is necessary in order to achieve that objective.
- (10) The Metrology Partnership, aligned with the political priorities of the Union, including the European Green Deal, an economy that works for people, and a Europe fit for the digital age, should be implemented over a period of ten years (from 2021 to 2031). The programme should include new activities compared to the EMPIR initiative under Horizon 2020, and in particular, the development of European metrology networks, which will respond to pressing societal challenges and metrology needs from emerging technologies. The metrology capacity provided through these networks should be equivalent and comparable to the other world leading metrology systems, demonstrating world class excellence. Calls for proposals under the Metrology Partnership should be launched during the implementation of Horizon Europe.
- (11) The Metrology Partnership's activities should be in line with the objectives and research and innovation priorities of Horizon Europe and with the general principles and conditions laid down in Article XXX of Regulation (EU) [Horizon Europe Regulation].

- (12) A ceiling should be established for the Union's financial participation in the Metrology Partnership for the duration of Horizon Europe. Within the limits of that ceiling, the Union contribution should be up to equal to the contribution of the States participating in the Metrology Partnership in order to achieve a high leverage effect and ensure a stronger integration of Participating States' programmes.
- (12a) The Metrology Partnership should be financed by the Union programmes under the MFF 2021-2027. In accordance with [Article 108(2)(c)] of the Horizon Europe Regulation, the Metrology Partnership should have a clear life cycle approach. In order to adequately protect the financial interests of the Union, the Metrology Partnership should be set up for a period ending 31 December 2031 to allow it to exercise its responsibilities with regard to grant implementation until the last indirect actions launched have been completed.
- (13) In accordance with Article XX of Regulation (EU) [XXX] [Horizon Europe Regulation], the general objective of Horizon Europe is to deliver scientific, economic and societal impact from the Union's investments in research and innovation so as to strengthen the scientific and technological bases of the Union and foster its competitiveness, including in its industry, deliver on the Union strategic priorities, and contribute to tackling global challenges, including the Sustainable Development Goals by following the principles of Agenda 2030 for Sustainable Development and the Paris Agreement under the United Nations Framework Convention on Climate Change.

- (14) The Participating States have agreed upon the implementation structure for the predecessor initiatives the European metrology research programme ('EMRP') and EMPIR. In 2007, EURAMET e.V. ('EURAMET'), the European Regional Metrology Organisation and a non-profit association under German law, was set up to serve as this structure. EURAMET also has tasks and obligations related to the wider European and global harmonisation of metrology. Membership in EURAMET is open to all European NMIs, as members, and to DIs, as associates. Membership in EURAMET is not conditional upon the existence of national metrology research programmes. Given that, according to the mid-term evaluation report of EMPIR, the governance structure of EURAMET has proved to be efficient and of high quality for the implementation of the EMRP and EMPIR, EURAMET should also be used to implement the Metrology Partnership. EURAMET should therefore manage the Union's financial contribution.
- (14a) The financial contributions to the European partnership on Metrology should be managed centrally by EURAMET in accordance with Art. 10(1) of Regulation [HE]. This should be without prejudice to the possibility for the Participating States to provide direct financial contributions to designated national metrology institutes on the basis of a coordinated approach via the Metrology Partnership Committee.
- (15) In order to achieve the objectives of the Metrology Partnership, EURAMET should provide financial support mainly in the form of grants to participants in actions selected at the level of EURAMET. Those actions should be selected following calls for proposals under the responsibility of EURAMET. The ranking list should be binding for the selection of proposals and the allocation of funding from the Union's financial contribution and from the financial contributions from Participating States for the research projects and related activities. For the activities funded by the Participating States' contributions to European metrology networks, the actions funded should also be under the responsibility of EURAMET.

- (16) Participation in indirect actions funded by the Metrology Partnership is subject to Council Regulation (EU) No XXX¹⁰ [RfP Horizon Europe]. However, due to specific operating needs of the Metrology Partnership, in particular to build and manage future European Metrology Networks and to facilitate adequate financial participation of the Participating States, it should be possible to provide for a limitation of the coordinator role in indirect actions, from submission of the proposal to the end of the project, to NMIs and DIs of the Participating States, where strictly necessary.
- (17) Contributions from Participating States should be ensured through institutional funding from the NMIs and DIs. The wide variety of underlying activities should contribute to the objectives of the Metrology Partnership and be laid out in the annual work plans, with links to operational costs and expenditure. Among others, the contributions should cover the costs of services that directly deliver calibrations and other services traceable to the International System of Units. Contributions from Participating States should also include a financial contribution to the administrative costs of the Metrology Partnership.
- (18) In order to ensure transparency and accessibility for the programme, calls for proposals by the Metrology Partnership should also be published on the single portal for participants as well as through other Horizon Europe electronic means of dissemination managed by the Commission.
- (19) The functioning of the funding model with regard to the matching principle between Union and non-Union funds should be reassessed at the time of the interim evaluation of the Metrology Partnership in order to ensure the matching principle for Participating States' financial contributions is being respected.
- (20) The financial interests of the Union should be protected through proportionate measures throughout the expenditure cycle, including the prevention, detection and investigation of irregularities, the recovery of funds lost, wrongly paid or incorrectly used and, where appropriate, administrative and financial penalties.

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Council Regulation (EU) XXX of ...(OJ ...).

- (21) In order to protect the Union's financial interests, the Commission should have the right to reduce, suspend or terminate the Union's financial contribution if the Metrology Partnership is implemented inadequately, partially or late, or if the Participating States do not contribute, or contribute partially or late, to the financing of the Metrology Partnership. Those rights should be provided for in the contribution agreement to be concluded between the Union and EURAMET.
- (22) For the purpose of simplification, administrative burdens should be reduced for all parties. Double audits and disproportionate documentation and reporting should be avoided. When audits are conducted, the specific characteristics of the national programmes should be taken into account, as appropriate. Audits of recipients of Union funds provided in accordance with this Decision should ensure a reduction in the administrative burden, in accordance with Regulation (EU, Euratom) 2018/1046.
- (23) Upon request from the Commission the European Parliament, the Council or the Court of Auditors, EURAMET and the Participating States should submit any information the Commission needs to include in the reports on the evaluation of the Metrology Partnership.
- (24) The Commission should conduct an interim evaluation not later than 2025, assessing in particular the quality and efficiency of the Metrology Partnership, the progress made towards achieving the objectives set and a final evaluation not later than 2030 and should prepare a report on those evaluations. According to Art. 10(2)(c) of Regulation [HE], the Metrology partnership should have a clear life-cycle approach, be limited in time and include conditions for phasing-out Horizon Europe funding. For this purpose, evaluations should assess the relevance and coherence of any possible renewal,

HAVE ADOPTED THIS DECISION:

Article 1

Participation in the European Partnership on Metrology

- 1. The Union shall participate in the European Partnership on Metrology ('the Metrology Partnership'), an institutionalised partnership as referred to in Article 8(1), point (c), of Regulation (EU) [...] [Horizon Europe], jointly undertaken by Austria, Belgium, Bulgaria, Croatia, Czechia, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, [Norway], Spain, the Netherlands, Poland, Portugal, Romania, Slovenia, Slovakia and Sweden (the 'Participating States'), in accordance with the conditions laid down in this Decision.
- 2. Any Member State other than those specified in paragraph 1 and any other country associated to Horizon Europe may participate in the Metrology Partnership, provided it fulfils the condition laid down in Article 4(1), point (c). It shall be regarded as a Participating State for the purposes of this Decision.
- 3. Any third country not associated to Horizon Europe may participate in the Metrology Partnership, provided they conclude an international agreement for scientific and technological cooperation with the Union setting out the terms and conditions of its participation in the Metrology Partnership, provided they obtain the approval by the Metrology Partnership Committee referred to in point (f) of Article 14(3), and provided that they fulfil the conditions laid down in point (c) of Article 4(1). If it fulfils those conditions, it shall be regarded as a Participating State for the purposes of this Decision.

Objectives of the Metrology Partnership

- 1. The Metrology Partnership shall contribute to the implementation of Regulation (EU) ... [XXX][Horizon Europe] and in particular Article 3 thereof.
- 2. Without prejudice to paragraph 1, the Metrology Partnership shall, through the involvement and commitment of partners in designing and implementing a programme of research and innovation activities, pursue the following general objectives:
 - (a) to develop a sustainable coordinated metrology system on a European level;
 - (b) to ensure that state-of-the-art metrology capabilities are taken up directly by innovators in their ecosystems;
 - (c) to increase the impact of metrology on societal challenges in relation to the implementation of policies, standards and regulations to make them fit for purpose.
- 3. When implementing the general objectives set out in paragraph 2, the Metrology Partnership shall pursue the following specific objectives:
 - (a) to develop by 2030 new research capabilities which are built within the framework of new European Metrology Networks and which perform in terms of calibration and measurement capabilities at least equal to the leading metrology institutes outside the Participating States;
 - (b) to support, by 2030, sales of new innovative products and services through the use and adoption of the new metrology capabilities in key emerging technologies;
 - (c) to contribute fully and effectively, by 2030, to the design and implementation of specific standards and regulations that underpin public policies addressing societal challenges.

The Union's financial contribution to the Metrology Partnership

- 1. The Union financial contribution, including EEA appropriations, shall be up to EUR 300 million to match the contributions of the Participating States specified in Article 1(1). The amount of the Union contribution may be increased with contributions from third countries associated to Horizon Europe, in accordance with Article 16(5) of the Horizon Europe Regulation and provided that the total amount by which the Union contribution is increased is at least matched by the contribution of the Participating States specified in Article 1(2).
- 2. For the calculation of the Union financial contribution, any contributions from the Participating States to administrative costs in excess of 5% of the total combined contributions to the Metrology Partnership shall not be taken into account.
- 3. The Union's financial contribution 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 Decision¹¹ on establishing the specific programme implementing Horizon Europe the Framework Programme for Research and Innovation.
- 4. The Union's financial contribution shall be used by EURAMET e.V. ('EURAMET') to fund the activities referred to in Article 6(1), point (a).
- 5. The Union's financial contribution shall not be used to cover the administrative costs of the Metrology Partnership.

Council Decision on establishing the specific programme implementing Horizon Europe – the Framework Programme for Research and Innovation and repealing Decision 2013/743/EU (OJ C [...], [...], p. [...]). [Please insert full reference].

Conditions for the Union's financial contribution

- 1. The Union's financial contribution shall be conditional upon all of the following:
 - (a) the demonstration by the Participating States that the Metrology Partnership is set up in accordance with this Decision;
 - (b) the designation by the Participating States, or national metrology institutes (NMIs) designated by Participating States, of EURAMET as the structure responsible for implementing the Metrology Partnership and for receiving, allocating and monitoring the Union's financial contribution;
 - (c) the commitment by each Participating State to contribute to the financing of the Metrology Partnership and to establish a reserve funding capability of 50% of the amount of the commitment;
 - (d) the demonstration by EURAMET of its capacity to implement the Metrology Partnership, including receiving, allocating and monitoring the Union's financial contribution in the framework of indirect management of the Union budget in accordance with Articles 62 and 154 of Regulation (EU, Euratom) 2018/1046;
 - (e) the establishment of a governance model for the Metrology Partnership in accordance with Articles 13 to 16 of this Decision.
- 2. During the implementation of the Metrology Partnership, the Union's financial contribution shall also be conditional upon the following:
 - (a) the implementation by EURAMET of the Metrology Partnership's activities set out in Article 6 in line with the objectives set out in Article 2;
 - (b) the maintenance of an efficient governance model in accordance with Articles 13 to 16;

- (c) the compliance by EURAMET with the reporting requirements set out in Article 155 of Regulation (EU, Euratom) 2018/1046;
- (d) the fulfilment of the commitments referred to in paragraph 1, point (c), of this Article.

Participating States' contributions to the Metrology Partnership

- 1. The Participating States specified in Article 1(1) shall make contributions or arrange for their national funding bodies to make contributions, whether financial or in kind, of at least EUR 363 million during the period from 1 January 2021 until 31 December 2031. A share of the contributions from the Participating States shall be in the form of financial contributions. The Participating States shall arrange among them their collective contributions and how they will deliver those.
- 2. The Participating States' contributions shall consist of the following:
 - (a) financial or in-kind contributions to the implementing activities referred to in Article 6(1); and
 - (b) financial or in-kind contributions to cover all the administrative costs of EURAMET.
- 3. The financial or in-kind contributions referred to in paragraph 2, point (a), shall cover the costs incurred by the Participating States in implementing the activities referred to in Article 6(1), point (b), less any direct or indirect Union financial contribution to those costs.
- 4. The financial or in-kind contributions referred to in paragraph 2, point (b), shall cover the costs incurred by the Participating States in relation to the administrative costs of EURAMET for the implementation of the Partnership.

- 5. For the purpose of valuing the in-kind contributions referred to in paragraph 2, points (a) and (b), the costs shall be determined in accordance with a harmonized approach, with criteria and processes to be established by the Metrology Partnership Committee in accordance with Article 14. To the extent possible, the reporting of costs shall follow the reporting procedures of Horizon Europe, while taking into account the usual accounting practices of the Participating States or the national funding bodies concerned, the applicable accounting standards of the Participating State where the national funding bodies concerned are established and the applicable International Accounting Standards and International Financial Reporting Standards. The costs shall be certified by an independent auditor appointed by the Participating States or the national funding bodies concerned.
- 6. Contributions referred to in paragraph 2, counting as contributions from Participating States, shall be made after the adoption of the annual work programme. If the annual work programme is adopted during the reference year referred to in Article 7(1), the contributions referred to in paragraph 2, point (b), counting as contributions from Participating States included in the annual work programme, may comprise contributions made as from 1 January of that year. Exceptionally, the contributions referred to in paragraph 2, point (b), made after the date of Metrology Partnership Decision entry into force may count as contributions from Participating States provided that they are included in the Metrology Partnership's first annual work programme.

Activities of EURAMET

- 1. The Metrology Partnership shall support a wide range of research and innovation activities by means of:
 - (a) indirect actions within the meaning of Article 2, point 43 of Regulation (EU) [XXX] [Horizon Europe Regulation] and that in accordance with Article 7 of this Decision are funded by EURAMET mainly in the form of grants following transnational open and competitive calls for proposals organised by EURAMET, and that include:

- (i) scientific-technical actions supporting fundamental scientific metrology laying the basis for all successive steps, including applied metrology research and development and metrology-related services;
- (ii) metrology research to provide solutions for societal challenges focusing on contributions to energy, health and climate and to develop projects in specific European metrology networks addressing these challenges;
- (iii) research to develop novel measurement instrumentation aiming at industrial take-up of metrological technologies to stimulate innovation in industry;
- (iv) pre-normative and co-normative metrology research and development in support of policy implementation, regulations and accelerate faster marketing of market introduction of innovative products and services;
- (b) activities funded by the Participating States without the Union's financial contribution referred to in Article 3 which consist of metrology capacity-building activities on different technological levels whose aim is to achieve a balanced and integrated metrology system in the Participating States enabling them to develop their scientific and technical capabilities in metrology, and which include activities not selected from the calls for proposals described in point (a), and outlined in the annual work programmes, including any of the following:
 - (i) activities under the national programmes of the Participating States such as transnational projects contributing to the priorities laid out in a European metrology network and the EURAMET technical committees.
 - (ii) actions for the dissemination and exploitation of results of metrology research;
 - (iii) actions specifically addressing metrology institutes which have no or limited scientific capabilities, by supporting them in using other Union, national or regional programmes for training and mobility, cross-border cooperation or investment in metrology infrastructure;

- (iv) the organisation of external dissemination and knowledge transfer activities to
 promote the Metrology Partnership and maximise its impact.
- 2. Before identifying the topics of each call for proposals referred to in paragraph 1, point (a), EURAMET shall invite individuals or organisations from the metrology research community and the general metrology value chain to suggest potential research topics.

Annual work programme

- 1. The Metrology Partnership 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').
- 2. The Metrology Partnership Committee 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 the Metrology Partnership Committee and the Commission shall act without undue delay. The Metrology Partnership Committee shall make the annual work programme publicly available.
- 2.a The work programme for 2021 shall cover activities from [day of adoption of the basic act] until 31 December 2021 and shall be adopted by [xxx 2021].
- 3. Activities referred to in Article 6(1), points (a) and (b), may be launched only in the reference year and only after the adoption of the annual work programme for that year.

- 4. Activities may be funded by EURAMET only if they are set out in the annual work programme. The annual work programme shall distinguish between the activities referred to in Article 6(1), point (a), the activities referred to in Article 6(1), point (b), and the administrative costs of EURAMET. The annual work programme shall include their corresponding expenditure estimates and the budget being allocated to activities funded with the Union's financial contribution referred to in Article 3 and to activities funded by the Participating States without such a Union's financial contribution. The annual work programme shall also include the estimated value of the Participating States' in-kind contributions referred to in Article 5(2), point (b).
- 5. 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 Article 6(1), point (b), that could not be adequately funded.
- 6. The 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.
- 7. EURAMET shall monitor and report annually to the Commission on the implementation of all activities included in the annual work programme.
- 8. Any communication or publication relating to the activities of the Metrology Partnership and performed in cooperation with the Metrology Partnership, whether undertaken by EURAMET, a Participating State or its national funding bodies, or participants to an activity, shall be labelled or co-labelled as being co-funded by the Metrology Partnership under Horizon Europe.

Rules for participation and dissemination

- 1. EURAMET shall be considered a funding body within the meaning of Article 2, point 13 of Regulation [(EU) [XXX] [Horizon Europe Regulation] and shall provide financial support to indirect actions referred to in Article 6(1), point (a), of this Decision in accordance with Articles 6(2), of Regulation (EU) [XXX].
- 2. In accordance with the Article 13 (1) of the HE Regulation, where strictly necessary, the annual work programme may provide for a limitation of the coordinator role in indirect actions, from submission of the proposal to the end of the project, to NMIs and DIs of the Participating States in order to ensure that the objectives and Participating States' contribution targets are met.
- 3. EURAMET shall ensure appropriate interactions with NMIs and DIs in the indirect actions referred to in Article 6(1), point (a), according to the designation by the appropriate national authority. EURAMET shall also encourage and support the participation of other entities in all calls.

Article 9

Agreements between the Union and EURAMET

Provided an equivalent level of protection of the financial interest of the Union is ensured, EURAMET shall be entrusted with the implementation of the Union contribution in accordance with Article 62(3) and Article 154 of Regulation (EU, Euratom) 2018/1046.

Termination, reduction or suspension of the Union's financial contribution

- 1. If the Metrology Partnership fails to meet the conditions under which the Union's financial contribution is entrusted, the Commission may terminate, proportionally reduce or suspend the Union's financial contribution referred to in Article 3.
- 2. If the Participating States do not contribute to the financing of the Metrology Partnership, contribute only partially or do not respect the time frames for the contributions referred to in Article 5, the Commission may terminate, proportionally reduce or suspend the Union's financial contribution referred to in Article 3. The Commission's decision shall not hinder the reimbursement of eligible costs already incurred by the Participating States before the decision to terminate, proportionally reduce or suspend the Union's financial contribution is notified to the Metrology Partnership.

Article 11

Ex post audits

- 1. The *ex post* audits of expenditure on indirect actions referred to in Article 6(1), point (a), shall be carried out by EURAMET in accordance with Article 48 of Regulation ...[Horizon Europe](EU) [XXX] [].
- 2. The Commission may decide to carry out the audits referred to in paragraph 1 itself. In such cases, the Commission shall do so in accordance with the applicable rules, in particular Article 48(3) of Regulation (EU) [XXX] [Horizon Europe] and Article 127 of Regulation (EU, Euratom) 2018/1046.

Protection of the financial interests of the Union

- 1. The Commission shall take appropriate measures to ensure that, when actions financed under this Decision 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 dissuasive penalties.
- 2. In implementing the Metrology Partnership, the Participating States shall take the legislative, regulatory, administrative and other measures necessary to protect the financial interests of the Union, in particular, to ensure full recovery of any amounts due to the Union in accordance with Regulation (EU, Euratom) 2018/1046.
- 3. EURAMET shall grant Commission staff and other persons authorised by the Commission, as well as the Court of Auditors, access to its sites and premises and to all the information, including information in electronic format, needed in order to conduct their audits.
- 4. The European Anti-Fraud Office (OLAF) may carry out investigations, including on-the-spot checks and inspections, in accordance with the provisions and procedures laid down in Regulation (EU, Euratom) No 883/2013 of the European Parliament and of the Council¹² and Council Regulation (Euratom, EC) No 2185/96¹³ with a view to establishing whether there has been fraud, corruption or any other illegal activity affecting the financial interests of the Union in connection with an agreement, a decision or a contract funded under this Decision.

Regulation (EU, Euratom) No 883/2013 of the European Parliament and of the Council of 11 September 2013 concerning investigations conducted by the European Anti-Fraud Office (OLAF) and repealing Regulation (EC) No 1073/1999 of the European Parliament and of the Council and Council Regulation (Euratom) No 1074/1999 (OJ L 248, 18.9.2013, p. 1).

Council Regulation (Euratom, EC) No 2185/96 of 11 November 1996 concerning on-the-spot checks and inspections carried out by the Commission in order to protect the European Communities' financial interests against fraud and other irregularities (OJ L 292, 15.11.1996, p. 2).

- 5. The European Public Prosecutor's Office (EPPO) may carry out investigations in accordance with the provisions and procedures laid down in Council Regulation (EU) 2017/1939¹⁴, with a view to investigating criminal offences affecting the financial interests of the Union as set out in Article 4 of that Regulation.
- 6. Without prejudice to paragraphs 3, 4 and 5, agreements, decisions and contracts resulting from the implementation of this Decision shall contain provisions expressly empowering the Commission, EURAMET, the Court of Auditors, the EPPO and OLAF to conduct such audits, on-the-spot checks and investigations in accordance with their respective competences.

Governance of the Metrology Partnership

- 1. The bodies governing the Metrology Partnership shall include at least the following:
 - (a) the Metrology Partnership Committee;
 - (b) the Steering Group.
 - (c) the Secretariat of EURAMET.

Article 14

The Metrology Partnership Committee

- 1. The Metrology Partnership Committee shall manage the Metrology Partnership in order to ensure that the Metrology Partnership as executed meets its objectives.
- 2. The Metrology Partnership Committee shall be composed of one representative and one alternate from each Participating State. The voting weights shall be calculated from the national commitments according to the square root of the commitment.

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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).

- 3. The Metrology Partnership Committee shall, in particular:
 - (a) take decisions on the strategic research and innovation agenda;
 - (b) take decisions on the planning of calls for proposals and the evaluation review procedure;
 - (c) adopt the annual work programme after obtaining the Commission's approval and after consulting the Steering Group referred to in Article 15;
 - (d) take decisions on the selection of the proposals to be funded according to the ranking lists following the evaluations of the call of proposals referred to in Article 6(1) point (a);
 - (e) monitor the progress of the activities of EURAMET as referred to in Article 6;
 - (f) approve the participation in the Metrology Partnership of any third country not associated to Horizon Europe, provided that said third country has concluded an international agreement with the Union, referred to in Article 1(3);
 - (g) by 31 December 2021, establish a harmonized approach with criteria and processes for the purpose of valuing the in-kind contributions referred to in Article 5(2).
- 4. The Commission shall have observer status in the meetings of the Metrology Partnership Committee. However, the adoption of the annual work programme by the Metrology Partnership Committee shall require the Commission's prior consent. The Metrology Partnership Committee shall invite the Commission to its meetings and shall send the Commission all relevant documents. The Commission may take part in the Metrology Partnership Committee's discussions.
- 5. The Metrology Partnership Committee shall elect its Chairperson and Deputy according to the voting weights explained in paragraph 2. The Chairperson of the Metrology Partnership Committee shall represent EURAMET in matters related to the Metrology Partnership.

The Steering Group

- 1. The Commission shall set up a Steering Group. The Steering Group shall be an advisory body of the Metrology Partnership and it shall give advice to the Metrology Partnership on the emerging priorities for metrology research at European level. It shall in particular:
 - (a) identify emerging technologies and markets where metrology research could become relevant in the future;
 - (b) identify research areas contributing to the smooth functioning of the single market, including to relevant regulations and standards;
 - (c) advise the Metrology Partnership on priorities for their future work programmes.
- 2. The Steering Group shall be composed of 12 members:
 - (a) 4 representatives from European standard setters and regulators designated by EURAMET;
 - (b) 5 representatives from different European partnerships set up in accordance with Regulation [(EU) [XXX][Horizon Europe] with private partners representing the industry. The Commission shall designate the representatives in an open and transparent manner;
 - (c) Chairperson of the EURAMET;
 - (d) 1 representative designated by the Commission, and 1 representative of a national ministry who is not a staff member of a national metrology institute represented in EURAMET. The ministry representative should be appointed by the Metrology Partnership Committee.

- 3. At least 50% of the members referred in paragraph 2, points (a) and (b), shall be rotated at the latest after the interim evaluation referred to in Article 18(1).
- 4. The Steering Group shall be jointly chaired by the representatives referred to in paragraph 2, point (d).

The Secretariat of EURAMET

- 1. The Secretariat of EURAMET, providing general administrative support for EURAMET, shall keep separate accounting and bank accounts for the Metrology Partnership.
- 2. A Management support unit shall be established as part of the Secretariat of EURAMET and shall be responsible for the implementation and day-to-day management of the Metrology Partnership.
- 3. The Secretariat shall offer support to the Participating States as regards the application of criteria and processes of the harmonized approach referred to in Article 5(5).

Article 17

Communication of information

- 1. At the request of the Commission, EURAMET shall provide the Commission with any information necessary for preparing the evaluation reports referred to in Article 18.
- 2. The Participating States shall submit to the Commission, through EURAMET, any information requested by the European Parliament, by the Council or by the Court of Auditors concerning the financial management of the Metrology Partnership.
- 3. The Commission shall include the information referred to in paragraph 2 in the evaluations referred to in Article 18.

Evaluation

- 1. The Commission shall conduct an interim evaluation and a final evaluation of the Metrology Partnership in the framework of the Horizon Europe evaluations, as specified in Article 47 of Regulation (EU) [Horizon Europe].
- 2. The evaluations shall examine how the Metrology Partnership 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 and their coherence and/or complementarity with relevant regional, national and Union policies, including synergies with other parts of Horizon Europe (such as missions, clusters or thematic/specific programmes). The evaluations shall take into account the views of stakeholders, at both European and national level and shall, where relevant, also include an assessment of the long-term scientific, societal, economic, technological impacts of the preceding initiatives, as well as an evaluation of external partners' participation. 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 the Metrology Partnership, given the overall policy priorities and the research and innovation support landscape, including the positioning against other initiatives supported through the Horizon Europe framework programme.

Access to results and information on proposals

- EURAMET shall provide the Commission access to all information related to the indirect
 actions it funds. Such information shall include results of beneficiaries participating in
 indirect actions of the Metrology Partnership or any other information deemed necessary for
 developing, implementing, monitoring and evaluating Union policies or programmes. Such
 access rights are limited to a non-commercial and non-competitive use and shall comply with
 applicable confidentiality rules.
- 2. For the purposes of developing, implementing, monitoring and evaluating Union policies or programmes, EURAMET shall provide the Commission with information included in submitted proposals.

Article 20

Confidentiality

Without prejudice to Article 17, EURAMET shall ensure the protection of confidential information whose disclosure beyond Union institutions and other Union bodies, offices or agencies could damage the interests of its members or of participants in the activities of the Metrology Partnership. Such confidential information includes but is not limited to personal, commercial, sensitive non-classified and classified information.

Article 21

Conflict of interest

1. EURAMET, its bodies and staff, and the bodies of the Metrology Partnership, shall avoid any conflict of interest in the implementation of their activities.

 EURAMET shall adopt rules for the prevention, avoidance and management of conflicts of interest in respect of the staff of EURAMET, the members and other persons serving in the Metrology Partnership Committee and in the other bodies or groups of EURAMET and the Metrology Partnership, in accordance with Article 154(4), point (d) of the Regulation (EU, Euratom) 2018/1046.

Article 22

Entry into force

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

Article 23

Addressees

This Decision is addressed to the Member States.

Done at Brussels,

For the European Parliament For the Council

The President The President