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General Secretariat

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### WORKING PAPER

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#### CONTRIBUTION

From:	PT delegation
To:	Delegations
N° prev. doc.:	5812/17
N° Cion doc.:	13296/16
Subject:	PT comments 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

Delegations will find attached the Portuguese comments on document 5812/17

Brussels, 2 February 2017  
(OR. en)

5812/17

**Interinstitutional File:**  
**2016/0325 (COD)**

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**NOTE**

From:	Presidency
To:	Delegations
No. prev. doc.:	5621/17 RECH 16 MED 7 AGRI 39 MIGR 11 CODEC 103
No. Cion doc.:	COM(2016) 662 final
Subject:	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

Delegations will find attached a Presidency text 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 in view of the Research Working Party of 6 February 2017.

Changes to doc. 5621/17 are indicated in **bold underlined** for additions and ~~striketrough~~ for deletions.

General scrutiny reservation: all delegations.

2016/0325 (COD)

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**

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 Committee<sup>1</sup>,

Acting in accordance with the ordinary legislative procedure,

Whereas:

- (1) In its Communication of 3 March 2010 entitled 'Europe 2020 A strategy for smart, sustainable and inclusive growth' the Commission emphasised the need to develop favourable conditions for investment in knowledge and innovation so as to achieve smart, sustainable and inclusive growth in the Union. Both the European Parliament and the Council have endorsed that strategy.

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<sup>1</sup> OJ C ... [ESC opinion]

- (2) Regulation (EU) No 1291/2013 of the European Parliament and of the Council<sup>2</sup> established Horizon 2020 - the Framework Programme for Research and Innovation (2014-2020) ('Horizon 2020'). Horizon 2020 aims at achieving a greater impact on research and innovation by contributing to the strengthening of public-public partnerships, including through Union participation in programmes undertaken by several Member States.
- (3) Public-public partnerships should aim to develop closer synergies, increase coordination and avoid unnecessary duplication with Union, international, national and regional research programmes, and should fully respect the Horizon 2020 general principles, in particular those relating to openness and transparency.
- (4) Regulation (EU) No 1291/2013 has identified 'Climate action, environment, resource efficiency and raw materials' and 'Food security, sustainable agriculture and forestry, marine, maritime and inland water research, and the bioeconomy' as two of the priority societal challenges to be addressed by supporting investment in research and innovation. Moreover, Regulation (EU) No 1291/2013 recognises that research and innovation activities for these challenges should be carried out at the Union level and beyond, given the transnational and global nature of the climate and the environment, their scale and complexity, and the international dimension of the food and agricultural supply chain.
- (5) Regulation (EU) No 1291/2013 acknowledges that international cooperation with third countries is necessary to address effectively common challenges. International cooperation in research and innovation is a key aspect of the Union's global commitments and has an important role to play in the Union's partnership with neighbourhood countries. This cooperation follows the approach taken in the European neighbourhood policy to differentiate the level of cooperation with each country in the neighbourhood based on their commitment towards the Union.

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<sup>2</sup> 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).

- (6) In its Communication of 7 June 2016 on establishing a new Partnership Framework with third countries under the European Agenda on Migration, the Commission emphasised the need to call upon all policies, including research and innovation, to address the root causes of migration through a new cooperation model involving private investors, leveraging limited budget resources, and focusing on SMEs and sustainable infrastructure.
- (7) On 23 December 2014, a group of 19 countries of the Mediterranean Area submitted to the Commission a proposal for a Joint Programme initiative 'Partnership for Research and Innovation in the Mediterranean Area' (PRIMA). Among these countries, 14 countries have agreed to jointly undertake the PRIMA initiative by committing financial contributions: Cyprus, ~~Czech Republic~~, France, Greece, Italy, Luxembourg, Malta, Portugal and Spain, Member States of the Union; Israel and Tunisia, third countries associated to Horizon 2020; Egypt, Lebanon and Morocco, third countries not associated to Horizon 2020.
- (8) PRIMA aims at implementing a joint programme to build research and innovation capacities and to develop knowledge and common innovative solutions ~~for the development and the adoption of innovative and integrated solutions~~ for improving the efficiency, safety, security and sustainability of agro-food production systems and water provision management in the Mediterranean area. PRIMA should contribute to the achievement of the recently-agreed Sustainable Development Goals and to the forthcoming European Sustainable Development Strategy.
- (9) For ensuring participation of the third countries not associated to Horizon 2020 in PRIMA, namely Egypt, Jordan, Lebanon and Morocco, international agreements between the Union and these third countries should be required in order to extend to them the legal regime established by this Decision.
- (10) In line with the objectives of Horizon 2020, any other Member State and third country associated to Horizon 2020 should be entitled to participate in PRIMA if it commits to contribute to the financing of PRIMA and to take the legislative, regulatory and administrative and other measures necessary for protecting the Union's financial interests.

**Comment [LH1]:** Support the idea of moving it to annex/memo for the historical context, or re-write to cope with evolution in membership

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- (11) In order to achieve the objectives of PRIMA, participation of any other third country not associated to Horizon 2020, in particular Southern Mediterranean countries, should be possible if it commits to contribute to the financing of PRIMA and if the PRIMA-IS approves its participation. Its participation should also be provided for by the relevant international agreement between such third country and the Union.
- (12) In order to ensure the joint implementation of PRIMA, an implementation structure should be set up ('PRIMA-IS'). The PRIMA-IS should be the recipient of the Union's financial contribution and it should ensure the efficient implementation of PRIMA.
- (13) The Union's financial contribution should be subject to formal commitments from the Participating States to contribute to the financing of PRIMA and to the fulfilment of those commitments in accordance with the terms of this Decision. Flexibility should be provided to the Participating States to optionally contribute financially to the PRIMA-IS in view of funding indirect actions, thus achieving a high degree of financial integration. Furthermore, Participating States should contribute financially or in kind to activities implemented without Union contribution **and to the administrative budget of the PRIMA-IS not covered by the Union's financial contribution**. The period during which the Participating States have to provide their contribution should be clearly defined.
- (14) A ceiling should be established for the Union contribution in PRIMA with funding from Horizon 2020. Within that ceiling, the Union contribution should be equal to the contribution of the Participating States to PRIMA in order to achieve a high leverage effect and ensure a stronger integration of the Participating States' programmes. It should be possible to use a limited part of the Union contribution to cover administrative costs of the PRIMA-IS.
- (15) In order to avoid a prolonged implementation of PRIMA, a deadline should be fixed for the launch of the last activities, including the last calls for proposals.

(16) PRIMA activities should be in line with the objectives and research and innovation priorities of Horizon 2020 and with the general principles and conditions laid down in Article 26 of Regulation (EU) No 1291/2013. PRIMA should take into account the OECD definitions regarding Technological Readiness Level in the classification of technological research, product development and demonstration activities.

**(16a) PRIMA should support all types of research and innovation activities, including research, development and innovation projects, innovative demonstrators and pilot plants, capacity building, training and researchers' mobility, addressing a wide range of Technology Readiness Levels and ensuring an appropriate balance between small and large projects.**

**(16b) PRIMA should be implemented on the basis ~~on~~ of annual work plans setting out the activities to be undertaken in a given year. The PRIMA-IS should monitor the results of calls for proposals and the extent to which scientific topics, expected impacts and oversubscription in terms of proposals above threshold that could not be funded were adequately addressed. In justified cases PRIMA-IS should undertake corrective actions in amended or subsequent annual work plans.**

(17) In order to achieve the objectives of PRIMA, the PRIMA-IS should provide financial support mainly in the form of grants to participants in actions funded by the PRIMA-IS. Those actions should be selected following open and competitive calls for proposals under the responsibility of the PRIMA-IS.

**(17a) In achieving its objectives, and in line with the applicable rules and principles, such as the principle of scientific excellence, PRIMA-IS should aim at an appropriate share of funding, around 25% of Union contribution, ~~of funding~~ being provided to legal entities established in southern Mediterranean countries ~~in targeted third countries~~ considered as Participating States.**

(18) Calls for proposals managed by the PRIMA-IS should also be published on the single portal for participants; and on the Participants Portal of Horizon 2020, as well as through other Horizon 2020 electronic means of dissemination managed by the Commission.

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(19) The Union's financial contribution should be managed in accordance with the principle of sound financial management and with the rules on indirect management laid down in Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council<sup>3</sup> and Commission Delegated Regulation (EU) No 1268/2012<sup>4</sup>.

(20) 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 PRIMA is implemented inadequately, partially or late, or if the Participating States do not contribute, or contribute partially or late, to the financing of PRIMA.

(21) Participation in indirect actions funded by the PRIMA-IS is subject to Regulation (EU) No 1290/2013 of the European Parliament and of the Council<sup>5</sup>. However, due to the specific operating needs of PRIMA, it is necessary to provide for derogations in accordance with Article 1(3) of that Regulation.

**Comment [LH2]:** Could be open to the include a more explicit reference to the specificities of PRIMA, but not in the agreeemnt with last sentence.

<sup>3</sup> Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union repealing Council Regulation (EC, Euratom) No 1605/2002 (OJ L 298 of 26.10.2012, p. 1).

<sup>4</sup> Commission Delegated Regulation (EU) No 1268/2012 of 29 October 2012 on the rules of application of Regulation (EU, Euratom) No 966/2012 (OJ L 362 of 31.12.2012, p. 1).

<sup>5</sup> Regulation (EU) No 1290/2013 of the European Parliament and of the Council of 11 December 2013 laying down the rules for participation and dissemination in 'Horizon 2020 - the Framework Programme for Research and Innovation (2014-2020)' and repealing Regulation (EC) No 1906/2006 (OJ L 347, 20.12.2013, p. 81).



(22) Derogations from point (b) of Article 9(1) and from Article 9(3) of Regulation (EU) No 1290/2013 are necessary in order to account for the specificities resulting from the geographical scope of PRIMA, by further adjusting the minimum eligibility conditions for participation in indirect actions. In order to adapt to the specificities of PRIMA ensure balanced core participation in indirect actions under a north-south configuration, as a derogation from point (b) of Article 9(1) of Regulation (EU) No 1290/2013, the minimum number of participants should be three legal entities established in three different Participating States, fostering a balanced EU-Med cooperation of entities amongst Member States, countries associated to Horizon 2020 and third countries associated or not to Horizon 2020 of which one is established in a Member State or in a country associated to Horizon 2020, and one is established in a third country, associated or not to Horizon 2020. Derogation from Article 9(3) of Regulation (EU) No 1290/2013 is necessary in order to ensure that the minimum eligibility conditions for participation in indirect actions are not discriminatory for entities established in third countries participating in PRIMA as Participating States. ~~In order to ensure that funding conditions are not discriminatory for entities established in third countries participating in PRIMA as Participating States, it should be provided for that legal entities established in the Participating States are eligible for funding in addition to entities referred to in Article 10(1) of Regulation (EU) No 1290/2013. Derogations from Article 12 of Regulation (EU) No 1290/2013 are necessary in order to allow broadening cooperation through joint calls launched by the PRIMA-IS with legal entities other than third countries and international organisations.~~ Derogations from Article 10(1) and (2) of Regulation (EU) No 1290/2013 are necessary in order to ensure that, as a general rule, only legal entities established in a Participating State or created under Union law or international European interest organisations are eligible for funding. However, the PRIMA-IS should also be able to fund beneficiaries established in a country which is not a Participating State provided that such participation is deemed essential by the PRIMA-IS or if funding is provided for under an international agreement or arrangement. The participation of such entities should be monitored by the PRIMA-IS.

- (23) For the purpose of simplification, administrative burden should be reduced for all parties. Double audits and disproportionate documentation and reporting should be avoided. When audits are conducted, the specificities of the national programmes should be taken into account, as appropriate.
- (24) Audits of recipients of Union funds provided in accordance with this Decision should ensure a reduction of administrative burden, in accordance with Regulation (EU) No 1291/2013.
- (25) The Union's financial interests 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 sanctions in accordance with Regulation (EU, Euratom) No 966/2012.
- (26) The Commission, **taking into account the views of the Participating States as well as the views expressed by a wide range of stakeholders**, should conduct an interim evaluation assessing in particular the quality and efficiency of PRIMA and the progress made towards the objectives set, and a final evaluation, and should prepare reports on those evaluations.
- (27) Upon request from the Commission, the PRIMA-IS and the Participating States should submit any information the Commission needs to include in the reports on the evaluation of PRIMA.

(28) The objective of this Decision is to strengthen the integration and alignment of research and innovation systems and activities in the Mediterranean countries in the fields of water ~~management provision~~ and ~~agro~~-food systems. The scale of the research and innovation necessary to address the challenges in the Mediterranean area is immense due to the systemic character of the major bottlenecks. The scope of research and innovation is complex, multidisciplinary and requires a multi-actor and cross-border approach. A collaborative approach with a wide set of Participating States can help to increase the required scale and scope, by pooling financial and intellectual resources. Since the objective can therefore be better achieved at Union level by integrating national efforts into a consistent Union 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 Article, this Decision does not go beyond what is necessary in order to achieve those objectives.

(29) Therefore, the Union should participate in PRIMA,

HAVE ADOPTED THIS DECISION:

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