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From: The President of the European Economic and Social Committee, Mr Georges Dassis

To: Mr Jeppe TRANHOLM-MIKKELSEN, Secretary-General of the Council of the European Union

Subject: 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

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European Economic and Social Committee

REX/481

Participation of the Union in PRIMA

OPINION

European Economic and Social Committee

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)]

Rapporteur: **Emilio FATOVIC**

Consultation	Commission, 18/10/2016, Council, 09/11/2016, Parliament, 23/11/2016
Legal basis	Article 188 of the Treaty on the Functioning of the European Union
Section responsible	REX
Adopted at plenary	26/01/2017
Plenary session No	522
Outcome of vote (for/against/abstentions)	164/3/1

1. Conclusions and recommendations

- 1.1 In line with a great many previous opinions, the European Economic and Social Committee (EESC) supports the proposal to participate in the PRIMA programme for the purpose of developing common innovative solutions for making water supplies and food production in the Mediterranean safer and more effective, efficient and sustainable in terms of the environment and costs.
- 1.2 The EESC believes that taking part in PRIMA would be of added value for the whole of the EU, as it would make for a comprehensive approach to tackling some of the root causes of the instability in the Mediterranean area that is prompting mass migration. Moreover, the contractual partnership, replacing the bilateral format with a multilateral, shared one, means that PRIMA could prove to be an important model in the coming years.
- 1.3 In the Committee's view, a genuinely holistic, multilevel and cross-sectoral approach, combined with tangible and measurable goals in the areas of sustainability, resilience, quality of life and work, human rights and democracy, are prerequisites for the success of PRIMA.
- 1.4 The EESC agrees with the proposal to base PRIMA participation on Article 185 TFEU in order to secure the fullest possible integration at scientific, management and financial level and, for the first time, to involve Member States and third countries on an equal footing. Incorporating all these aspects into an overarching *Macro-regional strategy in the Mediterranean*, one that embraces all the other policies (European Neighbourhood Policy (ENP)), initiatives and partnerships (Union for the Mediterranean (UfM)) that are already operational in the region, will serve to develop a more efficient approach to common problems with third countries based on *co-development and co-decision-making*.
- 1.5 The EESC concurs with the principle that EU funding for the PRIMA programme should match that of the countries involved and that, in the event of non-payment or late payment by any of the participating states, the Commission should be entitled to reduce the EU's share of the funding proportionally.
- 1.6 The Committee supports setting up PRIMA-IS as the executive body responsible for managing and monitoring the PRIMA programme. The EESC hopes that open governance will be a feature of this body and that it will introduce inclusive entry arrangements, particularly in respect of new third countries or Member States wishing to join. It also hopes that all potentially interested stakeholders (regions, local authorities, universities and organised civil society) will be involved in PRIMA-IS, in order to strengthen governance and help to jointly ascertain and monitor the programme's economic, employment and social impact.
- 1.7 In keeping with the principle of mainstreaming with other EU policies, the EESC would recommend combining PRIMA with the circular economy package and all its related initiatives (e.g. land use and fertilisers).
- 1.8 The Committee reiterates the urgent need for a *Soil Framework Directive* that takes into consideration the differences between the various EU Member States in order to ensure that innovation and research work carried out under PRIMA is as well-targeted as possible.

- 1.9 The EESC highlights the need for the programme to address the issue of water in a comprehensive manner, taking account of the environmental, economic and social perspective and covering the entire water cycle, including artificial stages, in the interests of sustainable development. In this respect, the EU needs to develop a fairer approach to water abstraction, balancing the requirements of competing economic and energy sectors with the need to conserve fresh-water ecosystems and the obligation to uphold a fundamental citizens' right.
- 1.10 The EESC considers the Horizon 2020 programme to be the most appropriate instrument for distributing funds, and also agrees with the decision to classify most of the PRIMA activities as "challenges to society". In the agricultural and food production sector in particular, the Committee would recommend supporting research and innovation projects that have a major social impact and are economically affordable and easily transferable, as well as optimising traditional knowledge as a way of stemming the brain drain and promoting economic growth and employability in line with the Sustainable Development Goals.
- 1.11 In the event of it being impossible to finance one or more projects out of national funds because the national allocation has been used up, the EESC is in favour of funding them with the support of PRIMA-IS. Funding of this kind, which may not exceed 20% of the EU's overall contribution to the PRIMA programme, will ensure that completed projects are of high quality.
- 1.12 The EESC welcomes participation by bodies from EU Member States that have not joined PRIMA where they have competences that the countries that have joined do not. In these circumstances, their financial contribution should not be more than 50% for "research and innovation activities" and should be between 35% and 50% for "innovation activities". This will make it possible to carry out ambitious projects with an EU perspective and support countries intending to join and invest in the PRIMA programme.
- 1.13 In view of the considerable difficulties experienced by many of the present third country Horizon 2020 partners in complying promptly and efficiently with the programme's formal requirements, the Committee would call for these to be simplified wherever possible and for the capacity-building process to be actively supported.

2. Introduction

- 2.1 According to the United Nations, the Mediterranean region is home to 180 million people who are "water poor" – half of the world's total¹. This has extremely damaging consequences for nutrition, health, livelihoods and standards of living and wellbeing.
- 2.2 The FAO's *Mediterra 2016* report shows the phenomenon has been further exacerbated in recent years by political instability, climate change and rapid population growth. These factors are compounded by

¹ UNEP/MAP-Plan Bleu, *State of the Environment and Development in the Mediterranean*, Athens, 2009. The Mediterranean basin has just 3% of the planet's water. According to the United Nations, each individual needs at least 1 700 m³ of water a year to live with dignity. As many as 180 million of the 460 million people inhabiting the Mediterranean basin are considered to be "water poor", since they have less than 1 000 m³ of water per capita per year, while 80 million of these people have no more than 500 m³, which puts them in a situation of extreme water poverty.

a "triple waste" comprising misuse of natural resources, food waste and the gradual disappearance of traditional knowledge².

- 2.3 Water scarcity and lack of affordable and sustainable food production are some of the main causes of the wave of migration that Europe is currently facing. If these are not eradicated at source, the consequences will be impossible to deal with in either the short or long term.
- 2.4 The investments that Member States in the Mediterranean area have made in research and innovation (R&I) in water supply and sustainable food production have never lived up to the challenge and have often been limited to cooperation arrangements governed by bilateral agreements and therefore patchy.
- 2.5 The idea of a Partnership for Research and Innovation in the Mediterranean Area (PRIMA) started with the Euro-Mediterranean Conference on Research and Innovation in Barcelona in 2012. The aim is to strengthen Euro-Mediterranean cooperation in research and innovation as part of the broader objectives of the Union's external policy with regard to the Southern Neighbourhood³.
- 2.6 The European Commission has drafted a detailed impact assessment⁴ and a proposal for participating in the programme⁵ (the subject of the present opinion) following the conclusions of the Competitiveness Council of 5 December 2014 and a formal proposal submitted the same month by the Member States and non-member countries in the Mediterranean basin⁶.

3. Summary of the Commission proposal

- 3.1 Participation in the PRIMA programme has its legal basis in Article 185 TFEU. This enables the EU, in implementing the multiannual framework programme, to make provision for participation in research and development programmes undertaken by a number of Member States, in agreement with those Member States, including participation in the structures created for the execution of those programmes.
- 3.2 The programme is to last ten years and will be launched jointly by fourteen countries:
 - nine EU Member States: Cyprus, France, Greece, Italy, Luxembourg, Malta, Portugal, the Czech Republic and Spain;
 - two third countries associated to Horizon 2020: Israel and Tunisia;
 - three third countries not associated to Horizon 2020: Egypt, Lebanon and Morocco.
- 3.2.1 The participation of non-associated third countries will depend on an international agreement with the EU that extends PRIMA's legal regime.

² CIHEAM/FAO. *Mediterra 2016. Zero Waste in the Mediterranean. Natural Resources, Food and Knowledge*, Paris, Presses de Sciences Po, 2016.

³ COM(2016) 385. Communication from the Commission on establishing a new Partnership Framework with third countries under the European Agenda on Migration.

⁴ SWD(2016) 332 final.

⁵ COM(2016) 662 final.

⁶ Nineteen countries submitted the proposal.

- 3.3 The programme's strategic objective is to develop the common innovative solutions for water provision and food systems that the Mediterranean region urgently needs. These solutions will make access to water and food safer and more effective, efficient and sustainable in terms of the environment and costs.
- 3.4 PRIMA will be incorporated into a broader framework of high-level measures and will complement other non-R&I European initiatives, including:
- scientific diplomacy
 - review of the European Neighbourhood Policy (ENP)
 - Sustainable Development Goals
 - migration
 - European climate diplomacy after COP21.
- 3.5 The PRIMA programme, in line with the *Commission Communication on establishing a new Partnership Framework with third countries under the European Agenda on Migration*⁷, aims to address the root causes of migration by using all available EU policies⁸, under the format of contractual partnerships.
- 3.6 As far as *subsidiarity* is concerned, PRIMA is a joint programme based on and composed of national programmes run and activities carried out by the participating Member States and associated countries, with the support and participation of the EU. The multilateral and multisectoral approach, together with a sizeable investment in terms of resources, should make it possible to attain both the technical and the political medium- and long-term goals that the individual Member States have so far not managed to achieve alone.
- 3.7 In terms of *proportionality*, the Union will participate in PRIMA within the limits of the competence provided under the TFEU and will only facilitate and support, including financially, the fulfilment of PRIMA's objectives by the participating countries. These will have to work together to better coordinate, align and integrate the relevant national programmes or activities and ultimately develop a common long-term strategic research agenda.
- 3.8 The Union will provide financial support by matching national investments, with a maximum commitment of up to EUR 200 million, including the EFTA contribution. This will be secured through the Horizon 2020 framework programme for research and innovation and will cover seven annual work plans over the period 2018-2024.
- 3.9 The ceiling for the EU contribution cannot exceed what the countries promoting the programme themselves allocate. In addition, should the countries participating in PRIMA only pay a partial contribution or none at all, the Commission will be able to proportionally reduce that of the EU.

⁷ COM(2016) 385.

⁸ Education, research, climate change, energy, environment and agriculture.

3.10 The Commission stipulates that implementation of a programme lasting ten years requires the drafting of a comprehensive strategic research agenda and its full implementation through multiple transnational calls for proposals, undertaken by several participating states and carried out through a dedicated executive body. The EU contribution will in the main be managed by the PRIMA Implementation Structure, referred to as PRIMA-IS.

3.11 The Commission stipulates that the annual work plans (AWP) must ensure consistency and coordination for all PRIMA operations and their focus on the achievement of the programme's general and specific objectives. Each AWP, which is subject to approval by the Commission, will include:

- transnational calls for proposals to be funded by the PRIMA-IS with an EU contribution, in accordance with the Horizon 2020 rules;
- activities only funded by the participating states and counting for the matching with the EU contribution.

These activities will be evaluated by a panel of external experts before being included in the AWP.

3.12 The annual PRIMA-IS report will cover both types of operation and will be instrumental in making adjustments and changes, including – where necessary – to the financial commitment following a Commission decision. PRIMA will also be subject to a mid-term evaluation in 2022 and a final evaluation in 2028.

4. General comments

4.1 It should be borne in mind that:

- The EESC has repeatedly pointed out that water⁹ and sustainability in the agricultural and food production chain¹⁰ must be major European policy concerns, both now and in the future.
- The Committee has also warned that the ongoing water and food crisis in the Mediterranean region¹¹, together with war and lack of respect for fundamental human rights, is one of the main causes of the waves of immigration that Europe is currently facing.
- The EESC has frequently stressed the need for closer cooperation with third countries, particularly those involved in the European Neighbourhood Policy (ENP) and the Union for the Mediterranean (UfM), in order to deal with *common challenges*¹² more efficiently on the basis of *co-development*¹³.

⁹ EESC opinion NAT/564, *The European Innovation Partnership on Water*, rapporteur: Le Nouail Marlière, 2012; EESC opinion NAT/644, *Water and sanitation are a human right!*, rapporteur: Le Nouail Marlière, 2014.

¹⁰ EESC opinion NAT/677, *More sustainable food systems*, rapporteur: Maciulevičius, 2016.

¹¹ EESC opinion REX/272, *Agriculture in Euromed*, rapporteur: Narro, 2012.

¹² EESC opinion REX/447, *Towards a new European neighbourhood policy*, rapporteur: Morkis, co-rapporteur: Pîrvulescu, 2015.

¹³ Resolution on the EESC contribution to the European Commission's 2017 work programme, 2016. Point 9.4: "Evaluation of the ENP should be a priority. Relations with countries south and east of the Mediterranean should not focus on a defensive approach based on security aspects or the refugee crisis, but rather become a real co-development policy between equal partners."

- The Committee has repeatedly called for decisive and resolute action to tackle and resolve the root causes of the current political, economic, social and humanitarian crisis in the Mediterranean¹⁴.

The EESC welcomes the PRIMA programme provided it is developed on the basis of a genuinely holistic¹⁵, multilevel¹⁶ and cross-sectoral¹⁷ approach, with prerequisites for success also including achieving tangible, measurable standards of sustainability¹⁸, resilience, quality of life and work, human rights and democracy.

- 4.2 The Committee agrees with the Commission's proposal – which has the backing of national governments, regions, local authorities, universities, organised civil society and all relevant stakeholders¹⁹ – to base the PRIMA programme on Article 185 TFEU so as to secure the fullest possible integration at scientific, management and financial level, with the involvement of Member States and third countries.
- 4.3 In the Committee's view, the PRIMA programme could prove to be an important initiative and excellent model because, by operating as a broader *Macro-regional strategy in the Mediterranean*²⁰, it would supersede the format of bilateral partnership agreements which, combined with lack of funding, have to date prevented a consistent approach to tackling some of the main problems afflicting the Mediterranean region.
- 4.4 The EESC concurs with the principle that EU funding for the PRIMA programme should match that of the countries involved and that, in the event of non-payment or late payment by any of the participating states, the Commission should be entitled to reduce the EU's share of the funding proportionally.
- 4.5 The Committee considers PRIMA-IS to be an indispensable executive body for managing and monitoring PRIMA and the EU funds allocated to it, and therefore expects governance to be open.

¹⁴ EESC opinion REX/452, *EU Action Plan against migrant smuggling*, rapporteur: King, 2015. Point 1.7: "The EESC welcomes the Commission's latest proposal to 'address the external dimension of the refugee crisis' (...). This latest proposal appears to recognise that addressing the root causes of migration is broader than home affairs and security but is linked to other policy fields such as trade, development, foreign policy, integration. This is in line with the principle of policy coherence of the EU international development cooperation."

¹⁵ EESC opinion ECO/332, *A macro-regional strategy in the Mediterranean*, rapporteur: Dimitriadis, 2012. Point 1.4.

¹⁶ EESC opinion ECO/332, *A macro-regional strategy in the Mediterranean*, rapporteur: Dimitriadis, 2012. Point 1.1: "The EESC believes that despite the very fragile (...) situation prevailing in the Mediterranean, the conditions are in place for multilevel dialogue to begin between the Commission, the Member States, the countries involved in Euro-Mediterranean cooperation, local and regional authorities and civil society to establish a Mediterranean macro-regional strategy (divided into two parts) that will meet the needs of the region by strengthening its international competitiveness."

¹⁷ EESC opinion REX/329, *The promotion of renewable energies and the European Neighbourhood Policy: the case of the Euro-Mediterranean region*, rapporteur: Coulon, co-rapporteur: Buffetaut, 2011. Points 1.3, 1.10 and 1.11. EESC opinion REX/459, *External dimension of the EU's energy policy*, rapporteur: Maciulis, 2016. Points 1.1, 1.2.3 and 1.3. EESC opinion NAT/523, *Sustainable exploitation of fishery resources in the Mediterranean Sea*, rapporteur: Le Nouail Marlière, 2011.

¹⁸ EESC opinion REX/438, *The post-2015 objectives in the Euro-Mediterranean region*, rapporteur: Le Nouail Marlière, 2015.

¹⁹ PRIMA Impact Assessment – Stakeholder Event. Malta, 17 April 2016.

²⁰ EESC Opinion ECO/342, *Towards a Strategy to develop cohesion in the Mediterranean*, rapporteur: Mallia, co-rapporteur: Palmieri, 2013.

4.6 The EESC considers the Horizon 2020 programme to be the most appropriate instrument for distributing funds, and also agrees with the decision to classify most of the PRIMA activities as "challenges to society", given their global and transnational nature²¹.

4.6.1 The Committee would point out that to date many Member States already participating in Horizon 2020 report that they are finding it extremely difficult to comply promptly and efficiently with the programme's formal requirements. It therefore requests that the requirements be simplified wherever possible to make it easier to participate and to maximise results.

5. Specific comments

5.1 The Committee notes that not all Mediterranean countries are on board the initiative. In principle, any other Member State or third country should be entitled to participate in PRIMA provided they contribute to the funding. It notes, however, that the General Assembly of PRIMA-IS, comprising representatives of national governments, will be required to approve the entry of new third countries unanimously²². Depending on the political and social conditions prevailing in the applicant third country, the Committee would advise the EU to take a more inclusive stance by avoiding unanimous voting, as this could be tantamount to some states exercising a veto over others. It should be replaced by a qualified majority vote. It also advocates including in the programme's implementing activities a broad range of technology readiness levels (TRL) covering all stages of scientific production.

5.2 The EESC calls for PRIMA to be genuinely cross-cutting in relation to all other EU policies and initiatives, whether up and running or still in the pipeline, so as to maximise its own impact. It draws particular attention to the need to proceed in tandem with the package on the circular economy²³. This will play a crucial role in the sustainable use of water and in sustainable agricultural and food production (e.g. land use and fertilisers²⁴).

5.2.1 The Committee believes that the PRIMA initiative is a reminder of the urgent need for a *Soil Framework Directive*²⁵ that takes account of the differences between the various EU Member States, something that is imperative to ensure that innovation and research work is as well-defined and targeted as possible.

5.3 The EESC advocates a multilevel approach with the active involvement of organised civil society. This could play a key role not just for achieving and disseminating specific objectives, but also more generally for democratisation and bolstering human rights protection in a number of third countries²⁶. It therefore hopes that civil society will be able to participate directly, in the form of a consultative

21 EESC opinion CCMI/142, *JTIs and PPPs/Horizon 2020*, rapporteur: Pezzini, co-rapporteur: Gibellieri, 2016.

22 COM (2016) 662 final. Article 12.2.

23 EESC opinion NAT/676, *Circular Economy Package*, rapporteur: Lohan, 2016.

24 EESC opinion NAT/691, *Circular Economy – fertilisers*, rapporteur: Lohan, 2016.

25 EESC opinion NAT/302, *Thematic strategy for soil protection*, rapporteur: Nilsson, 2007. EESC opinion NAT/691, *Circular Economy – fertilisers*, rapporteur: Lohan, 2016. Points 1.4 and 3.6.

26 EESC opinion REX/341, *Civil societies in the Euromed region*, rapporteur: Dimitriadis, 2011.

committee, including in PRIMA-IS, in order to strengthen governance and help to jointly ascertain and monitor the programme's economic and social impact²⁷.

- 5.4 In the event of it being impossible to finance one or more projects out of national funds through the national funding bodies because the national allocation has been used up, the Committee proposes that these projects be funded with the support of PRIMA-IS. EU funding for this purpose may not exceed 20% of the EU's overall contribution and, should the additional funding be insufficient, the next project on the list will be selected. This will be essential for maintaining the high quality of projects completed.
- 5.5 The EESC welcomes the possibility of bodies from EU Member States that have not joined PRIMA being eligible for funding where they have competences that the countries that have joined do not. In such circumstances, their financial contribution should not be more than 50% of eligible costs for "research and innovation activities" and should be between 35% and 50% for eligible costs for "innovation activities". This will help to maintain a high level among projects carried out with an EU perspective and at the same time support countries intending to join and finance the PRIMA programme.
- 5.6 The EESC reiterates the need to address the issue of water in a comprehensive manner, taking account of the environmental, economic and social perspective and covering the entire water cycle, including artificial stages made possible by new technologies, in the interests of sustainable development. The EU needs to develop a fairer approach to water abstraction, one that meets the requirements of competing economic and energy sectors, the need to conserve fresh-water ecosystems and the obligation to uphold a fundamental citizens' right²⁸.
- 5.7 The EESC notes that one of the main problems in the Mediterranean, particularly on the African side, is the loss of traditional, sustainable agricultural techniques arising from the brain drain (mostly involving young people). It would recommend that studies and research with high added value under Horizon 2020 explore financially accessible and easily transferable processes with a significant social impact, so as to preserve this knowledge and promote economic growth and employment.

Brussels, 26 January 2017

Georges DASSIS

The president of the European Economic and Social Committee

²⁷ EESC opinion ECO/367, *Governance of macro-regional strategies*, rapporteur: Baráth, 2014.

²⁸ EESC opinion NAT/495, *Integration of water policy into other EU policies*, rapporteur: Le Nouail Marlière, 2011. Point 1.13.