



Council of the  
European Union

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REGIO 38  
AGRI 101  
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SAN 115  
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## STATEMENT OF THE COUNCIL'S REASONS

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Subject: Position of the Council at first reading with a view to the adoption of a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL establishing Horizon Europe – the Framework Programme for Research and Innovation, laying down its rules for participation and dissemination, and repealing Regulations (EU) No 1290/2013 and (EU) No 1291/2013

- Statement of the Council's reasons
- Adopted by the Council on 16 March 2021

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## I. INTRODUCTION

1. On 7 June 2018, the European Commission presented, based on Articles 173, 182, 183 and 188 TFEU, its proposal for a Regulation of the European Parliament and the Council establishing Horizon Europe - the Framework Programme for Research and Innovation, laying down its rules for participation and dissemination (2021-2027)<sup>1</sup> - (the ‘Programme’).
2. On 13 June 2018, during the previous legislature, the European Parliament appointed MEP Dan NICA (S&D) as rapporteur on the Framework Programme<sup>2</sup>. The European Economic and Social Committee adopted its opinion on 17 October 2018<sup>3</sup>, whilst the Committee of the Regions provided its opinion at its 8-10 October 2018 Plenary<sup>4</sup>.
3. The Council adopted a Partial General Approach at its meeting (Competitiveness) on 30 November 2018<sup>5</sup>. The European Parliament voted on its report on 12 December 2018<sup>6</sup>. These documents provided the respective mandates to enter into informal negotiations.
4. Towards the end of the previous legislature (2014-19), the European Parliament and the Council held, with the support of the European Commission, six political trilogues (9 January, 29 January, 21 February, 7 March, 14 March and 19 March 2019).

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1 9865/18 + ADD 1-6

2 The European Parliament elected for the term 2019-24 has confirmed that appointment.

3 13758/18

4 13759/18

5 15102/18 + ADD 1; HU could not support this Partial General Approach.

6 P8\_TA(2018)0509

5. Following the political trilogue of 19 March 2019, the co-legislators reached a comprehensive 'Common Understanding', which covered most parts of the legal act<sup>7</sup> with the exception among others of horizontal provisions linked to the negotiations of the 2021-2027 multiannual financial framework (MFF).
6. On 17 April 2019, the European Parliament adopted its position at first reading under the ordinary legislative procedure reflecting the text of the Common Understanding<sup>8</sup>, paving the way for an early second reading agreement between the co-legislators.
7. On 29 November 2019, the Competitiveness Council adopted a Partial General Approach on recitals and on Annex IV on synergies, which did not form part of the Common Understanding<sup>9</sup>.
8. On 4 June 2020, the European Commission presented an amended proposal which would make available funding from the European Union Recovery Instrument (Next Generation EU, NGEU) for Horizon Europe<sup>10</sup>.
9. On 29 September 2020, following the European Council Conclusions of 21 July 2020, the Competitiveness Council adopted a General Approach on the entire legislative package of Horizon Europe<sup>11</sup>, including the provisions on the budget and on NGEU, on international cooperation and association of third countries to the Programme as well as on synergies with other Union programmes.

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<sup>7</sup> 7442/19. The Common Understanding was confirmed by the Permanent Representatives Committee on 27 March 2019.

<sup>8</sup> 8571/19

<sup>9</sup> 14298/1/19 REV1

<sup>10</sup> 8555/20

<sup>11</sup> 11251/20 REV1 + COR1 and 11256/20

10. Further to two additional political trilogues, respectively held on 6 October 2020 and on 10-11 December 2020, the co-legislators reached a provisional political agreement on all open issues. This political agreement was endorsed by the European Parliament's Committee on Industry, Research and Energy (ITRE) on 17 December 2020 and by the Permanent Representatives Committee on 18 December 2020<sup>12</sup>.
11. By means of a letter of 21 January 2021, the Chair of the ITRE Committee informed the Chair of the Permanent Representative Committee that, should the Council transmit formally to the European Parliament its position as agreed, subject to legal-linguistic verification, he would recommend to the Plenary that the Council's position be accepted without amendments at Parliament's second reading.

## II. OBJECTIVE

12. The Programme's general objective is to deliver scientific, technological, 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 the competitiveness of the Union in all Member States including in its industry, to deliver on the Union strategic priorities and to contribute to the realisation of Union objectives and policies, to tackle global challenges, including the Sustainable Development Goals by following the principles of the Agenda 2030 and the Paris Agreement on Climate Change, and to strengthen the European Research Area. The Programme shall thus maximise Union added-value by focusing on objectives and activities that cannot be effectively realised by Member States acting alone, but in cooperation.

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<sup>12</sup> 14239/20

### III. ANALYSIS OF THE COUNCIL'S POSITION AT FIRST READING

#### A. General observations

13. The Council and the European Parliament conducted negotiations with the aim of concluding an early second-reading agreement on the basis of a Council's first-reading position that the Parliament could approve as such. The text of the Council's first-reading position fully reflects the compromise reached between the co-legislators.
14. The Council shares the objectives and the principles outlined in the European Parliament's first-reading position and supports the Programme's structure which will contribute to the achievement of these objectives. The Council can fully align with the European Parliament's first-reading position with regards to rules for participation and dissemination as well as to provisions on implementation, monitoring and reporting.
15. The Council supports the identification of areas for possible research and innovation missions and areas for possible institutionalised European Partnerships in an annex of the Regulation. The Council also welcomes the inclusion of specific provisions dedicated to the European Innovation Council to mainly focus on breakthrough and disruptive innovation, targeting especially market-creating innovation, while also supporting all types of innovation, including incremental.
16. Similarly to the European Parliament, the Council considers that 'Widening participation and strengthening the European Research Area' constitutes a vital part of the Programme. Horizon Europe shall assist widening countries to increase participation in Horizon Europe and to promote broad geographical coverage in collaborative projects. The Council supports the allocation of at least 3.3 % of the overall Horizon Europe's budget to the 'Widening participation and spreading excellence' strand of the 'Widening participation and strengthening the European Research Area' part of the Programme, thereby contributing to reducing the R&I divide, whilst respecting the principle of excellence.

## B. Specific observations

17. At the last trilogue held on 10-11 December 2020, the co-legislators have been able to find a compromise on the following outstanding issues:

- **Budget aspects:** For the 'regular' financial envelope, the provisional agreement follows the distribution as set out in the Council's General Approach reached on 29 September 2020. For the additional 'top-up' stemming from margins under the MFF ceilings and those stemming from competition fines, the co-legislators agreed to define their distribution in the Regulation. For the additional 'top-up' stemming from decommitments, the distribution is envisaged in a joint political statement. Moreover, resources stemming from NGEU are also indicatively distributed in the Regulation.
- **Synergies with other Union Programmes:** the provisional agreement brings most of the synergies-related provisions into a single Article of the Regulation. In particular, the political agreement reflects the possibility that contributions from certain Union Programmes can be considered as a contribution of the participating Member State to European Partnerships.
- **International cooperation and association of third countries:** the compromise text adds provisions concerning financial contributions from associated countries, reflects the possibility to limit the participation of legal entities controlled by non-associated third countries or by legal entities of non-associated third countries and maintains a flexible approach concerning partial association of third countries to Horizon Europe.

#### IV. CONCLUSION

18. The Council's position at first reading on the Regulation of the European Parliament and the Council establishing Horizon Europe - the Framework Programme for Research and Innovation, laying down its rules for participation and dissemination (2021-2027) - respects entirely the compromise reached in the negotiation, facilitated by the European Commission, between the Council and the European Parliament.
19. Accordingly, the Permanent Representatives Committee is invited to suggest that the Council:
  - endorses this Statement of the Council's Reasons on its position at first reading, and
  - transmits that Statement to the European Parliament.
20. After adoption by the European Parliament of its position at second-reading, approving the Council's position without amendments, the Regulation of the European Parliament and the Council establishing Horizon Europe - The Framework Programme for Research and Innovation, laying down its rules for participation and dissemination (2021-2027) - will enter into force on the day following that of its publication in the Official Journal of the EU.

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