II Non-legislative acts

REGULATIONS

* Commission Implementing Regulation (EU) 2021/170 of 9 February 2021 concerning the classification of certain goods in the Combined Nomenclature ................................................................. 1

* Commission Implementing Regulation (EU) 2021/171 of 12 February 2021 amending Implementing Regulation (EU) 2019/626 as regards lists of third countries and regions thereof authorised for the entry of consignments of insects into the Union (¹) .................................................. 4

DECISIONS

* Council Decision (EU) 2021/172 of 11 February 2021 appointing a member and an alternate member, proposed by Romania, of the Committee of the Regions ......................................................... 7


(¹) Text with EEA relevance.

Acts whose titles are printed in light type are those relating to day-to-day management of agricultural matters, and are generally valid for a limited period.
The titles of all other acts are printed in bold type and preceded by an asterisk.
II

(Non-legislative acts)

REGULATIONS

COMMISSION IMPLEMENTING REGULATION (EU) 2021/170

of 9 February 2021

concerning the classification of certain goods in the Combined Nomenclature

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Regulation (EU) No 952/2013 of the European Parliament and of the Council of 9 October 2013 laying down the Union Customs Code (”,) and in particular Article 37(4) and Article 58(2) thereof,

Whereas:

(1) In order to ensure uniform application of the Combined Nomenclature annexed to Council Regulation (EEC) No 2658/87 (”,), it is necessary to adopt measures concerning the classification of the goods referred to in the Annex to this Regulation.

(2) Regulation (EEC) No 2658/87 has laid down the general rules for the interpretation of the Combined Nomenclature. Those rules apply also to any other nomenclature which is wholly or partly based on it or which adds any additional subdivision to it and which is established by specific provisions of the Union, with a view to the application of tariff and other measures relating to trade in goods.

(3) Pursuant to those general rules, the goods described in column (1) of the table set out in the Annex should be classified under the CN code indicated in column (2), by virtue of the reasons set out in column (3) of that table.

(4) It is appropriate to provide that binding tariff information issued in respect of the goods concerned by this Regulation which does not conform to this Regulation may, for a certain period, continue to be invoked by the holder in accordance with Article 34(9) of Regulation (EU) No 952/2013. That period should be set at three months.

(5) The measures provided for in this Regulation are in accordance with the opinion of the Customs Code Committee,

HAS ADOPTED THIS REGULATION:

Article 1

The goods described in column (1) of the table set out in the Annex shall be classified within the Combined Nomenclature under the CN code indicated in column (2) of that table.

Article 2

Binding tariff information which does not conform to this Regulation may continue to be invoked in accordance with Article 34(9) of Regulation (EU) No 952/2013 for a period of three months from the date of entry into force of this Regulation.

Article 3

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

This Regulation shall be binding in its entirety and directly applicable in all Member States.
Done at Brussels, 9 February 2021.

For the Commission,
On behalf of the President,
Gerassimos THOMAS
Director-General
Directorate-General for Taxation and Customs Union
ANNEX

<table>
<thead>
<tr>
<th>Description of the goods</th>
<th>Classification (CN-code)</th>
<th>Reasons</th>
</tr>
</thead>
<tbody>
<tr>
<td>A bottle made of mechanically produced, glass, in the shape of a skull, approximately 9.5 cm high, with a nominal capacity of 180 ml. The bottle has a short neck (approximately 1.5 cm long and with a diameter of the opening of 2 cm) and a non-sealed stopper made of cork, which fits loosely in the opening of the bottle. See image (*)</td>
<td>7013 49 99</td>
<td>Classification is determined by general rules 1 and 6 for the interpretation of the Combined Nomenclature and by the wording of CN codes 7013, 7013 49 and 7013 49 99. Based on its objective characteristics (the specific shape of the article, the cork stopper fits loosely in the bottleneck; non-sealed cork closure), the article is not designed to be commonly used commercially for the conveyance or packing of goods within the meaning of heading 7010. The cork closure is not suitable to ensure that the contents do not leak or spill out during transport. The design of the bottle and the loose fitting stopper make the article similar to a decanter or an oil or vinegar cruet, which are articles of a kind used as table or kitchen glassware and which are excluded from heading 7010 (see also the Harmonized System Explanatory Notes (HSEN) to heading 7010, first paragraph and fifth paragraph exclusion (c), and the HSEN to heading 7013, first paragraph (1)). Consequently, classification under heading 7010 as a bottle of glass, of a kind used for the conveyance or packing of goods is excluded. The article is therefore to be classified under CN code 7013 49 99 as glassware of a kind used for table, kitchen or similar purposes (other than that of heading 7010 or 7018).</td>
</tr>
</tbody>
</table>

(*) The image is purely for information.
COMMISSION IMPLEMENTING REGULATION (EU) 2021/171
of 12 February 2021
amending Implementing Regulation (EU) 2019/626 as regards lists of third countries and regions thereof authorised for the entry of consignments of insects into the Union

(Text with EEA relevance)

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,


Whereas:

(1) Regulation (EU) 2017/625 lays down rules for official controls and other official activities performed by the competent authorities of the Member States in order to verify compliance with Union legislation in the area of, among others, food safety at all stages of the production, processing and distribution process. In particular, it provides that certain animals and goods are only to enter the Union from a third country or region thereof which appears on a list drawn up by the Commission for that purpose.

(2) Commission Delegated Regulation (EU) 2019/625 (2) supplements Regulation (EU) 2017/625. In particular, Article 3 of that Delegated Regulation lays down rules regarding certain animals and goods that are only permitted to enter the Union from third countries or regions thereof included in the list for such animals and goods laid down in Commission Implementing Regulation (EU) 2019/626 (3) (as authorised for the entry into the Union of consignments of certain animals and goods intended for human consumption).

(3) Article 20 of Implementing Regulation (EU) 2019/626 provides that consignments of insects intended for human consumption are only authorised for entry into the Union if such foods have originated in and been consigned from a third country or region thereof, listed in Annex IIIa to that Implementing Regulation. Third countries and regions thereof should only be authorised for the entry of consignments of insects into the Union and duly listed where they provide appropriate evidence and guarantees that they comply with the requirements laid down in Article 127(3) of Regulation (EU) 2017/625 and Article 4 of Delegated Regulation (EU) 2019/625.

(4) On 15 September 2020, Vietnam provided sufficient evidence and guarantees to the Commission to be included in the list of third countries or regions thereof authorised for the entry of consignments of insects into the Union. Vietnam should therefore be included in the list set out in Annex IIIa to Implementing Regulation (EU) 2019/626, and that Annex should be amended accordingly.

The measures provided for in this Regulation are in accordance with the opinion of the Standing Committee on Plants, Animals, Food and Feed,

HAS ADOPTED THIS REGULATION:

**Article 1**

Annex IIIa to Implementing Regulation (EU) 2019/626 is amended in accordance with the Annex to this Regulation.

**Article 2**

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

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, 12 February 2021.

*For the Commission*

*The President*

Ursula VON DER LEYEN
ANNEX

In Annex IIIa to Implementing Regulation (EU) 2019/626, the following entry is added after the entry for Thailand:

| 'VN | Vietnam |
COUNCIL DECISION (EU) 2021/172
of 11 February 2021
appointing a member and an alternate member, proposed by Romania, of the Committee of the Regions

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 305 thereof,

Having regard to the proposal of the Romanian Government,

Whereas:


(2) A member’s seat on the Committee of the Regions has become vacant following the end of the term of office of Mr Alin-Adrian NICA,

(3) An alternate member’s seat will become vacant following the appointment of Mr Gheorghe DĂMIAN as a member of the Committee of the Regions,

HAS ADOPTED THIS DECISION:

Article 1

The following are hereby appointed to the Committee of the Regions for the remainder of the current term of office, which runs until 25 January 2025:

(a) as member:
   — Mr Gheorghe DĂMIAN, Mayor of Ciugud, Alba County;
   and

(b) as alternate member:
   — Ms Cosmina-Ramona PANDELE, Mayor of Berceni commune, Prahova County.

Article 2

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

Done at Brussels, 11 February 2021.

For the Council
The President
A. P. ZACARIAS
COMMISSION IMPLEMENTING DECISION (EU) 2021/173
of 12 February 2021


THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Council Regulation (EC) No 58/2003 of 19 December 2002 laying down the statute for executive agencies to be entrusted with certain tasks in the management of Community programmes (1), and in particular Article 3 thereof,

Whereas:

(1) Pursuant to Article 6 of Regulation (EC) No 58/2003 the Commission can delegate powers to the executive agencies to implement all or part of a Union programme or project, on its behalf and under its responsibility and pursuant to Article 3 of that Regulation, the Commission can decide to create and, where appropriate, wind up an executive agency.

(2) The Communication to the Commission on the Governance in the European Commission (2) provides further details on the position of the executive agencies in the overall governance in the Commission and their relationship with it.

(3) The purpose of entrusting the executive agencies with programme implementation tasks is to enable the Commission to focus on its core activities and functions which cannot be outsourced, without relinquishing control over, and ultimate responsibility for, activities managed by those executive agencies.

(4) The delegation of tasks related to programme implementation to an executive agency requires a clear separation between the programming stage, which involves a large measure of discretion in making choices driven by policy considerations, and which is therefore carried out by the Commission, and programme implementation, which the Commission can entrust to an executive agency.

(5) For the period 2021-2027, the Commission has set a new landscape of Union programmes. Some of the new Union programmes are successors of existing Union programmes, albeit with a different architecture, others have been merged and some others are completely new. The new landscape requires the revision of the distribution of portfolios among executive agencies.

(6) A cost-benefit analysis was carried out by Commission services in accordance with Article 3(1) of Regulation (EC) No 58/2003, taking into account, among other factors, possible savings within the general budgetary framework of the European Union. The results obtained show that both in cost-efficiency and qualitative terms, it is more effective to delegate the programmes to the executive agencies than carry out their implementation in-house. Executive agencies benefit from their specialisation in the implementation of programmes. When they reach sufficient size, they can achieve significant economies of scale. Moreover, thematic consistency in the portfolios can ensure synergies between programmes in similar areas and give visibility to the Union priorities.

(2) C(2020) 4240 final.
(7) Therefore, in establishing new mandates, portfolios should be, as far as possible, grouped by thematic policy area in order to give executive agencies a coherent identity.

(8) In addition, the distribution of portfolios should, to the extent possible, avoid unnecessary transfer between agencies of programmes which are already delegated, group different strands of the same programme in the same agency, group together the programmes of a delegating Directorate-General in a single agency and group programmes related to the same theme within the same agency. Such distribution of portfolios should ensure that each executive agency reaches critical size without increasing the number of executive agencies.

(9) Therefore, the programmes related to climate and environment should be grouped in one agency, the programmes related to the digital policy area should be grouped in one agency, the programmes related to health should be grouped in one agency and the activities of the Consumers, Health, Agriculture and Food Executive Agency should be transferred to Brussels-based agencies with similar thematic or programme activities. As regards Horizon Europe, in order to avoid fragmented implementation and duplication, the portfolio distribution should ensure that each cluster is grouped in one single agency.

(10) The new agencies should replace and succeed the existing agencies established respectively by Commission Implementing Decisions 2013/801/EU (1), 2013/771/EU (2), 2013/778/EU (3), 2013/779/EU (4), 2013/776/EU (5) and 2013/770/EU (6). To achieve an ambitious and integrated approach to health and digital issues, a new European Health and Digital Executive Agency will group all the programmes dedicated to health and digital. Following the detailed examination of costs and benefits, and in light of the Commission communication of 29 April 2020 on the future allocation of programmes among executive agencies (7), the Luxembourg-based Consumers, Health, Agriculture and Food Executive Agency should be wound up and the programmes currently managed by it should be taken over by Brussels-based executive agencies in order to ensure the most efficient implementation of the Union programmes. That take-over takes into account the important level of synergies and efficiencies that can be obtained by grouping similar programmes into the same agency, along with the proven importance of the proximity of the implementing body to the Commission services, which enables more coherent agency portfolios, an efficient size of all agencies, as well as the possibility to develop synergies across agencies, both in programme management and administrative functions. Specific measures for the staff affected by this winding up should be taken.

(11) To ensure a smooth transition of activities between executive agencies and a rapid start of implementation, the European Health and Digital Executive Agency, which will be a newly established agency, should be established in advance of the actual transfer of staff, programmes and assets to it. This should allow for the necessary preparatory work to set-up the European Health and Digital Executive Agency to be done in a timely manner before it takes over implementation activities.

(12) The European Climate, Infrastructure and Environment Executive Agency should be entrusted with a portfolio that gives it a clear focus as a climate and environment agency, that is to say the LIFE programme, the Innovation Fund, infrastructure activities under CEF Transport and CEF Energy, the Horizon Europe cluster 5 related to climate, energy and mobility, the public sector loan facility under the Just Transition Mechanism, and the European Maritime, Fisheries and Aquaculture Fund.


The European Health and Digital Executive Agency should be dedicated to all health related activities, including the new EU4Health programme, the health research strand of Horizon Europe, and the health components of the Single Market Programme. The European Health and Digital Executive Agency should also group the digital programmes to ensure Europe’s introduction into the digital age, including the ones targeting industry and space.

The European Research Executive Agency should group different parts of the Horizon Europe programme together to ensure thematic consistency within the new structure of that programme. The emphasis should remain on research activities, with the addition of the Agricultural Promotion Measures Programme.

The European Innovation Council and SMEs Executive Agency should ensure a clear focus on innovation and the single market. The European Innovation Council and SMEs Executive Agency should create strong synergies to support the recovery of the European economy, by grouping in one agency all the activities of the European Innovation Council (EIC) and the programmes related to small and medium-sized enterprises. The EIC and Interregional Innovation Investments will ensure visibility for innovation, key to supporting the modernisation and sustainability of the EU economy.

As a dedicated implementation structure of the European Research Council, the European Research Council Executive Agency should keep its focus on the implementation of European Research Council actions under Horizon Europe.

The thematic focus of the European Education and Culture Executive Agency should remain on educational and creative activities as well as on projects close to the Union citizens.

In order to create synergies and efficiencies, it should be possible for each agency to implement funding provided from other Union programmes, or parts thereof, together with funding already entrusted to the agency, where such provision of additional funding is envisaged in the respective basic acts of the Union programmes. Likewise, it should be possible for each agency to implement funding transferred from funds under shared management, where it is envisaged in the basic act. The implementation of such funds should be done on the basis of the relevant work programmes and subject to the conditions set out in the instruments of delegation.

Moreover, agencies should be allowed to implement pilot projects and preparatory actions within the meaning of Article 58(2) of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council (10), subject to the conditions set out in the instruments of delegation.

Agencies are encouraged to further facilitate synergies and efficiencies through pooling of resources, reinforced cooperation, extensive use of service-level agreements and to stabilise non-salary related expenditure by reducing costs through implementation of new ways of working, such as teleworking.

It should be possible to pool specific programme implementation tasks for several programmes within specific agencies, who would act as administrative and logistical support services for the programmes concerned.

In order to ensure continuity in each agency’s work until the actual completion of the programme(s) delegated to it, the lifetime of the agencies established by this Decision should exceed that of the multiannual financial framework by one year. Based on the evaluations mentioned in Article 25 of Regulation (EC) No 58/2003, including a cost-benefit analysis comparing the results of the ex-ante cost-benefit analysis carried out in accordance with Article 3(1) of Regulation (EC) No 58/2003 with actual implementation, the Commission may present a proposal to extend the lifetime of one or more agencies by up to three years to allow closing of the programmes delegated.

---

In order to ensure a consistent implementation of this Decision and of the programmes concerned, it is necessary to ensure that the agencies carry out their tasks linked to the implementation of those programmes subject to and from the date on which those programmes enter into force.

As far as the taking over of a programme from one agency to another is concerned, the agency established by this Decision should be subrogated in the rights and obligations of the agency handing over that programme, including as regards the contractual and budgetary implementation of the programme concerned. Staff in charge of the programme concerned should be moved to the agency established by this Decision without any impairment of their rights and obligations.

The evaluation on the operation of each agency referred to in Article 25 of Regulation (EC) No 58/2003 should occur in a coordinated way. The evaluation period for the European Climate, Infrastructure and Environment Executive Agency, the European Health and Digital Executive Agency, the European Research Executive Agency, the European Innovation Council and SMEs Executive Agency, the European Research Council Executive Agency, and the European Education and Culture Executive Agency should start as of the date of application of this Decision. The Consumers, Health, Agriculture and Food Executive Agency, the Innovation and Networks Executive Agency, the Research Executive Agency, the former European Research Council Executive Agency, the Education, Audio-visual and Culture Executive Agency and the Executive Agency for Small and Medium-sized Enterprises should be evaluated in a coordinated way for the remaining period of the 2014-2020 mandates of the executive agencies which is not yet evaluated. The evaluations covering the 2021-2027 mandates should analyse, among other things, the achievement of the savings and productivity increase assumed by the cost-benefit analysis carried out in accordance with Article 3(1) of Regulation (EC) No 58/2003. These evaluations should be submitted to the Steering Committees of the executive agencies, to the European Parliament, to the Council and to the Court of Auditors.

Following the Court of Auditors’ recommendations in its Special Report 14/2014 (11), executive agencies should implement Regulation (EC) No 1221/2009 of the European Parliament and of the Council (12) and apply for registration under the Union eco-management and audit scheme (EMAS). Under the Commission’s Green Deal policy (13), executive agencies are encouraged to join the Commission’s efforts to become climate neutral by 2030.

The measures provided for by this Decision are in accordance with the opinion of the Committee for Executive Agencies set up by Article 24 of Regulation (EC) No 58/2003.

HAS ADOPTED THIS DECISION:

SECTION I

GENERAL PROVISIONS

Article 1

Subject matter

This Decision sets up the executive agencies implementing Union programmes in the 2021-2027 multiannual financial framework (MFF), determines their tasks and portfolios and general operating rules and establishes the legal framework for the transition between the agencies and between the Commission and agencies.

(11) Special Report No 14 / 2014 How do the EU institutions and bodies calculate, reduce and offset their greenhouse gas emissions?, European Court of Auditors.


(13) Communication COM(2019)640 from the European Commission to the European Parliament, the European Council, the Council, the European Economic and Social Committee and the Committee of the Regions.
Article 2

Definitions

For the purposes of this Decision, the following definitions apply:

(a) ‘general administrative and logistical support services’ means support services related to the implementation of several programmes, which are centralised in one or more executive agencies;

(b) ‘legacy’ means residual activities resulting from commitments from the implementation of Union programmes under the 2014-2020 MFF and earlier MFF periods.

SECTION II

ESTABLISHMENT, TASKS AND PORTFOLIOS

Article 3

Establishment and term

1. The following agencies are established from 1 April 2021 until 31 December 2028:

(a) the European Climate, Infrastructure and Environment Executive Agency;

(b) the European Research Executive Agency;

(c) the European Innovation Council and SMEs Executive Agency;

(d) the European Education and Culture Executive Agency;

(e) the European Research Council Executive Agency.

2. The European Health and Digital Executive Agency is established from 16 February 2021 until 31 December 2028.

Article 4

Location

The agencies shall be located in Brussels.

Article 5

Tasks

The agencies shall be responsible for the following tasks related to the implementation of the parts of the Union programmes and activities delegated to them:

(a) managing some or all stages of programme implementation and some or all phases in the lifetime of specific projects, on the basis of the work programmes adopted by the Commission;

(b) managing pilot projects and preparatory actions within the meaning of Article 58(2) of Regulation (EU, Euratom) 2018/1046, if applicable;

(c) providing general administrative and logistical support services, if applicable;

(d) adopting the instruments of budget execution for revenue and expenditure and carrying out all the operations necessary for the management of the programmes and activities;

(e) providing information regarding the programme implementation to support the Commission in its policy making tasks;
implementing funding where entrusted to them:

— from other Union programmes, or parts thereof, where the act establishing a programme which implementation is already entrusted to that agency, provides for the possibility of adding funding to that programme, or parts thereof, on the basis of the relevant work programme or programmes and under the conditions set out in the instrument of delegation,

— transferred from funds under shared management where the act establishing the programme which implementation is already entrusted to that agency, provides for such transfer to that programme, or parts thereof, on the basis of the relevant work programme or programmes and under the conditions set out in the instrument of delegation.

Article 6

Delegated 2021-2027 MFF Union programmes

1. The European Climate, Infrastructure and Environment Executive Agency shall be entrusted with the implementation of the following (parts of) Union programmes:

(a) Innovation Fund (*);
(b) Connecting Europe Facility: Transport (including military mobility and the Cohesion Fund contribution) and Energy;
(c) Horizon Europe: Pillar II, cluster 5: Climate, energy and mobility;
(d) LIFE: Nature and biodiversity; Circular economy and quality of life; Climate change mitigation and adaptation; Clean energy transition;
(e) Renewable Energy Financing Mechanism (**);
(f) Public sector loan facility, under the Just Transition Mechanism;
(g) European Maritime, Fisheries and Aquaculture Fund (direct management) and compulsory contributions to Regional Fisheries Management Organisations (RFMOs) and other international organisations.

2. The European Health and Digital Executive Agency shall be entrusted with the implementation of the following (parts of) Union programmes:

(a) EU4Health programme;
(b) Horizon Europe: Pillar II, Cluster 1: Health;
(c) Single Market Programme: Food safety: health for humans, animals and plants along the food chain and better training for safer food;
(d) Digital Europe Programme;
(e) Connecting Europe Facility: Digital;
(f) Horizon Europe: Pillar II, Cluster 4: Digital, industry and space.

3. The European Research Executive Agency shall be entrusted with the implementation of the following (parts of) Union programmes:

(a) Horizon Europe: Pillar I: Marie Skłodowska-Curie Actions (MSCA) and Research Infrastructures;
(b) Horizon Europe: Pillar II, Cluster 2: Culture, Creativity and Inclusive Society; Cluster 3: Civil Security for Society; and Cluster 6: Food, Bio-economy, Natural Resources, Agriculture and Environment;
(c) Horizon Europe: Part ‘Widening participation and strengthening the European Research Area’: ‘Spreading excellence and widening participation’; ‘Reforming and enhancing the European R&I System’;

(d) Information provision and promotion measures concerning agricultural products (*)
(e) Research Programme of the Research Fund for Coal and Steel (').

4. Moreover, the European Research Executive Agency shall be responsible for general administrative and logistical support services, in particular:
   (a) Central Validation Service (SEDIA);
   (b) call planning for all programmes and services participating in eGrants;
   (c) expert management.

5. The European Innovation Council and SMEs Executive Agency shall be entrusted with the implementation of the following (parts of) Union programmes:
   (a) Horizon Europe, pillar III: the European Innovation Council (EIC) and European Innovation Ecosystems;
   (b) Interregional Innovation Investments;
   (c) Single Market Programme: COSME; Internal market; support to standardisation; and Consumers.

6. The European Education and Culture Executive Agency shall be entrusted with the implementation of the following (parts of) Union programmes:
   (a) Creative Europe;
   (b) Erasmus;
   (c) European Solidarity Corps;
   (d) Citizens, Equality, Rights and Values;
   (e) Neighbourhood, development and international cooperation instrument (NDICI);
   (f) Instrument for pre-accession assistance (IPA III).

7. The European Research Council Executive Agency shall be entrusted with the implementation of the following part of Horizon Europe: Horizon Europe, pillar I: the European Research Council (ERC).

8. Paragraphs (1) to (7) shall apply subject to and as from the date of the entry into force of each of these programmes.

Article 7

Legacy

1. The European Climate, Infrastructure and Environment Executive Agency shall be entrusted with the implementation of the legacy of the following (parts of) Union programmes:
   (a) Connecting Europe Facility: Energy and Transport (including the Cohesion Fund contribution) (\(\star\)), which under the 2014-2020 MFF was implemented by the executive agency established by Commission Implementing Decision 2013/801/EU (the Innovation and Networks Executive Agency)\(\star\).

(b) Horizon 2020: Part III: Societal challenge 3: Secure, clean and efficient energy (\textsuperscript{(19)}), which under the 2014-2020 MFF was implemented by the Innovation and Networks Executive Agency, the executive agency established by Commission Implementing Decision 2013/771/EU (‘the Executive Agency for Small and Medium-sized Enterprises’) and by the Commission;

(c) Horizon 2020: Part III: Societal challenge 4: Smart, green and integrated transport, which under the 2014-2020 MFF was implemented by the Innovation and Networks Executive Agency and by the Commission;

(d) Horizon 2020: Part III: Societal challenge 5: Climate action, Environment, resource efficiency and raw materials, which under the 2014-2020 MFF was implemented by the Executive Agency for Small and Medium-sized Enterprises and by the Commission;

(e) LIFE: Climate Action and Environment (\textsuperscript{(20)}), which under the 2014-2020 MFF was implemented by the Executive Agency for Small and Medium-sized Enterprises;

(f) European Maritime and Fisheries Fund (\textsuperscript{(21)}), which under the 2014-2020 MFF was implemented by the Executive Agency for Small and Medium-sized Enterprises.

2. The European Health and Digital Executive Agency shall be entrusted with the implementation of the legacy of the following (parts of) Union programmes:

(a) Horizon 2020: Part III: Societal Challenge 1: Health, demographic change and well-being, which under the 2014-2020 MFF was implemented by the Commission;

(b) Connecting Europe Facility: Telecom (\textsuperscript{(22)}), which under 2014-2020 MFF was implemented by the Innovation and Networks Executive Agency and by the Commission;

(c) Horizon 2020: Part II: specific objective ‘Leadership in enabling and industrial technologies (LEIT)’ - ICT, NMBP, space (\textsuperscript{(23)}), which under the 2014-2020 MFF was implemented by the Executive Agency for Small and Medium-sized Enterprises, the executive agency established by Commission Implementing Decision 2013/778/EU (‘the Research Executive Agency’) and by the Commission;

(d) Horizon 2020: Part III: Societal challenge 5: Climate action, Environment, resource efficiency and raw materials, which under the 2014-2020 MFF was implemented by the Executive Agency for Small and Medium-sized Enterprises and by the Commission;


(e) FP7: The theme ‘space’ of the specific programme cooperation of the Seventh Framework Programme (\(^{24}\)), which under the 2014-2020 MFF was implemented by the Research Executive Agency;

(f) the Common financial framework in the area of food and feed safety including Better training for safer food (\(^{25}\)), which under the 2014-2020 MFF was implemented by the executive agency established by Commission Implementing Decision 2013/770/EU (\(^{26}\)) (the Consumers, Health, Agriculture and Food Executive Agency);

(g) the third Programme for the Union's action in the field of health (2014-2020) (\(^{27}\)), which under the 2014-2020 MFF was implemented by the Consumers, Health, Agriculture and Food Executive Agency and by the Commission.

3. The European Research Executive Agency shall be entrusted with the implementation of the legacy of the following (parts of) Union programmes:

(a) Horizon 2020: Part I: Marie Skłodowska-Curie Actions and Research Infrastructures (\(^{28}\)), which under the 2014-2020 MFF was implemented by the Research Executive Agency and by the Commission;

(b) Horizon 2020: Part III: Societal Challenge 2: Food security, sustainable agriculture and forestry, marine, maritime and inland water research and the bio-economy; Societal Challenge 5: Climate action, Environment, resource efficiency and raw materials; Societal Challenge 6: Europe in a changing world-Inclusive, innovative and reflective societies; Societal Challenge 7: Secure Societies-Protecting freedom and security of Europe and its citizens, which under the 2014-2020 MFF were implemented by the Research Executive Agency and the Executive Agency for Small and Medium-sized Enterprises and by the Commission;

(c) Horizon 2020: Part IV: Spreading excellence and widening participation, which under the 2014-2020 MFF was implemented by the Research Executive Agency and by the Commission;

(d) Horizon 2020: Part V: Science with and for society, which under the 2014-2020 MFF was implemented by the Research Executive Agency and by the Commission;

(e) FP7: actions ‘Research for SMEs’ and ‘research for SME associations of the Specific Programme Capacities’ (\(^{29}\)), which under the 2014-2020 MFF were implemented by the Research Executive Agency;


4. The European Innovation Council and SMEs Executive Agency shall be entrusted with the implementation of the legacy of the following (parts of) Union programmes:

(a) Horizon 2020: Part I: Future and emerging technologies FET-Open and FET-Pro-Active (including when labelled as EIC pilot) (\(^{34}\)), which under the 2014-2020 MFF was implemented by the Research Executive Agency and by the Commission;

(b) Horizon 2020: Part II: Access to Risk Finance (including EIC inducement Prizes) and Innovation in SME’s, which under the 2014-2020 MFF was implemented by the Executive Agency for Small and Medium-sized Enterprises and by the Commission;

(c) Horizon 2020: Part II and III: Fast Track to Innovation (FTI), which under the 2014-2020 MFF was implemented by the Executive Agency for Small and Medium-sized Enterprises and by the Commission;

(d) Horizon 2020: Part II and III: SME instrument, which under the 2014-2020 MFF was implemented by the Executive Agency for Small and Medium-sized Enterprises and by the Commission;

(e) other EIC related prizes, such as iCapital (H2020 SC 6 WP) and Women Innovators’ Prize (H2020 SWAFs WP), which under the 2014-2020 MFF were implemented by the Commission;

(f) any other activities covered since 2018 under the EIC pilot part of Horizon 2020 WP on Innovative SMEs, which under the 2014-2020 MFF were implemented by the Research Executive Agency and the Executive Agency for Small and Medium-sized Enterprises and by the Commission;

(g) COSME and the Competitiveness and Innovation Framework Programme (CIP) (\(^{35}\)), which under the 2014-2020 MFF was implemented by the Executive Agency for Small and Medium-sized Enterprises;

(h) Internal Market and support to Standardisation activities (\(^{36}\)), which under the 2014-2020 MFF were implemented by the Commission;

---


5. The European Education and Culture Executive Agency shall be entrusted with the implementation of the legacy of the following (parts of) Union programmes:

(a) Creative Europe (**), which under the 2014-2020 MFF was implemented by the executive agency established by Commission Implementing Decision 2013/776/EU (‘the Education, Audio-visual and Culture Executive Agency’);

(b) Erasmus+ (**), which under the 2014-2020 MFF was implemented by the Education, Audio-visual and Culture Executive Agency;

(c) European Solidarity Corps (**), which under the 2014-2020 MFF was implemented by the Education, Audio-visual and Culture Executive Agency;

(d) Europe for Citizens (**), which under the 2014-2020 MFF was implemented by the Education, Audio-visual and Culture Executive Agency;

(e) EU Aid Volunteers (**), which under the 2014-2020 MFF was implemented by the Education, Audio-visual and Culture Executive Agency and by the Commission;

(f) the Instrument for Pre-accession Assistance (IPA II) (**), from which the contribution to Erasmus+ under the 2014-2020 MFF was implemented by the Education, Audio-visual and Culture Executive Agency and by the Commission;

(g) the European Neighbourhood Instrument (**), from which the contribution to Erasmus+ under the 2014-2020 MFF was implemented by the Education, Audio-visual and Culture Executive Agency and by the Commission;

(h) the Instrument for Development Cooperation (**), from which the contribution to Erasmus+ under the 2014-2020 MFF was implemented by the Education, Audio-visual and Culture Executive Agency and by the Commission;

(i) the Partnership Instrument for cooperation with third countries (**), from which the contribution to Erasmus+ under the 2014-2020 MFF was implemented by the Education, Audio-visual and Culture Executive Agency and by the Commission;

(j) the 10th and 11th European Development Funds (**), from which the contribution to Erasmus+ under the 2014-2020 MFF was implemented by the Education, Audio-visual and Culture Executive Agency;

---


(k) the following programmes which were previously entrusted to the Education, Audio-visual and Culture Executive Agency in the period 2000-2013:

(i) the programme of cooperation with the United States of America in the field of higher education and vocational education and training (2006-2013) (48);

(ii) the agreement between the European Community and the Government of Canada establishing a cooperation framework in the fields of higher education, training and youth (2006-2013) (49);

(iii) the action programme in the field of lifelong learning (2007-2013) (50);

(iv) the ‘Culture’ programme (2007-2013) (51);

(v) the ‘Europe for Citizens’ programme to promote active European citizenship (2007-2013) (52);

(vi) the ‘Youth in Action’ programme (2007-2013) (53);

(vii) the support programme for the European audiovisual sector (MEDIA 2007) (2007-2013) (54);

(viii) the Erasmus Mundus (II) action programme 2009-2013 for the enhancement of quality in higher education and the promotion of intercultural understanding through cooperation with third countries (55);

(ix) the audiovisual cooperation programme with professionals from third countries (MEDIA Mundus) (2011-2013) (56);

(x) projects in the field of higher education eligible for funding under the provisions on aid for economic cooperation with the developing countries in Asia (57);

(xi) projects in the fields of higher education and youth eligible for funding under the provisions of the Instrument for Pre-Accession Assistance (IPA) (58);


(57) Council Regulation (EEC) No 443/92 setting up projects in the field of higher education eligible for funding under the provisions on aid for economic cooperation with the developing countries in Asia (OJ L 52, 27.2.1992, p. 1).

(xii) projects in the field of primary, secondary and higher education and youth eligible for funding under the provisions of the European Neighbourhood and Partnership Instrument (59);

(xiii) projects in the field of higher education eligible for funding under the provisions of the financing instrument for development cooperation (60);

(xiv) projects in the field of higher education and youth eligible for funding under the provisions of the financing instrument for cooperation with industrialised and other high-income countries and territories (61).

6. The European Research Council Executive Agency shall be entrusted with the implementation of the legacy of the following (parts of) Union programmes:

(a) Horizon 2020: Part I: strengthening frontier research through the activities of the European Research Council (62), which under the 2014-2020 MFF was implemented by the executive agency established by Commission Implementing Decision 2013/779/EU (‘the former European Research Council Executive Agency’);

(b) FP7: specific programme ‘Ideas’ (63), which under the 2014-2020 MFF was implemented by the former European Research Council Executive Agency.

SECTION III
OPERATING RULES

Article 8
Steering Committee members and Director

1. The members of the Steering Committee of each agency shall be appointed for two years in principle.

2. The Director of each agency shall be appointed for four years in principle.

Article 9
Secondments of officials

1. Officials shall be seconded to an agency after filling the mirror post in the Commission following either the publication of related posts and selection, or the reassignment in the interests of the service referred to in Article 7(1) of the Staff Regulations of Officials of the European Union (the ‘Staff Regulations’) and the Conditions of Employment of Other Servants of the European Union (CEOS) (64).


2. Where the agency accepts the secondment, the official shall be offered the possibility to be seconded in the interests of the service to the post of responsibility concerned in the agency in accordance with Articles 37, point (a), and 38 of the Staff Regulations \(^{(65)}\). The official shall be heard pursuant to Article 38, point (a), of the Staff Regulations.

3. The official shall be offered a contract under Article 2a of the CEOS.

4. Subject to the limits of posts available in the establishment plan of the agency, the agency shall offer the contract to the seconded official at the same grade, step and seniority within the grade and step as the official has in the Commission. Such contract shall be amended to reflect any change in the career of the official in the Commission.

**Article 10**

**Temporary and contract staff**

The agency shall directly engage temporary staff under Article 2f of the CEOS and contract staff under Article 3a of the CEOS.

**Article 11**

**Supervision and reporting requirements**

The agencies shall be subject to supervision by the Commission and shall report regularly on progress in implementing the Union programmes, or parts thereof, for which they are responsible in accordance with the arrangements and at the intervals laid down in the Decisions delegating powers to the agencies established by this Decision and adopted in accordance with Article 6(3) of Regulation (EC) No 58/2003.

**Article 12**

**Evaluations**

1. The Consumers, Health, Agriculture and Food Executive Agency, the Innovation and Networks Executive Agency, the Research Executive Agency, the former European Research Council Executive Agency, the Education, Audio-visual and Culture Executive Agency and the Executive Agency for Small and Medium-sized Enterprises shall be evaluated in a coordinated way pursuant to Article 25 of Regulation (EC) No 58/2003. Those evaluations shall cover the remaining period of the 2014-2020 mandate of the executive agencies which is not yet evaluated. The evaluated period shall end on the day prior to the date of application of this Decision.

2. The evaluations referred to in Article 25 of Regulation (EC) No 58/2003 for the agencies established by Decision shall start as of the date of application of this Decision. The agencies shall be evaluated in a coordinated way.

3. In accordance with Article 25(1) of Regulation (EC) No 58/2003, the evaluations covering the 2021-2027 mandates of the agencies shall be submitted to the Steering Committees of the executive agencies, to the European Parliament, to the Council and to the Court of Auditors.

**Article 13**

**Participation in the Commission’s EMAS system**

1. The agencies shall implement and register under the Eco-Management and Audit Scheme (EMAS). They may opt to participate in the EMAS corporate registration of the Commission, where they are hosted in buildings which are managed by the Commission.

2. Registration of agencies to the Commission’s EMAS system shall be subject to a written engagement between the President of the Commission’s EMAS Steering Committee, referred to in Commission Decision C(2013)7708 (66), and the agencies, and subject to approval by the EMAS Competent Body in Belgium.

Article 14

Implementation of the operating budget

The agencies shall implement their respective operating budget in accordance with Commission Regulation (EC) No 1653/2004 (67).

SECTION IV

TRANSITIONAL PROVISIONS

Article 15

General succession

1. Without prejudice to Articles 16 to 20, the agencies established by this Decision shall be the legal and universal successors, in particular in respect of all contracts and grant agreements liabilities, and acquired property, of the respective agencies they succeed and replace by virtue of this Decision.

2. For the purposes of paragraph 1:
   (a) the European Climate, Infrastructure and Environment Executive Agency shall succeed and replace the Innovation and Networks Executive Agency;
   (b) the European Innovation Council and SMEs Executive Agency shall succeed and replace the Executive Agency for Small and Medium-sized Enterprises;
   (c) the European Research Executive Agency shall succeed and replace the Research Executive Agency;
   (d) the European Education and Culture Executive Agency shall succeed and replace the Education, Audio-visual and Culture Executive Agency;
   (e) the European Research Council Executive Agency shall succeed and replace the former European Research Council Executive Agency.

Article 16

Transfer of legacy activities between agencies and between Commission and agencies

1. Where legacy activities are transferred between agencies or from the Commission to an agency pursuant to Article 7, all files and legal commitments shall be automatically taken over, by virtue of this Decision, by the agency established by this Decision. That agency shall be subrogated in all the respective rights and obligations.

2. Where Union programmes are delegated by the Commission to an agency established by this Decision pursuant to Article 7, the Commission shall maintain the following rights:
   (a) to approve the certificate on methodology;
   (b) to perform checks, reviews or audits;
   (c) to carry out interim and final evaluations of the impact of the action measured against the objectives of the programmes;

(66) Commission Decision of 18.11.2013 on the application by the Commission services of the Community eco-management and audit scheme (EMAS).
(d) to make available information on the results to other Union institutions, bodies, offices or agencies as well as Member States or associated countries;

(e) to use beneficiaries’ materials, documents or information according to the provisions of the grant agreement;

(f) to offset in accordance with Article 102(1) of the Financial Regulation;

(g) to adopt an enforceable decision for the agency’s claims, under Article 299 of the Treaty.

Article 17

Transfer of officials seconded between agencies

1. Where an agency succeeds and replaces a former one pursuant to Article 15, the officials of the Commission who have been seconded in the interests of the service to the agency which ceased to exist, shall continue to be seconded in the interests of the service to the corresponding post of responsibility in the agency taking over their tasks, in accordance with Article 38 of the Staff Regulations.

2. In case of transfer of legacy activities between agencies pursuant to Article 16, officials seconded to the agency which ceased to exist, and whose tasks are taken over by an agency established by this Decision, shall be seconded in the interests of the service to the corresponding post of responsibility in the agency established by this Decision in accordance with Articles 37, point (a), and Article 38 of the Staff Regulations. The official shall be heard pursuant to Article 38, point (a), of the Staff Regulation.

3. The agency established by this Decision shall accept the secondment without any publication and selection procedure.

4. The official concerned shall be offered a contract under Article 2a of the CEOS.

5. Subject to the limits of posts available in the establishment plan of the agency established by this Decision, that agency shall offer the contract referred to in paragraph 4 at the same grade, step and seniority within the grade and step as that which the official has in the Commission. Such contract shall be amended where necessary to reflect any change in the career of the official in the Commission.

6. By derogation from paragraphs 1 and 2, in exceptional circumstances, where the transfer of tasks pursuant to Articles 15 and 16 would result in the secondment of two or more officials on the same corresponding post of responsibility in the agency established by this Decision, the Commission, upon a proposal of the parent Directorate-General, or where there are more parent Directorates-General, the lead parent Directorate-General of that agency, shall decide which official referred to in paragraphs 1 and 2 is to be seconded to that agency. The Commission may terminate the secondment of other officials concerned.

7. The Director of the Consumers, Health, Agriculture and Food Executive Agency shall be reinstated to the Commission.

Article 18

Transfer of temporary staff under Article 2f of the CEOS and contract staff under Article 3a of the CEOS between agencies

1. Where an agency succeeds and replaces a former one pursuant to Article 15, the contracts of temporary staff under Article 2f of the CEOS and the contracts of contract staff under Article 3a of the CEOS shall continue to subsist at the agency established by this Decision without any changes.

2. Where there is a transfer of legacy activities between agencies and between the Commission and agencies pursuant to Article 16, temporary staff under Article 2f of the CEOS and contract staff under Article 3a of the CEOS, employed by the agency which ceased to exist and having been identified as performing tasks related to the implementation of programmes that are taken over by the agency established by this Decision to which their tasks are assigned, shall be transferred to that agency.
3. The staff referred to in paragraph 2 shall be transferred to the agency established by this Decision without any modification of their contracts. The change of agency shall not be considered as a new entry into service and the continuity of career shall be ensured in all respects.

4. The staff referred to in paragraph 2 shall be asked to decide, within a period of 15 working days from the formal notification of the transfer, whether they want to be transferred to the agency established by this Decision to continue performing tasks related to the implementation of the programme taken over by that agency. Where a member of the staff concerned expresses his or her refusal in writing within that period, the contract of that member of staff, shall be terminated by the Agency under the conditions referred to in Article 47 of the CEOS.

5. With respect to the Consumers, Health, Agriculture and Food Executive Agency staff, the period referred to in paragraph 4 shall be two months.

Article 19

Transfer between agencies of support staff which is not attached to a specific programme

1. Article 17(2) to (6) and Article 18(2) to (5) shall apply to the support staff of the Consumers, Health, Agriculture and Food Executive Agency which is not attached to a specific programme. They shall be transferred to the European Health and Digital Executive Agency, the European Innovation Council and SMEs Executive Agency or the European Research Executive Agency on the basis of their choice and subject to the number of posts assigned to those agencies.

2. Subject to the number of posts assigned to the European Health and Digital Executive Agency, Article 17(2) to (6) and Article 18(2) to (4) shall apply to staff of the Executive Agency for Small and Medium-sized Enterprises and the former Research Executive Agency identified as performing supporting tasks concerning programmes taken over by the European Health and Digital Executive Agency.

3. Subject to the number of posts assigned to the European Climate, Infrastructure and Environment Executive Agency, Article 17(2) to (6) and Article 18(2) to (4) shall apply to staff of the Executive Agency for Small and Medium-sized Enterprises identified as performing supporting tasks concerning programmes taken over by the European Climate, Infrastructure and Environment Executive Agency.

Article 20

Transfer of seconded officials, contract staff and temporary staff from Commission to agencies

1. In case of transfer of legacy activities from the Commission to an agency pursuant to Article 16, officials of the Commission whose tasks are transferred to the agency established by this Decision may be offered by the Commission the possibility to be seconded in the interests of the service, within their respective type of post, to the post of responsibility in that agency in accordance with Article 38 of the Staff Regulations.

2. For the purposes of paragraph 1 of this Article, paragraphs 3 to 5 of Article 17 shall apply.

3. In case of transfer of legacy activities from the Commission to an agency pursuant to Article 16, the agency established by this Decision shall offer to Commission contract staff the possibility, without publication and selection procedure, of concluding a new contract under Article 3a of the CEOS in the same function group to ensure the continuity of tasks where:

(a) their tasks are transferred from the Commission to the agency established by this Decision by virtue of this Decision;

(b) they have fulfilled the complete selection procedure of contract staff organised by or under the responsibility of the European Personnel Selection Office.
4. The conditions of employment of staff referred to in paragraph 3 shall be determined in accordance with the appropriate rules applied by the agency established by this Decision. The acceptance of a new contract pursuant to paragraph 3 shall terminate the contract with the Commission and shall trigger the start of a new probationary period.

5. Where a member of the staff referred to in paragraph 3 refuses the contract in the agency established by this Decision, the Commission may terminate his or her contract in accordance with Article 47 of the CEOS.

6. In case of transfer of legacy activities from the Commission to an agency pursuant to Article 16, the European Innovation Council and SMEs Executive Agency shall offer temporary staff engaged by the Commission pursuant to the Decision of the College of 10 April 2019 (68), as programme managers under the enhanced European Innovation Council pilot, the possibility, without publication and selection procedure, of concluding contracts under Article 2f of the CEOS in the same function group and grade to ensure the continuity of tasks where, subject to the provisions of second subparagraph of Article 53 of the CEOS:

(a) their tasks are transferred from the Commission to the European Innovation Council and SMEs Executive Agency;

(b) the posts concerned can be covered by the budget of the European Innovation Council and SMEs Executive Agency.

7. The conditions of employment of the temporary staff referred to in paragraph 6 shall be determined in accordance with the appropriate rules applied by the European Innovation Council and SMEs Executive Agency. The acceptance of a new contract pursuant to paragraph 6 shall terminate the contract with the Commission and shall trigger the start of a new probationary period.

8. Where a member of the staff referred to in paragraph 6 refuses the contract in the agency established by this Decision, the Commission may terminate his or her contract in accordance with Article 47 of the CEOS.

Article 21

Winding-up of the Consumers, Health, Agriculture and Food Executive Agency and transitional measures

1. The Consumers, Health, Agriculture and Food Executive Agency shall cease to exist as of 1 April 2021 and thereafter it shall be wound up in accordance with Article 3(2) of Regulation (EC) No 58/2003 and paragraphs (2) to (5) of this Article.

2. The Consumers, Health, Agriculture and Food Executive Agency staff shall be transferred in accordance with Article 17(2) to (7) and Article 18(2) to (5) and Article 19. That staff shall be entitled to telework full-time at their place of residence from 1 April 2021 to 30 September 2021. Staff who refuse to move to the agency established by this Decision and continue performing their tasks taken over by that agency to serve the period of notice referred to in Article 47 CEOS, shall be entitled to telework full time at their place of residence from 1 April 2021 until the end of the period of notice.

3. Notwithstanding Article 19(1), the European Health and Digital Executive Agency shall take over from the Consumers, Health, Agriculture and Food Executive Agency any support activities not attached to a specific programme.

4. The European Health and Digital Executive Agency, the European Innovation Council and SMEs Executive Agency and the European Research Executive Agency shall take over all assets and liabilities linked to the activities taken over from the Consumers, Health, Agriculture and Food Executive Agency and all assets and liabilities linked to the support activities referred to in paragraph 3.

---

(68) Administrative and budgetary decisions taken at the 2291st meeting of 10 April 2019.
5. The two liquidators appointed by the Commission in accordance with Article 3(2) of Regulation (EC) No 58/2003 shall verify and confirm that all activities of the Consumers, Health, Agriculture and Food Executive Agency are either terminated or taken over, and that all remaining assets and liabilities have been taken over by the European Health and Digital Executive Agency, the European Innovation Council and SMEs Executive Agency and the European Research Executive Agency. The liquidators shall establish any net result of the Consumers, Health, Agriculture and Food Executive Agency after liquidation. They shall then acknowledge its winding up.

Article 22

Transitional period for the European Health and Digital Executive Agency

1. The Commission shall manage the European Health and Digital Executive Agency until the agency has the operational capacity to implement its own budget.

2. For the purpose of paragraph 1, the Director-General of the Directorate-General for Health and Food Safety shall act as interim Director and exercise all the duties assigned to the Director.

Article 23

Date of the mobility of staff

1. Staff referred to in Articles 17 to 21 shall be transferred to the corresponding agency with effect from 1 April 2021.

2. For the purposes of serving the period of notice referred to in Article 47 CEOS, contract and temporary staff referred to in Articles 18, 19 and 21, who refuse to move to the corresponding agency established by this Decision, shall be transferred to that agency and continue performing their tasks until the end of the period of notice.

SECTION V

FINAL PROVISIONS

Article 24

Repeal


2. References to the repealed Decisions shall be construed as references to this Decision.

Article 25

Entry into force

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

It shall apply from 1 April 2021. However, Articles 3(2) and 22 shall apply from 16 February 2021.
Done at Brussels, 12 February 2021.

For the Commission
The President
Ursula VON DER LEYEN
DECISION (EU) 2021/174 OF THE EUROPEAN CENTRAL BANK
of 10 February 2021

amending Decision (EU) 2020/440 on a temporary pandemic emergency purchase programme
(ECB/2021/6)

THE GOVERNING COUNCIL OF THE EUROPEAN CENTRAL BANK,

Having regard to the Treaty on the Functioning of the European Union, and in particular the first indent of Article 127(2) thereof,

Having regard to the Statute of the European System of Central Banks and of the European Central Bank, and in particular to the second subparagraph of Article 12.1 in conjunction with the first indent of Article 3.1, and Article 18.1 thereof,

Whereas:

(1) Taking into account the exceptional economic and financial circumstances associated with the spread of coronavirus disease 2019 (COVID-19), the Governing Council established a new temporary pandemic emergency purchase programme (PEPP) under Decision (EU) 2020/440 of the European Central Bank (ECB/2020/17) (1). The PEPP includes all the asset categories eligible under the European Central Bank’s expanded asset purchase programme (APP), which comprises the secondary markets public sector asset purchase programme, the third covered bond purchase programme, the asset-backed securities purchase programme, and the corporate sector purchase programme.

(2) On 10 December 2020, the Governing Council decided, in line with its mandate to ensure price stability, to revise certain of the PEPP’s design features with a view to preserving favourable financing conditions over the pandemic period, thereby underpinning the economic recovery and helping to offset the downward impact of the pandemic on the projected path of inflation. Specifically, the Governing Council decided to increase the overall separate envelope for the PEPP by EUR 500 billion to a total of EUR 1 850 billion and to extend the horizon of net purchases under the PEPP until at least the end of March 2022. In any case, the Governing Council will conduct net purchases until it judges that the coronavirus crisis phase is over.

(3) Purchases under the PEPP will continue to be conducted flexibly according to market conditions and with a view to preventing a tightening of financing conditions that is inconsistent with counteracting the downward impact of the pandemic on the projected path of inflation. In addition, the flexibility of purchases over time, across asset classes and among jurisdictions will continue to support the smooth transmission of monetary policy. If favourable financing conditions can be maintained with asset purchase flows that do not exhaust the envelope over the net purchase horizon of the PEPP, the envelope need not be used in full. Equally, the envelope can be recalibrated, if required, to maintain favourable financing conditions to help counter the negative pandemic shock to the path of inflation.

(4) The extension of PEPP purchases over a longer horizon reflects the prolonged fallout from the pandemic for the economy and inflation. It allows for a continuous market presence and more durable support from the ECB’s monetary stimulus, taking also into account the expected timeline for the roll-out of vaccines and the updated staff macroeconomic projections. Preserving favourable financing conditions over the pandemic period will help to reduce uncertainty and bolster confidence, thereby encouraging consumer spending and business investment, and, ultimately, underpinning the economic recovery and helping to offset the downward impact of the pandemic on the projected path of inflation.

(5) Lastly, to avoid the risk of an unwarranted tightening of financing conditions at a time when the recovery from the pandemic shock is likely to remain incomplete, the Governing Council decided that the principal payments from maturing securities purchased under the PEPP will be reinvested in full until at least the end of 2023 and, furthermore, maintained its view that, in any case, the future roll-off of the PEPP portfolio will be managed in such a way as to avoid interference with the appropriate monetary policy stance.

The Governing Council considers the full range of measures adopted on 10 December 2020 necessary and proportionate to counter the serious risks to price stability, the monetary policy transmission mechanism and the economic outlook in the euro area, which are posed by the continued severe pandemic conditions. The Governing Council remains of the view that the PEPP, in combination with all other monetary policy measures, is a suitable tool to preserve favourable financing conditions over the pandemic period. Furthermore, a recalibration of the PEPP, on the basis of an additional purchase envelope that remains flexible in its usage, is more efficient than alternative monetary policy instruments to maintain the required monetary accommodation in the current pandemic environment characterised by high uncertainty. Finally, considering the previous assessment that, on balance, the benefits of PEPP purchases outweigh the potential costs, the Governing Council judges that the positive impact of additional asset purchases in the context of the PEPP, in combination with the full range of monetary policy measures adopted on 10 December 2020, on achieving the European Central Bank’s price stability mandate, clearly outweighs any potential negative effects on other economic policy areas. The Governing Council continues to stand ready to adjust all of its instruments, as appropriate, to ensure that inflation moves towards its aim in a sustained manner, in line with its commitment to symmetry.

Therefore, Decision (EU) 2020/440 of the European Central Bank (ECB/2020/17) should be amended accordingly.

HAS ADOPTED THIS DECISION:

Article 1

Amendments

Decision (EU) 2020/440 of the European Central Bank (ECB/2020/17) is amended as follows:

(1) in Article 1, paragraph 1 is replaced by the following:

‘1. The Eurosystem hereby establishes the temporary pandemic emergency purchase programme ("PEPP") as a separate purchase programme. The overall envelope of the PEPP is EUR 1 850 billion. The maturing principal payments from securities purchased under the PEPP shall be reinvested by purchasing eligible marketable debt securities until at least the end of 2023. In any case, the future roll-off of the PEPP portfolio shall be managed in such a way as to avoid interference with the appropriate monetary policy stance.’;

(2) in Article 5, paragraph 3 is replaced by the following:

‘3. The Governing Council delegates to the Executive Board the power to set the appropriate pace and composition of PEPP monthly purchases within the total overall envelope of EUR 1 850 billion. In particular, the purchase allocation may be adjusted under the PEPP to allow for fluctuations in the distribution of purchase flows, over time, across asset classes and among jurisdictions.’.

Article 2

Final provision

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

Done at Frankfurt am Main, 10 February 2021.

The President of the ECB
Christine LAGARDE