



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 9.7.2007
COM(2007) 393 final

2007/0135 (CNS)

Proposal for a

COUNCIL DECISION

**on the multiannual technical guidelines for the research programme of the Research
Fund for Coal and Steel**

(presented by the Commission)

EXPLANATORY MEMORANDUM

INTRODUCTION

The Protocol, annexed to the Treaty establishing the European Community (EC) on the financial consequences of the expiry of the European Coal and Steel Community (ECSC) Treaty and on the Research Fund for Coal and Steel, transferred all the assets of the ECSC to the EC and assigned research in the sectors relating to the coal and steel industry to the EC. The revenue from these assets is to be used exclusively for research in these sectors carried out outside the framework programme.

Council Decision 2003/78/EC of 1 February 2003 laying down medium-term technical guidelines for the Research Programme of the Research Fund for Coal and Steel¹ sets out the procedures for implementing that research programme.

The programme provides financial assistance for allowable projects, accompanying measures and other actions as defined in point 1.5 of the Annex to Council Decision 2003/78/EC of 1 February 2003 laying down guidelines for the Fund, by promoting cooperation between undertakings, research centres and universities. The programme covers production processes, the utilisation and conservation of resources, environmental improvements and safety at work in sectors related to the coal and steel industry.

The budget for the Research Programme of the Research Fund for Coal and Steel averaged out at 57 million euros a year over the period 2003-2006. 27.2% of this budget is earmarked for coal research and 72.8% for steel research. The budget comes from the interest generated by the capital (approximately 1.6 billion euros) remaining following the expiry of the European Coal and Steel Community Treaty in 2002. The financial and technical management of this Research Programme was assigned to a Unit set up for this purpose within the Directorate-General for Research in 2003. After three years of operation, the management of the Fund is efficient and its performance can be compared with that of other DG Research activities. In 2006 the time between the submission of a research proposal and the signature of the corresponding contract was reduced to 9 months. Payments were made within 10 days, on average.

The aim of the proposal for a Decision annexed hereto is to review Council Decision 2003/78/EC of 1 February 2003 laying down multiannual technical guidelines for the Research Programme of the Research Fund for Coal and Steel (RFCS) after a period of five years of operation of the Decision, as provided for in Article 2 thereof.

This review also takes into account the Commission's commitment to re-examine the definition of steel, in accordance with Statement No 4 of the Decision 2002/234/ECSC of the Representatives of the Governments of the Member States meeting within the Council of 27 February 2002.²

¹ OJ L 29, 5.2.2003, p. 28.

² OJ L 79, 22.3.2002, p. 60.

The review proposals have been discussed with the Coal and Steel Advisory Groups and with the Coal and Steel Programme Committee. They also take into account the conclusions of the monitoring report by independent experts who were recently asked to carry out a critical analysis of the operation of the programme, as provided for in point 4 of the Annex to Council Decision 2003/78/CE, as well as the comments on this report from the Coal and Steel Advisory Groups. In line with the usual practice for the Research Framework Programme as regards communicating the findings of programme monitoring exercises to third parties, this report and comments on it from the Coal and Steel Advisory Groups have been published on the Cordis website at: <http://www.cordis.lu/coal-steel-rtd/home.html>.

The general approach is to maintain the established procedures which have proved to be effective while making a limited number of necessary adjustments and administrative simplifications.

THE REVISED DECISION

The Research Programme for the Research Fund for Coal and Steel has been restructured and redrafted in order to apply the rules set out in the Joint Practical Guide of the European Parliament, the Council and the Commission for persons involved in the drafting of legislation within the Community Institutions. To make it easier to examine the texts, the main grounds for maintaining or amending the content of the 2003 Decision are given below.

1. THE ENLARGEMENT OF THE EUROPEAN UNION

The enlargement of the EU to include new Member States means that the rules governing membership of the Coal and Steel Advisory Committees need to be adjusted. The proposal is to leave unchanged the maximum number of experts on these Advisory Committees, as laid down in Decision 2003/78/CE, primarily so as not to increase the cost of meetings and make them more unwieldy. The principle of having at least one representative per Member State concerned should therefore be abandoned and replaced by the concept of ensuring the widest possible geographical representation. In addition, the Treaty on the accession of Estonia (OJ L 236 of 23 September 2003, p. 589), necessitates the inclusion of oil shales in the definition of "coal" (Article 3 of the new Decision and Appendix A to the old technical guidelines).

2. ENTRY INTO FORCE OF THE SEVENTH FRAMEWORK PROGRAMME

The Decision of the European Parliament and of the Council concerning the Seventh Framework Programme of the European Community for research, technological development and demonstration activities (2007-2013) and the Regulation of the European Parliament and of the Council laying down the rules for the participation of undertakings, research centres and universities in actions under the Seventh Framework Programme of the European Community and for the dissemination of research results (2007 to 2013) influence the revision of the multiannual guidelines for the Research Programme of the Research Fund for Coal and Steel, since the Research Programme of the Research Fund for Coal and Steel is designed to complement the actions undertaken in the Member States under existing Community Programmes such as the Framework Programme. This complementarity applies at different levels, e.g. research topics, the type of instrument involved in the programmes, and their budgets, etc.

Firstly, the Commission examined the need to revise the definition of "steel" in accordance with its Statement accompanying Decision 2002/234/ECSC. In light of the research topics likely to receive funding under the Seventh Framework Programme, it came to the conclusion that this definition did not need to be changed (Article 3(2), formerly Appendix A, Paragraph 2 of the multiannual technical guidelines for the Research Programme for the RFCS).

In addition, some of the accompanying measures for the Fund (organisation of conferences and research fellowships) have been deleted since they are already covered by the Seventh Framework Programme (Specific Programme "People").

Furthermore, it is proposed that the role of the Member States in the Coal and Steel Programme Committee should be aligned to their role as defined for the Specific Programmes under the Seventh Framework Programme.

The same applies to the frequency of monitoring of the RFCS Programme, which it is proposed should be increased from 5 to 7 years.

Lastly, it is proposed that the procedures for the appointment of experts laid down in Article 17 of Regulation No 1906/2006 of the European Parliament and of the Council laying down the rules for the participation of undertakings, research centres and universities in actions under the Seventh Framework Programme³ should be followed *mutatis mutandis*.

3. EUROPEAN ENERGY AND SUSTAINABLE DEVELOPMENT POLICIES

The discussions held by the Heads of State at Hampton Court, the March 2007 European Summit, the adoption by the Commission of the Energy Green Paper in the first half of 2006 and the Commission's January 2007 communication on energy clearly indicate the following policy priorities for the Member States: the security of Europe's energy supplies, the competitiveness of European industry, and controlling the environmental impact of the various European policies.

Consequently, it is proposed that the research objectives for coal and steel (formerly set out in Appendices B and C to the technical guidelines for the Research Programme for the Fund and constituting Sections 3 and 4 of the new Decision (Articles 4 to 10)) should be maintained. These research objectives identify the following priorities:

- improving the competitive position of Community coal;
- efficient protection of the environment, improving the use of coal as a clean energy source, reducing CO₂ emissions from coal utilisation, including through the capture and storage of this greenhouse gas;
- management of external dependence as regards energy supply
- reducing emissions, energy consumption and environmental impact in relation to steelmaking;
- conservation of resources and preservation of the ecosystem in relation to steelmaking;

³ OJ L 391, 30.12.2006, p.7.

- control and protection of the environment in and around steelworks.

In order to enhance the complementarity between the Framework Programme and the Research Fund and/or concentrate the funding on selected topics, it is proposed that the Commission should be given the possibility of launching specific calls for research proposals in the context of these research objectives.

These specific calls will be formulated taking into account the Work Programmes that will be published for the Seventh Framework Programme and, where appropriate, the strategic agendas for technology platforms of relevance to the programme, namely ESTEP (the European Steel Technology Platform), ZEP (the Zero Emission Fossil Fuel Power Plants Platform) and SMR (the Sustainable Minerals Resource Platform), etc.).

4. HORIZONTAL RULES

The revised technical guidelines for the Research Programme take account of the "horizontal" rules adopted by the Commission with which all research programmes administered by the Commission must comply, including the Commission Decision of 19 June 2000 relating to gender balance within the committees and expert groups established by it.⁴

5. FINANCIAL MANAGEMENT

Given the favourable views of the beneficiaries under the Research Programmes of the Research Fund for Coal and Steel and of the experts given the task of monitoring these Programmes (in particular the members of the Coal and Steel Advisory Groups), it is proposed that the basic principles governing the financial aspects of the research grants should be maintained

For example, it is proposed that the structure of allowable costs, as defined in Directive 2003/78/CE laying down the technical guidelines, i.e. the definition of categories of allowable costs and the use of flat-rate funding to cover indirect costs (re-assessed at 35% of eligible staff costs) should be maintained. Simulations carried out on the basis of the research contracts signed since 2002 have demonstrated that the proposed increase from 30 to 35% covers travelling expenses, which disappear from the list of categories of eligible costs. These simulations also show that indirect costs calculated on the basis of 35% of eligible staff costs are comparable to those that would be calculated using the flat rate of 20% of total direct costs, excluding contract costs, as used for the research programmes funded under the Sixth and Seventh Framework Programmes

On the basis of experience of the first five years of operation of the Fund, a more precise definition of operating cost categories is proposed.

⁴ OJ L 154, 27.6.2000, p. 34.

In addition, in order to encourage research proposals relating to pilot or demonstration projects, it is proposed that the maximum financial contribution should be increased from 40 to 50% of the admissible costs. For the other actions, the maximum financial contributions remain unchanged.

All other provisions remain unchanged.

Proposal for a

COUNCIL DECISION

on the multiannual technical guidelines for the research programme of the Research Fund for Coal and Steel

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community,

Having regard to the Protocol annexed to the Treaty establishing the European Community on the financial consequences of the expiry of the ECSC Treaty and on the Research Fund for Coal and Steel,

Having regard to Council Decision 2003/76/EC of 1 February 2003 establishing the measures necessary for the implementation of the Protocol, annexed to the Treaty establishing the European Community, on the financial consequences of the expiry of the ECSC Treaty and on the Research Fund for Coal and Steel⁵, and in particular Article 4(3) thereof,

Having regard to the proposal from the Commission⁶,

Having regard to the opinion of the European Parliament⁷,

Whereas:

- (1) The revenue from investments of the net worth of the assets of the ECSC in liquidation and, on completion of the liquidation, the Assets of the Research Fund for Coal and Steel, are being assigned to the Research Fund for Coal and Steel, which is intended exclusively to fund research projects outside the Research Framework Programme in the sectors related to the coal and steel industry,
- (2) The Research Fund for Coal and Steel is to be managed by the Commission in accordance with principles similar to those governing the former ECSC coal and steel technical research programmes and on the basis of multiannual technical guidelines which should constitute an extension of those ECSC programmes, providing a high concentration of research activities and ensuring that they supplement those of the Community framework programme for research and technological development,

⁵ OJ L 29, 05.02.2003, p. 22

⁶ OJ C [...], [...], p. [...].

⁷ OJ C [...], [...], p. [...].

- (3) The Seventh Framework Program of the European Community for research, technological development and demonstration activities (2007-2013) set out in Decision No 1982/2006/EC of the European Parliament and of the Council of 18 December 2006⁸ provides an incentive to review Council Decision 2003/78/EC of 1 February 2003 laying down the multiannual technical guidelines for the research programme of the Research Fund for Coal and Steel⁹ in order to ensure that the Research Fund for Coal and Steel complements the Seventh Framework Program in the sectors related to the coal and steel industry,
- (4) Research and technical development constitute a very important means of supporting Community energy objectives with regard to the supply of Community coal and its competitive and environmentally-friendly conversion and utilisation. Moreover, the growing international dimension of the coal market and the global scale of the problems confronting it means that the Community has to take a leading role in meeting challenges relating to modern techniques, mine safety and environmental protection at worldwide level by ensuring the transfer of know-how required for further technological progress, improved working conditions (health and safety) and enhanced environmental protection,
- (5) With the general aim of increasing competitiveness and contributing to sustainable development, the main emphasis of research and technological development is on the development of new or improved technologies to guarantee the economic, clean and safe production of steel and steel products characterised by steadily increasing performance, suitability to use, customer satisfaction, prolonged service life, easy recovery and recycling,
- (6) The order in which the research objectives for coal and steel are presented in this Decision does not represent a priority as between those objectives,
- (7) In the framework of the management activities of the Research Fund for Coal and Steel, the Commission should be assisted by advisory and technical groups representing a wide range of interests of industries and other stakeholders,
- (8) The recent enlargement incorporating new Member States requires modification of the technical guidelines adopted on 1 February 2003, notably as regards the composition of the advisory groups and the definition of coal,
- (9) In accordance with Statement n°4 of the Decision of the Representatives of the Governments of the Member States meeting within the Council 2002/234/ECSC of 27 February¹⁰, the Commission has re-examined the definition of steel and come to conclusion that it is not necessary to change that definition. Indeed, steel castings, forgings and powder metallurgy products are topics already covered by the Seventh Framework Programme,

⁸ OJ L412, 30.12.2006, p.1.

⁹ OJ L29, 5.2.2003, p.28.

¹⁰ OJ L79, 22.03.2002, p.42

- (10) The general approach for revising the Council Decision 2003/78/EC is to keep intact the procedures that were considered by the assisting groups as effective together with a limited but necessary number of modifications and administrative simplifications in order to ensure the complementarity with the Seventh Framework Programme,
- (11) Those modifications include the deletion of some accompanying measures as already foreseen in the Seventh Framework Programme. It is also necessary to align the periodicity of the programme revision and the experts nominations on those used in the Seventh Framework Programme,
- (12) The rules on the composition of the advisory groups should be revised, notably as regards the representation of interested Member States and gender balance¹¹,
- (13) The Commission should be given the opportunity to launch dedicated calls in the frame of the research objectives defined in this Decision,
- (14) The maximum total financial contribution from the Research Fund for pilot and demonstration projects should be increased to 50% of the eligible costs,
- (15) The eligible costs approach should be kept together with a better definition of the costs categories and a revised percentage for the calculation of the overheads,
- (16) The Commission has reassessed the technical guidelines laid down in Decision 2003/78/EC and found that in view of the changes required it is appropriate to replace that Decision,
- (17) In order to ensure the necessary continuity with Decision 2003/78/EC, this Decision should apply from 16 September [...]. Applicants submitting proposals between 16 September and the date of taking effect of this Decision will be invited to resubmit their proposals in accordance with this Decision, which should enable them to benefit from the more favourable conditions provided by this Decision, notably as regards the financial contribution to pilot and demonstration projects,
- (18) The measures necessary for the implementation of this Decision should be adopted in accordance with Council Decision 1999/468/EC of 28 June 1999 laying down the procedures for the exercise of implementing powers conferred on the Commission¹², being applied by analogy,

¹¹ OJ L154, 27.6.2000, p. 34

¹² OJ L184, 17.7.1999, p. 23. Decision as last amended by Decision 2006/512/EC (OJ L 200, 22.7.2006, p. 11).

HAS ADOPTED THIS DECISION:

Chapter I General provisions

Article 1 Subject matter

This Decision provides for the adoption of a Research Programme of the Research Fund for Coal and Steel and lays down the multiannual technical guidelines for the implementation of that programme.

Chapter II Research Programme

SECTION 1 ADOPTION OF THE RESEARCH PROGRAMME

Article 2 Adoption

A Research Programme for the Research Fund for Coal and Steel is hereby adopted, hereinafter referred to as the Research Programme.

The Research Programme shall support the competitiveness of the Community sectors related to the coal and steel industry. The programme shall be consistent with the scientific, technological and political objectives of the Community, and shall complement the activities carried out in the Member States and within the existing Community research programmes, in particular the framework programme for research, technological development and demonstration activities (hereinafter referred to as the Research Framework Programme).

Coordination, complementarity and synergy between these programmes shall be encouraged, as shall the exchange of information between projects financed under this Research Programme and those that are financed under the Research Framework Programme.

The Research Programme shall support research activities aimed at the objectives defined for coal in Section 3 and for steel in Section 4.

SECTION 2 DEFINITIONS OF COAL AND STEEL

Article 3 Definitions

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

- (1) coal means any of the following:
 - (a) hard coal, including the high and medium-ranking "A" coals (sub-bituminous coals) as defined in the International codification system of coal of the UN Economic Commission for Europe;
 - (b) hard coal briquette;
 - (c) coke and semi-coke derived from hard coal;
 - (d) lignite, including the low-ranking "C" coals (or ortho-lignites) and the low-ranking "B" coals (or meta-lignites) as defined in the above codification;
 - (e) lignite briquettes;
 - (f) coke and semi-coke derived from lignite;
 - (g) oil shales.
- (2) steel means any of the following:
 - (a) raw materials for iron and steel production, such as iron ore, sponge iron and ferrous scrap;
 - (b) pig iron (including hot metal) and ferro-alloys;
 - (c) crude and semi-finished products of iron, ordinary steel or special steel (including products for re-use and re-rolling), such as liquid steel cast by continuous casting or otherwise, and semi-finished products such as blooms, billets, bars, slabs and strips;
 - (d) hot finished products of iron, ordinary steel or special steel (coated or uncoated products, excluding steel castings, forgings and powder metallurgy products), such as rails, sheet piling, structural shapes, bars, wire rods, plates and universal plates, strips and sheets, and tube rounds and squares;
 - (e) end products of iron, ordinary steel or special steel (coated or uncoated), such as cold-rolled strips and sheets and electrical sheets;
 - (f) products of the first-stage processing of steel that can enhance the competitive position of the above iron and steel products, such as tubular products, drawn and polished products, cold-rolled and cold-formed products.

SECTION 3 RESEARCH OBJECTIVES FOR COAL

Article 4 Improving the competitive position of Community coal

1. The objective shall be to reduce the total costs of mining production, improve the quality of the products and reduce the costs of using coal. Research projects shall encompass the entire coal production chain as follows:
 - (a) modern techniques for surveying deposits;
 - (b) integrated mine planning;
 - (c) highly efficient, largely automated excavation and mining technologies corresponding to the geological characteristics of European hard coal deposits;
 - (d) appropriate support technologies;
 - (e) transport systems;
 - (f) power supply services, communication and information, transmission, monitoring and process control systems;
 - (g) coal preparation techniques, oriented to the needs of the consumer markets;
 - (h) coal conversion;
 - (i) coal combustion.

2. Research projects shall also aim to achieve scientific and technological progress with a view to gaining a better understanding of the behaviour and control of deposits in relation to rock pressure, gas emissions, the risk of explosion, ventilation and all other factors affecting mining operations. Research projects with these objectives shall present the prospect of results applicable in the short or medium term to a substantial part of Community production.

Preference shall be given to projects that promote at least one of the following:

- (a) integration of individual techniques in systems and methods and the development of integrated mining methods;
- (b) substantial reduction of production costs;
- (c) benefits in terms of mine safety and the environment.

Article 5
Health and safety in mines

Projects covering the activities referred to in Article 4(a-f) shall also be accompanied by appropriate efforts in the field of mine safety as well as in gas control, ventilation and air-conditioning with a view to improving underground working conditions and occupational health and safety.

Article 6
Efficient protection of the environment and improvement of the use of coal as a clean energy source

Research projects with this objective shall seek to minimise the impact of mining operations and the use of coal in the Community on the atmosphere, water and the surface within the framework of an integrated management strategy with respect to pollution. As the Community coal industry is undergoing constant restructuring, the research shall also be geared towards minimising the environmental impact of underground mines destined for closure.

Preference shall be given to projects that envisage one or more of the following:

- (a) a reduction in emissions from coal utilisation, including capture and storage of CO₂;
- (b) a reduction in greenhouse gas emissions, in particular methane, from coal deposits;
- (c) the return to the mine of mining waste, fly ash and desulphurisation products, accompanied, where relevant, by other forms of waste;
- (d) the refurbishment of waste heaps and the industrial use of residues from coal production and consumption;
- (e) the protection of water tables and the purification of mine drainage water;
- (f) a reduction in the environmental impact of installations which mainly use Community coal and lignite;
- (g) the protection of surface installations against the effects of subsidence in the short and long term.

Article 7
Management of external dependence on energy supply

Research projects with this objective shall relate to the prospects for long-term energy supply and concern the upgrading - in economic, energy-related and environmental terms - of coal deposits which cannot be extracted economically by conventional mining techniques. Projects may include studies, the definition of strategies, fundamental and applied research and the testing of innovative techniques which offer prospects for the upgrading of Community coal resources.

Preference shall be given to projects integrating complementary techniques such as the adsorption of methane or carbon dioxide, coal bed methane extraction and underground coal gasification.

SECTION 4

RESEARCH OBJECTIVES FOR STEEL

Article 8

New and improved steelmaking and finishing techniques

Research and technological development, (RTD) shall aim to improve steel production processes with a view to enhancing product quality and increasing productivity. Reducing emissions, energy consumption and the environmental impact as well as enhancing the use of raw materials and the conservation of resources shall form an integral part of the improvements sought. Research projects shall address one or more of the following areas:

- (a) new and improved iron-ore reduction processes;
- (b) ironmaking processes and operations;
- (c) electric arc furnace processes;
- (d) steelmaking processes;
- (e) secondary metallurgy techniques;
- (f) continuous casting and near net shape casting techniques with and without direct rolling;
- (g) rolling, finishing and coating techniques;
- (h) hot and cold-rolling techniques, pickling and finishing processes;
- (i) process instrumentation, control and automation;
- (j) maintenance and reliability of production lines.

Article 9

RTD and the utilisation of steel

RTD aimed at the utilisation of steel is essential for meeting the future requirements of steel users and creating new market opportunities. Research projects shall address one or more of the following areas:

- (a) new steel grades for demanding applications;
- (b) steel properties addressing mechanical properties at low and high temperatures such as strength and toughness, fatigue, wear, creep, corrosion and resistance against fracture;

- (c) prolonging service life, in particular by improving the resistance of steels and steel structures to heat and corrosion;
- (d) steel-containing composites and sandwich structures;
- (e) predictive simulation models on microstructures and mechanical properties;
- (f) structural safety and design methods, in particular with regard to resistance to fire and earthquakes;
- (g) technologies relating to the forming, welding and joining of steel and other materials;
- (h) standardisation of testing and evaluation methods.

Article 10

Conservation of resources and improvement of working conditions

In both steel production and steel utilisation, the conservation of resources, the preservation of the ecosystem and safety issues shall form an integral part of the RTD work. Research projects shall address one or more of the following areas:

- (a) techniques for recycling obsolete steel from various sources and classification of steel scrap;
- (b) steel grades and design of assembled structures to facilitate the easy recovery of steel scrap and its reconversion into usable steels;
- (c) control and protection of the environment in and around the workplace;
- (d) restoration of steelworks sites;
- (e) improvement of working conditions and quality of life in the workplace;
- (f) ergonomic methods;
- (g) occupational health and safety;
- (h) reduction of exposure to occupational emissions.

Chapter III

Multiannual technical guidelines

SECTION 1

PARTICIPATION

Article 11

Member States

Any undertaking, public body, research organisation or higher and secondary education establishment, or other legal entity, including natural persons, established within the territory of a Member State may participate in the Research Programme and apply for financial assistance, provided that they intend to carry out an RTD activity or can substantially contribute to such an activity.

Article 12

Candidate countries

Any undertaking, public body, research organisation or higher and secondary education establishment, or other legal entity, including natural persons, in candidate countries shall be entitled to participate without receiving any financial contribution under the Research Programme, unless otherwise provided under the relevant European Agreements and their additional Protocols, and in the decisions of the various Association Councils.

Article 13

Third countries

Any undertaking, public body, research organisation or higher and secondary education establishment, or other legal entity, including natural persons, from third countries shall be entitled to participate on the basis of individual projects without receiving any financial contribution under the Research Programme, provided that such participation is in the interest of the Community.

SECTION 2

ELIGIBLE ACTIVITIES

Article 14

Research projects

A research project shall be intended to cover investigative or experimental work with the aim of acquiring further knowledge to facilitate the attainment of specific practical objectives such as the creation or development of products, production processes or services.

Article 15
Pilot projects

A pilot project shall be characterised by the construction, operation and development of an installation or a significant part of an installation on an appropriate scale and using suitably large components with a view to examining the potential for putting theoretical or laboratory results into practice and/or increasing the reliability of the technical and economic data needed to progress to the demonstration stage, and in certain cases to the industrial and/or commercial stage.

Article 16
Demonstration projects

A demonstration project shall be characterised by the construction and/or operation of an industrial-scale installation or a significant part of an industrial-scale installation with the aim of bringing together all the technical and economic data in order to proceed with the industrial and/or commercial exploitation of the technology at minimum risk.

Article 17
Accompanying measures

Accompanying measures shall relate to the promotion of the use of knowledge gained or to the organisation of dedicated workshops or conferences in connection with projects or priorities of the programme.

Article 18
Support and preparatory actions

Support and preparatory actions are those appropriate to the sound and effective management of the Research Programme, such as the evaluation and selection of proposals as referred to in Articles 27 and 28, the periodic monitoring and assessment referred to in Article 38, studies, the clustering or the networking of related projects funded under the programme.

The Commission may, where it deems appropriate, appoint independent and highly qualified experts to assist with support and preparatory actions.

SECTION 3
MANAGEMENT OF THE PROGRAMME

Article 19
Management

The programme shall be managed by the Commission. It shall be assisted by the Coal and Steel Committee, the Coal and Steel Advisory Groups and the Coal and Steel Technical Groups.

Article 20
Establishment of the Coal and Steel Advisory Groups

The Coal and Steel Advisory Groups (hereinafter referred to as "the Advisory Groups") shall be independent technical advisory groups.

Article 21
Tasks of the Coal and Steel Advisory Groups

For the coal and steel-related RTD aspects respectively, each Advisory Group shall advise the Commission on the following:

- (a) the overall development of the Research Programme, the information package as referred to in Article 25 and future guidelines;
- (b) the consistency and the possible duplication with other RTD programmes at Community and national level;
- (c) the setting out of the guiding principles for monitoring RTD projects;
- (d) the work being undertaken on specific projects;
- (e) the research objectives of the Research Programme listed in Sections 3 and 4;
- (f) the annual priority objectives listed in the Information Package and, where appropriate the priority objectives for dedicated calls as referred to in Article 25;
- (g) the preparation of a manual for evaluating and selecting RTD actions, as referred to in Articles 27 and 28;
- (h) the evaluation of proposals for RTD actions and the priority to be given to those proposals, having regard to the funds available;
- (i) the number, competence and composition of the Technical Groups referred to in Article 24;
- (j) the drawing-up of dedicated calls for proposals as referred to in Article 25;
- (k) other measures when requested to do so by the Commission.

Article 22
Composition of the Coal and Steel Advisory Groups

Each Advisory Group shall be composed in accordance with the tables set out in the Annex. The members shall be appointed by the Commission to serve in a personal capacity for a period of 42 months. Appointments may be withdrawn.

The Commission shall consider proposals for appointments received in the following ways:

- (a) by the Member States;

- (b) by the entities referred to in the tables in the Annex;
- (c) in response to a call for applications for inclusion on a reserve list.

The Commission shall ensure, within each Advisory Group, a balanced range of expertise and the broadest possible geographical representation.

Members shall be active in the field concerned and be aware of the industrial priorities. In addition, the Commission, when appointing members of the Advisory Groups, shall try to seek a gender balance.

Article 23 *Meeting of the Coal and Steel Advisory Groups*

The meetings of the Advisory Groups shall be organised and chaired by the Commission, which shall also provide the secretariat.

If necessary, the Chairman may request members to vote. Every member shall have the right to one vote. The Chairman may invite visiting experts or observers to take part in meetings where appropriate. The visiting experts and the observers shall have no voting rights.

If necessary (e.g. to provide advice on matters of relevance for both the coal and steel sectors) the two Advisory Groups shall convene in joint meetings.

Article 24 *Establishment and tasks of the Coal and Steel Technical Groups*

The Coal and Steel Technical Groups shall advise the Commission on the monitoring of research and pilot or demonstration projects and, where necessary, in the definition of the priority objectives of the Research Programme.

Members shall be appointed by the Commission and shall come from the sectors related to the coal and steel industry, research organisations or user industries where they shall have responsibility for research strategy, management or production.

In addition, the Commission, when appointing members of the Technical Groups, shall try to seek a gender balance.

Meetings of the Technical Groups shall, whenever possible, be held at venues chosen in such a way that project monitoring and results assessment are best ensured.

SECTION 4 IMPLEMENTATION OF THE RESEARCH PROGRAMME

Article 25 Call for proposals

1. An open and continuous call for proposals is hereby launched. Unless otherwise specified, 15 September of each year shall be the cut-off date for the submission of proposals for evaluation.
2. Where the Commission in accordance with Article 41(d) and (e) decides to modify the cut-off date referred to in paragraph 1 for the submission of proposals, or to launch dedicated calls for proposals, it shall publish that information in the *Official Journal of the European Union*.

Dedicated calls shall indicate the dates and modalities for the submission, including whether it shall take place in one or two steps, and for the evaluation of the proposals, the priorities, the type of eligible projects as referred to in Articles 14 to 18, where necessary, and the envisaged funding.

3. The Commission shall establish an information package setting out the detailed rules for participation, the methods of managing proposals and projects, application forms, rules for the submission of proposals, model grant agreements, eligible costs, the maximum financial contribution allowable, methods of payment and the annual priority objectives of the Research Programme.

The Commission shall make the information package public on the Community Research and Development Information Service (CORDIS) or corresponding website.

Applications shall be submitted to the Commission in accordance with the rules laid down in the information package, of which a paper copy can be obtained from the Commission on request.

Article 26 Content of proposals

The proposals shall relate to the research objectives laid down in Sections 3 and 4 of Chapter II and, where applicable, to the priority objectives listed in the Information Package in accordance with Article 25(3) or to the priority objectives defined for the dedicated calls for proposals referred to in Article 25(2).

Each proposal shall include a detailed description of the proposed project and contain full information on objectives, partnerships, including the precise role of each partner, management structure, anticipated results, expected applications and an assessment of anticipated industrial, economic, social and environmental benefits.

The proposed total cost and its breakdown shall be realistic and effective, and the project shall be expected to produce a favourable cost/benefit ratio.

Article 27
Evaluation of proposals

The Commission shall ensure a confidential, fair and equitable evaluation of proposals.

The Commission shall establish and publish a manual for the evaluation and selection of RTD actions.

Article 28
Selection of proposals and monitoring of projects

1. The Commission shall register the proposals received and shall verify their eligibility.
2. The Commission shall evaluate the proposals with the assistance of independent experts.
3. The Commission shall draw up a list of the proposals adopted in order of merit. The ranking list may be discussed by the relevant Advisory Group.
4. The Commission shall decide on the choice of projects and the allocation of funds. Where the estimated amount of the Community contribution under the Research Programme is equal to or more than EUR 0.6 million Article 41(a) shall apply.
5. The Commission shall, with the assistance of the technical groups referred to in Article 24 monitor research projects and activities.

Article 29
Grant agreements

Projects based on selected proposals and measures and actions as specified under Articles 14 to 18 shall form the subject of a grant agreement. Grant agreements shall be based on relevant model grant agreements drawn up by the Commission, taking account, as appropriate, of the nature of the activities concerned.

Grant agreements shall define the financial contribution allocated under the programme on the basis of the eligible costs, as well as the rules concerning cost reporting, the closure of accounts and certificates on financial statements. In addition, they shall provide for provisions on dissemination and use and access rights.

Article 30
Financial contribution

The Research programme shall be based on cost-sharing RTD grant agreements. The total financial contribution including any other additional public funding shall conform to the applicable rules on State aid.

Public contracts shall also be used for the supply of movable or immovable assets, the execution of works or the provision of services which are necessary for the implementation of the support and preparatory actions.

Without prejudice to the first paragraph, the maximum total financial contribution, expressed as a percentage of the eligible costs defined in Articles 31 to 35, shall be:

(a)	for research projects	up to 60%
(b)	for pilot and demonstration projects	up to 50%
(c)	for accompanying measures, support and preparatory actions	up to 100%

Article 31
Eligible costs

1. The eligible costs shall consist of the following:
 - (a) equipment costs;
 - (b) staff costs;
 - (c) operating costs;
 - (d) indirect costs.
2. The eligible costs shall cover only actual costs incurred for the execution of the project under the terms of the grant agreement. Beneficiaries, associated beneficiaries and sub-beneficiaries shall not be entitled to claim any budgeted or commercial rates.

Article 32
Equipment costs

The costs of purchasing or hiring equipment directly related to the execution of the project shall be chargeable as direct costs. The eligible costs for the leasing of equipment shall not exceed any eligible costs for its purchase.

Article 33
Staff costs

The costs of actual hours devoted exclusively to the project by scientific, postgraduate or technical staff and the staff costs of manual workers directly employed by the beneficiary shall be chargeable. Any additional staff costs, e.g. scholarships, shall require the Commission's prior written approval. All working hours charged must be recorded and certified.

Article 34
Operating costs

Operating costs directly related to the execution of the project shall be limited solely to the cost of:

- (a) raw materials;
- (b) consumables;
- (c) energy;
- (d) transportation of raw materials, consumables, equipment, products, feedstock or fuel;
- (e) the maintenance, repair, alteration or transformation of existing equipment;
- (f) IT and other specific services;
- (g) the rental of equipment;
- (h) analysis and tests;
- (i) dedicated workshop organisation;
- (j) certificate on financial statements and bank guarantee;
- (k) protection of knowledge;
- (l) assistance from third parties.

Article 35
Indirect costs

All other expenses, such as overhead costs or overheads, which may arise in connection with the project and which are not specifically identified in the preceding categories, including travel and subsistence costs, shall be covered by a flat rate amounting to 35 % of the eligible staff costs as referred to in Article 33.

SECTION 5
EVALUATION AND MONITORING OF THE RESEARCH ACTIVITIES

Article 36
Technical reports

For research, pilot and demonstration projects referred to in Articles 14, 15 and 16 periodical reports shall be drawn up by the beneficiary or beneficiaries. Such reports shall be used to describe the technical progress made.

On completion of the work, a final report comprising an assessment of exploitation and impact shall be provided by the beneficiary or beneficiaries. That report shall be published by the Commission in full or in summarised form depending on the strategic relevance of the project and following consultation, if necessary, of the relevant Advisory Group.

The Commission may require the beneficiary or beneficiaries to provide final reports on the accompanying measures referred to in Article 17 as well as on the support and preparatory actions referred to in Article 18 and may decide to have them published.

Article 37
Annual review

The Commission shall conduct an annual review of activities under the Research Programme and the progress of the RTD work. The report containing the review shall be forwarded to the Committee.

The Commission may appoint independent experts and highly qualified experts to assist with this annual review.

Article 38
Monitoring and assessment of the programme

1. The Commission shall carry out a monitoring exercise of the Research Programme, including an assessment of the expected benefits. A report on that exercise shall be issued by the end of 2013, and thereafter every seven years. These reports shall be made public on the Community Research and Development Information Service (CORDIS) or corresponding website.
2. The Commission shall assess the Research Programme on completion of the projects financed during every period of seven years. The benefits of the RTD to society and to the relevant sectors shall also be assessed. The assessment report shall be published.
3. In carrying out the monitoring and assessment referred to in paragraphs 1 and 2, the Commission shall be assisted by panels of highly qualified experts appointed by the Commission.

Article 39
Appointment of independent and highly qualified experts

For the appointment of independent and highly qualified experts referred to in Articles 18, 28(2) & 38, the provisions set out in Articles 14 and 17 of the Regulation (EC) No 1906/2006 of the European Parliament and of the Council¹³, shall apply by analogy.

¹³ OJ L391, 30.12.2006, p.6.

Chapter IV

Final provisions

Article 40

Review of the multiannual technical guidelines

The multiannual technical guidelines laid down in Chapter III shall be reviewed every seven years, first period ending on 31 December 2014. To this end, and at the latest in the first six months of the last year of each seven-year period, the Commission shall reassess the operation and the effectiveness of the technical guidelines and, where appropriate, propose any amendment.

If it sees fit, the Commission may carry out such reassessment and shall submit proposals for any appropriate amendments to the Council before the expiry of the seven-year period.

Article 41

Implementing measures

The Commission shall, in accordance with the procedure referred to in Article 42(2), adopt the following implementing measures:

- (a) the approval of the funding actions where the estimated amount of the Community contribution under this programme is equal to or more than EUR 0.6 million;
- (b) the drawing-up of terms of reference for the monitoring and assessment of the programme referred to in Article 38;
- (c) amendments to Sections 3 and 4 of Chapter II;
- (d) changes to the cut-off date referred to in Article 25;
- (e) the drawing-up of dedicated calls for proposals;
- (f) any other issue relating to the programme.

Article 42

Committee

1. The Commission shall be assisted by the Coal and Steel Committee, hereinafter referred to as "the Committee".
2. Where reference is made to this paragraph, Articles 4 and 7 of Decision 1999/468/EC shall apply by analogy.

The period laid down in Article 4(3) of that Decision shall be set at two months.

3. The Committee shall adopt its rules of procedure.

Article 43
Repeal and transitional measures

[In case of adoption before 15 June 2008:]

["Decision 2003/78/EC is repealed. However, Decision 2003/78/EC shall continue to apply until 31 December 2008 to the financing of actions resulting from proposals submitted by 15 September 2007."]

[In case of adoption after 15 June 2008:]

["Decision 2003/78/EC is repealed. However, Decision 2003/78/EC shall continue to apply until 31 December 2009 to the financing of actions resulting from proposals submitted by 15 September 2008."]

Article 44

Applicability

["This Decision shall apply from 16 September 2007."]

[or]

["This Decision shall apply from 16 September 2008."]

Article 45
Addressees

This Decision is addressed to the Member States.

Done at Brussels, [...]

For the Council
The President
[...]

ANNEX

The composition of the Coal Advisory Group referred to in Article 23:

Members	Maximum total
a) From coal producers/national federations or related research centres	8
b) From organisations representing coal producers at European level	2
c) From coal users or related research centres	8
d) From organisations representing coal users at European level	2
e) From organisations representing workers	2
f) From organisations representing equipment suppliers	2
	24

Members must have a wide background knowledge and individual expertise in one or more of the following areas: coal mining and utilisation, environment and social issues, including safety aspects.

The composition of the Steel Advisory Group referred to in Article 23:

Members	Maximum total
a) From steel industries/national federations or related research centres	21
b) From organisations representing producers at European level	2
c) From organisations representing workers	2
d) From organisations representing downstream processing industries or steel users	5
	30

Members must have a wide background knowledge and individual expertise in one or more of the following areas: raw materials; iron-making; steelmaking; continuous casting; hot and/or cold rolling; steel finishing and/or surface treatment; development of steel grades and/or products; steel applications and properties; environmental and social issues, including safety aspects.