

## II

(Acts adopted under the EC Treaty/Euratom Treaty whose publication is not obligatory)

## DECISIONS

## COUNCIL

## COUNCIL DECISION

of 29 April 2008

**on the adoption of the Research Programme of the Research Fund for Coal and Steel and on the multiannual technical guidelines for this programme**

(2008/376/EC)

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 Steel <sup>(1)</sup>, and in particular Article 4(3) thereof,

Having regard to the proposal from the Commission,

Having regard to the opinion of the European Parliament <sup>(2)</sup>,

Whereas:

(1) The revenue from investments of the net worth of the assets of the European Coal and Steel Community (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 Community framework programme for research,

technological development and demonstration activities 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 multi-annual 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, technological development and demonstration activities.

(3) The Seventh Framework Programme 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 2006 <sup>(3)</sup> (hereinafter referred to as 'the Seventh Framework Programme') provides an incentive to review Council Decision 2003/78/EC of 1 February 2003 laying down the multi-annual technical guidelines for the research programme of the Research Fund for Coal and Steel <sup>(4)</sup> in order to ensure that the Research Fund for Coal and Steel complements the Seventh Framework Programme 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

<sup>(1)</sup> OJ L 29, 5.2.2003, p. 22.

<sup>(2)</sup> Opinion of 10 April 2008 (not yet published in the Official Journal).

<sup>(3)</sup> OJ L 412, 30.12.2006, p. 1.

<sup>(4)</sup> OJ L 29, 5.2.2003, p. 28.

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 should 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 groups 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 multiannual technical guidelines laid down in Decision 2003/78/EC, notably as regards the composition of the advisory groups and the definition of coal.
- (9) In accordance with Statement No 4 of the Decision of the Representatives of the Governments of the Member States meeting within the Council 2002/234/ECSC of 27 February 2002 <sup>(1)</sup>, the Commission has re-examined the definition of steel and come to the 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.
- (10) The general approach for revising the Decision 2003/78/EC should be 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 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 revision and the experts' nominations concerning the Research Programme of the Research Fund for Coal and Steel 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 balance according to Commission Decision 2000/407/EC of 19 June 2000 relating to gender balance within the committees and expert groups established by it <sup>(2)</sup>.
- (13) The Commission should be given the opportunity to launch dedicated calls in the framework of the research objectives defined in this Decision.
- (14) The maximum total financial contribution from the Research Fund for Coal and Steel 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 cost categories and a revised percentage for the calculation of the overheads.
- (16) The Commission has reassessed the multiannual 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 2007. Applicants submitting proposals between 16 September 2007 and the date this Decision takes effect should 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 Commission <sup>(3)</sup>.

HAS ADOPTED THIS DECISION:

#### CHAPTER I

#### GENERAL PROVISIONS

##### Article 1

##### Subject matter

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

<sup>(2)</sup> OJ L 154, 27.6.2000, p. 34.

<sup>(3)</sup> OJ L 184, 17.7.1999, p. 23. Decision as last amended by Decision 2006/512/EC (OJ L 200, 22.7.2006, p. 11).

<sup>(1)</sup> OJ L 79, 22.3.2002, p. 42.

## CHAPTER II

**RESEARCH PROGRAMME OF THE RESEARCH FUND FOR COAL AND STEEL**

## SECTION 1

**Adoption of the Research Programme***Article 2***Adoption**

The Research Programme for the Research Fund for Coal and Steel (hereinafter referred to as 'the Research Programme') is hereby adopted.

The Research Programme shall support the competitiveness of the Community sectors related to the coal and steel industry. The Research 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 the 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 shall mean 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 shall mean 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 reuse 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. Research projects shall aim 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 new and existing 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.

3. 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

Issues concerning mine safety, including gas control, ventilation and air-conditioning with a view to improving underground working conditions and occupational health and safety as well as environmental issues shall also be taken into account in the projects covering the activities referred to in Article 4(1)(a) to (f).

#### Article 6

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

1. Research projects 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.

2. 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 CO<sub>2</sub>;
- (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 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 shall be undertaken in respect of the utilisation of steel to meet the future requirements of steel users and to create 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 or 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 or 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 or 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 Community's interest.

## 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 Research Programme.

## Article 18

**Support and preparatory actions**

Support and preparatory actions shall be 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 Research 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 research programme**

## Article 19

**Management**

The Research 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 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(3) 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 of Chapter II;
- (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(2);
- (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(2);

(k) other measures when requested to do so by the Commission.

#### Article 22

##### Composition of the Advisory Groups

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

2. 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.

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

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

#### Article 23

##### Meetings of the 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, such as to provide advice on matters of relevance for both the coal and steel sectors, the 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 (hereinafter referred to as 'the 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 of the Technical Groups 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, shall seek to achieve 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 of this Article 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 shall 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 Research 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 access rights and dissemination and use of knowledge.

*Article 30***Financial contribution**

1. 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.
2. Public contracts shall 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.
3. Without prejudice to paragraph 1 of this Article, 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 which are 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, such as 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 Coal and Steel Committee.

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

*Article 38***Monitoring and assessment of the Research 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 Article 18, Article 28(2) and Article 38, the provisions set out in Articles 14 and 17 of the Regulation (EC) No 1906/2006 <sup>(1)</sup>, shall apply by analogy.

## 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 multiannual 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 the Research 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 Research 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.

*Article 42***Committee**

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

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

*Article 43***Repeal and transitional measures**

Decision 2003/78/EC shall be 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.

*Article 44***Applicability**

This Decision shall take effect on the day following its publication in the *Official Journal of the European Union*.

It shall apply from 16 September 2007.

*Article 45***Addressees**

This Decision is addressed to the Member States.

Done at Luxembourg, 29 April 2008.

*For the Council*

*The President*

D. RUPEL

<sup>(1)</sup> Regulation (EC) No 1906/2006 of the European Parliament and of the Council of 18 December 2006 laying down the rules for the participation of undertakings, research centres and universities in actions under the Seventh Framework Programme and for the dissemination of research results (2007-2013) (OJ L 391, 30.12.2006, p. 1).

## ANNEX

The composition of the Coal Advisory Group referred to in Article 22:

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

The composition of the Steel Advisory Group referred to in Article 22:

Members	Maximum total
a) From steel industries/national federations or related research centres	21
b) From organisation 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.