COUNCIL DECISION

of 1 February 2003

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

(2003/78/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 [1], and in particular Article 4(3) thereof,

Having regard to the proposal from the Commission [2],

Having regard to the opinion of the European Parliament [3],

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 present ECSC coal and steel technical research programmes and on the basis of multiannual technical guidelines which should constitute an ideal 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.

(3) In the framework of these management activities, the Commission will be assisted by a management committee composed of representatives of Member States as well as advisory and technical groups representing a wide range of interests of industries and other stakeholders,

HAS ADOPTED THIS DECISION:

Article 1

The multiannual technical guidelines for the research programme of the Research Fund for Coal and Steel (hereinafter referred to as 'technical guidelines') are set out in the Annex.

Article 2

The technical guidelines shall be reviewed or supplemented, if appropriate, every five years, first period ending on 31 December 2007. To this end, and at the latest in the first six months of the last year of each five-year period, the Commission shall reassess the operation and the effectiveness of the technical guidelines and shall propose any appropriate amendments.

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 five-year period.

Article 3

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

It shall apply from 24 July 2002.

Article 4

This Decision is addressed to the Member States.

Done at Brussels, 1 February 2003.

For the Council

The President

G. PAPANDREOU

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[1] See page 22 of this Official Journal.
[2] OJ C 29, 30.1.2001, p. 254.
[3] OJ C 87, 11.4.2002, p. 19.

ANNEX

TECHNICAL GUIDELINES FOR THE RESEARCH PROGRAMME OF THE RESEARCH FUND FOR COAL AND STEEL

1. THE PROGRAMME

1.1. **Objectives**

As a continuation of the European Coal and Steel Community Coal and Steel Research and Technical Development Programmes (ECSC RTD programmes) and within the framework of sustainable development, a Research Programme of the Research Fund for Coal and Steel (hereinafter referred to as the programme) shall be established. The objective of the programme is to 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 European Union, and shall complement the activities carried out in the Member States and within the existing Community research programmes, such as the framework programme of the European Community 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 programme and those that are financed under the Research Framework Programme.

1.2. **Main principles**

The programme shall provide financial assistance for allowable projects, accompanying measures and other actions as defined in point 1.5 by promoting cooperation between undertakings, research centres and universities. The programme shall cover production processes, utilisation, conservation of resources, environmental improvements and safety at work in sectors related to the coal and steel industry.

The terms 'coal' and 'steel' are defined in Appendix A.

1.3. **Scope**

These guidelines describe the structure, management and implementation of the programme, its scientific and technical content and priorities as a complement to other existing research programmes and the participation rules.

These guidelines include the call for proposals for the programme described in point 3.1 and the scientific/technical and socioeconomic priorities described in Appendices B and C, which may be amended by the Commission in accordance with the procedure described in point 2.1.

1.4. **Participation**

1.4.1. *Member States*

Undertakings, research institutes or natural persons established within the territory of a Member State may participate in the programme and apply for financial assistance, provided that they intend to carry out an RTD activity or can substantially contribute to such an activity.

1.4.2. *Applicant States*

Undertakings, research institutes or natural persons in applicant States shall be entitled to participate without receiving any financial contribution under the programme, unless otherwise provided under the relevant European Agreements and their additional Protocols, and in the decisions of the various Association Councils.

1.4.3. *Third countries*

Undertakings, research institutes or natural persons from third countries shall be entitled to participate on the basis of individual projects without receiving any financial contribution under the programme, provided that such participation is in the interest of the Community.

1.5. **Allowable projects, accompanying measures and other actions**

Research, pilot and demonstration projects, accompanying measures and support and preparatory actions may all be financed under the programme.

A research project is 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.

A pilot project is 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.

A demonstration project is 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.

Accompanying measures relate to the promotion of the use of knowledge gained, the clustering of projects, the dissemination of results and support for the training and mobility of researchers in connection with projects funded under the programme.

Support and preparatory actions are those appropriate to the sound and effective management of the programme, such as the periodic monitoring and assessment referred to in point 4, studies or the networking of related projects funded under the programme.

2. MANAGEMENT OF THE PROGRAMME

The programme shall be managed by the Commission. The following committee and groups shall be established to assist the Commission:

(a) the Coal and Steel Committee described in point 2.1;

(b) the Coal and Steel Advisory Groups described in point 2.2;

(c) the Coal and Steel Technical Groups described in point 2.3.

2.1. **The Coal and Steel Committee**

2.1.1. The Commission shall be assisted by the Coal and Steel Committee (hereinafter referred to as the Committee). Articles 4 and 7 of Council Decision 1999/468/EC of 28 June 1999 laying down the procedures for the exercise of implementing powers conferred on the Commission [1] shall apply by analogy. The period laid down in Article 4(3) of that Decision shall be set at three months.

2.1.2. The Committee may examine any question raised by its Chairman, either on the latter's initiative or at the request of the representative of a Member State.

2.1.3. The Committee shall adopt its rules of procedure.

2.1.4. The following matters shall be adopted in accordance with the procedure referred to in point 2.1.1:

(a) the allocation of funds to individual projects, in accordance with point 3.3(3);

(b) the drawing-up of terms of reference for the monitoring and assessment of the programme referred to in point 4;

(c) any amendment of Appendices B and C to these guidelines;

(d) any other issue relating to the programme.

2.1.5. The Commission shall provide the Committee with information on the programme as a whole and on the progress and actual or anticipated impact of all funded RTD actions.

2.2. **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 established to assist the Commission. For the coal and steel-related RTD aspects respectively, each Advisory Group shall advise on:

(a) the overall development of the programme, priorities listed in appendices B and C, including any amendments, the information package as referred to in point 3.1 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 definition of the short term priorities of the programme, in accordance with Appendices B and C;

(f) the preparation of a manual for evaluating and selecting RTD actions, as referred to in point 3.3;

[1] OJ L 184, 17.7.1999, p. 23.

(g) the evaluation of proposals for RTD actions and the priority to be given to those proposals, having regard to the funds available;

(h) the number, competence and composition of the Technical Groups referred to in point 2.3;

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

Each Advisory Group shall be composed of members, as referred to in point 2.2.1 and point 2.2.2, appointed by the Commission to serve in a personal capacity for a period of five years. Appointments may be withdrawn. The Commission shall consider proposals for appointments received in the following ways: on a proposal by the Member States; on a proposal by the entities referred to in point 2.2.1 and point 2.2.2; in response to a call for applications for inclusion on a reserve list.

There should be at least one member from each Member State which is interested, and within each Advisory Group a balanced range of expertise and the broadest possible geographical representation must be ensured. Members must be active in the field concerned and be aware of the industrial priorities.

The meetings of the Advisory Groups shall be chaired by the Commission, which shall also provide the secretariat. If necessary, the Chairman may request members to vote; every member has the right to one vote. The Chairman may invite visiting experts to take part in meetings where appropriate.

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

2.2.1. *The Coal Advisory Group*

The composition of the Coal Advisory Group shall be as follows:

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: coal mining and utilisation, environment and social issues, including safety aspects.

2.2.2. *The Steel Advisory Group*

The composition of the Steel Advisory Group shall be as follows:

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; ironmaking; 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.

2.3. **The Coal and Steel Technical Groups**

The role of the Coal and Steel Technical Groups consists of assisting the Commission in the monitoring of research and pilot/demonstration projects. 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 should have responsibility for research strategy, management or production.

3. IMPLEMENTATION OF THE PROGRAMME

3.1. **Call for proposals**

An open and continuous call for proposals is launched by this Decision, with 15 September of each year being the cut-off date for the submission of proposals for evaluation, starting with the year 2002.

The Commission shall establish and make public, including on the Community Research and Development Information Service (CORDIS) or corresponding website an information package providing proposers and interested parties with practical information on the programme, participation rules, methods of managing proposals and projects, application forms, rules for the submission of proposals, model contracts, allowable costs, the maximum financial contribution allowable and methods of payment.

Applications must 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.

3.2. **Content of proposals**

The proposals must relate to the scientific/technical and socioeconomic priorities laid down in Appendices B and C.

Each proposal must 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 must be realistic and effective, and the project must be expected to produce a favourable cost/benefit ratio.

3.3. **Evaluation and selection of proposals and monitoring of projects.**

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 as specified in point 2.2(f).

The evaluation and selection of proposals shall be carried out under the responsibility of the Commission as follows:

1. After receiving and recording the proposals and verifying their eligibility, the Commission shall evaluate them with the assistance of the relevant Advisory Group referred to in point 2.2(g), and, if necessary, independent experts;
2. The Commission shall draw up a list of the proposals adopted in order of merit;
3. The Commission shall decide on the choice of projects and the allocation of funds, assisted by the Committee, in accordance with the procedure referred to in point 2.1.1.

The Commission shall, assisted by the technical groups referred to in point 2.3, monitor research projects and activities.

3.4. **Contracts**

Projects based on selected proposals and measures and actions as specified under point 1.5 shall form the subject of a contract. Contracts shall be based on relevant model contracts drawn up by the Commission, taking account, as appropriate, of the nature of the activities concerned.

Contracts shall define the financial contribution allocated under the programme on the basis of the allowable costs, as well as the rules concerning cost reporting, the closure of accounts and audits.

3.5. **Financial contribution**

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

Without prejudice to the previous paragraph, the maximum total financial contribution, expressed as a percentage of the allowable costs defined in point 3.6, shall be:

a) for research projects:	up to 60%
b) for pilot and demonstration projects:	up to 40%
c) for accompanying measures, support and preparatory actions:	up to 100%

3.6. **Allowable costs**

The allowable costs shall cover only actual costs incurred for the work carried out under the contract. Contractors, associated contractors and subcontractors cannot claim any budgeted or commercial rates. The allowable costs shall be broken down into the following four categories:

3.6.1. *Equipment costs*

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

3.6.2. *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 contractor 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.

3.6.3. *Operating costs*

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

(a) raw materials;

(b) minor items of regular consumption;

(c) the use of consumable items;

(d) energy;

(e) the maintenance or repair of equipment;

(f) the transportation of equipment or products;

(g) the alteration and transformation of existing equipment;

(h) IT services;

(i) the rental of equipment;

(j) miscellaneous analyses;

(k) special examinations and tests;

(l) assistance from third parties;

(m) travel and subsistence costs.

3.6.4. *Indirect costs*

All other expenses (overhead costs or overheads) which may arise in connection with the project and which are not specifically identified in the preceding categories shall be covered by a lump sum amounting to 30 % of the allowable staff costs as referred to in point 3.6.2.

3.7. **Technical reports**

For research, pilot and demonstration projects, as described under point 1.5, a report must be drawn up every six months by the contractor(s). 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. This report shall be published by the Commission in full or in summarised form depending on the strategic relevance of the project. The decision shall be taken by the Commission after consultation, if necessary, of the relevant Advisory Group. Where appropriate, final reports on accompanying measures as well as support and preparatory actions shall be required and published.

4. ANNUAL REVIEWS, MONITORING AND ASSESSMENT OF THE PROGRAMME

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

The programme shall be the subject of a monitoring exercise, including an assessment of the expected benefits. A report on that exercise shall be issued by the end of 2006, and thereafter every five years. These reports shall be forwarded to the European Parliament, the Council, the Committee and the Advisory Groups.

An assessment of the programme shall be carried out on completion of the projects financed during every period of five years, with the first period ending in 2008. The benefits of the RTD to society and to the relevant sectors shall also be assessed. The assessment report shall be published.

The Commission shall draw up the terms of reference for the monitoring exercise and the assessment; the Commission shall be assisted by the Committee. Both the monitoring and assessment shall be carried out by panels of highly qualified experts appointed by the Commission.

5. TRANSITIONAL CLAUSE

The Commission shall take the appropriate steps to ensure a smooth transition from the ECSC RTD programmes to the programme. ECSC contracts which are still running on expiry of the ECSC Treaty shall be managed by the Commission in accordance with their contractual obligations, with a view to harmonising the management of the ECSC contracts and the contracts under the programme.

Appendix A

RESEARCH PROGRAMME OF THE RESEARCH FUND FOR COAL AND STEEL

DEFINITION OF THE TERMS 'COAL' AND 'STEEL'

1. **COAL**

(a) Hard coal;

(b) Hard coal briquette;

(c) Coke and semi-coke derived from hard coal;

(d) Lignite;

(e) Lignite briquettes;

(f) Coke and semi-coke derived from lignite.

The term 'hard coal' includes 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. The term 'lignite' includes the low-ranking 'C' coals (or ortho-lignites) and the low-ranking 'B' coals (or meta-lignites) of the same classification. With regard to lignite, the programme shall apply solely to lignite used for electricity production or for combined heat/electricity production and not intended for the manufacture of briquettes or semi-coke.

2. **IRON AND STEEL**

(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.

Appendix B

RESEARCH PROGRAMME OF THE RESEARCH FUND FOR COAL AND STEEL

SCIENTIFIC/TECHNICAL AND SOCIO-ECONOMIC PRIORITIES

COAL RTD

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 European Union 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. The priority areas are set out in points 1 to 4 below, the order of which does not represent priority as between these points.

1. **IMPROVING THE COMPETITIVE POSITION OF COMMUNITY COAL**

The objective is to reduce the total costs of mining production, improve the quality of the products and reduce the costs of using coal. Research projects encompass the entire coal production chain:

— modern techniques for surveying deposits,

— integrated mine planning,

— highly efficient, largely automated excavation and mining technologies corresponding to the geological characteristics of European hard coal deposits,

— appropriate support technologies,

— transport systems,

— power supply services, communication and information, transmission, monitoring and process control systems,

— coal preparation techniques, oriented to the needs of the consumer markets,

— coal conversion,

— coal combustion.

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 must present the prospect of results applicable in the short or medium term to a substantial part of Community production.

Preference is 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.

2. **HEALTH AND SAFETY IN MINES**

The required developments just mentioned must be accompanied by appropriate efforts in the field of mine safety, as well as in gas control, ventilation and air-conditioning. Furthermore, underground working conditions raise the need for specific improvements with regard to occupational health and safety.

3. **EFFICIENT PROTECTION OF THE ENVIRONMENT AND IMPROVEMENT OF THE USE OF COAL AS A CLEAN ENERGY SOURCE**

Research projects with this objective 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 is also geared towards minimising the environmental impact of underground mines destined for closure.

Preference is given to projects that envisage:

(a) a reduction in greenhouse gas emissions, in particular methane, from coal deposits;

(b) the return to the mine of mining waste, fly ash and desulphurisation products, accompanied, where relevant, by other forms of waste;

(c) the refurbishment of waste heaps and the industrial use of residues from coal production and consumption;

(d) the protection of water tables and the purification of mine drainage water;

(e) a reduction in the environmental impact of installations which mainly use Community coal and lignite;

(f) the protection of surface installations against the effects of subsidence in the short and long term;

(g) a reduction in emissions from coal utilisation.

4. **MANAGEMENT OF EXTERNAL DEPENDENCE ON ENERGY SUPPLY**

Research projects with this objective 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 is given to projects integrating complementary techniques such as the adsorption of methane or carbon dioxide, coal bed methane extraction and underground coal gasification, etc.

Appendix C

RESEARCH PROGRAMME OF THE RESEARCH FUND FOR COAL AND STEEL

SCIENTIFIC/TECHNICAL AND SOCIO-ECONOMIC PRIORITIES

STEEL RTD

With the general aim of increasing competitiveness and contributing to sustainable development, the main emphasis of RTD 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. The priority areas are set out in points 1 to 3 below, the order of which does not represent priority as between these points.

1. NEW AND IMPROVED STEELMAKING AND FINISHING TECHNIQUES

RTD must 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 should form an integral part of the improvements sought. Research projects should address the following areas:

— new and improved iron-ore reduction processes,

— ironmaking processes and operations,

— electric arc furnace processes,

— steelmaking processes,

— secondary metallurgy techniques,

— continuous casting and near net shape casting techniques with and without direct rolling,

— rolling, finishing and coating techniques,

— hot and cold-rolling techniques, pickling and finishing processes,

— process instrumentation, control and automation,

— maintenance and reliability of production lines.

2. RTD AND THE UTILISATION OF STEEL

RTD on the utilisation of steel is essential for meeting the future requirements of steel users and creating new market opportunities. Research projects should address the following areas:

— new steel grades for demanding applications,

— steel properties addressing mechanical properties at low and high temperatures such as strength and toughness, fatigue, wear, creep, corrosion and resistance against fracture,

— prolonging service life, in particular by improving the resistance of steels and steel structures to heat and corrosion,

— steel-containing composites and sandwich structures,

— predictive simulation models on microstructures and mechanical properties,

— structural safety and design methods, in particular with regard to resistance to fire and earthquakes,

— technologies relating to the forming, welding and joining of steel and other materials,

— standardisation of testing and evaluation methods.

3. 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 should form an integral part of the RTD work. Research projects should address the following areas:

— techniques for recycling obsolete steel from various sources and classification of steel scrap,

— steel grades and design of assembled structures to facilitate the easy recovery of steel scrap and its reconversion into usable steels,

— control and protection of the environment in and around the workplace,

— restoration of steelworks sites,

— improvement of working conditions and quality of life in the workplace,

— ergonomic methods,

— occupational health and safety,

— reduction of exposure to occupational emissions.