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LEGISLATIVE ACTS AND OTHER INSTRUMENTS

Subject:	COUNCIL DECISION on the establishment of the Research Programme of the Research Fund for Coal and Steel, the multiannual technical guidelines for that programme, the multiannual financial guidelines for managing the assets of the Research Fund for Coal and Steel, and repealing Decisions 2003/77/EC and 2008/376/EC

COUNCIL DECISION (EU) 2026/…

of …

on the establishment of the Research Programme of the Research Fund for Coal and Steel, the multiannual technical guidelines for that programme, the multiannual financial guidelines for managing the assets of the Research Fund for Coal and Steel, and repealing Decisions 2003/77/EC and 2008/376/EC

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to Protocol No 37 on the financial consequences of the expiry of the ECSC Treaty and on the Research Fund for Coal and Steel, annexed to the Treaty on European Union and to the Treaty on the Functioning of the European Union, and in particular Article 2, second paragraph, thereof,

Having regard to the proposal from the European Commission,

Having regard to the opinion of the European Parliament[1],

[1] Opinion of 19 May 2026 (not yet published in the Official Journal).

Whereas:

(1) For the purposes of Protocol No 37 on the financial consequences of the expiry of the ECSC Treaty and on the Research Fund for Coal and Steel, annexed to the Treaty on European Union and to the Treaty for the Functioning of the European Union, in accordance with Council Decision (EU) …/…[2+], the Commission is to manage 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 (together referred to as the 'assets').

(2) Council Decision 2008/376/EC[3] adopted the Research Programme of the Research Fund for Coal and Steel (the 'Research Programme'). The Research Programme should contribute to increasing public and private investment in research and innovation in Member States, thereby helping to reach an overall investment target of at least 3 % of the Union's gross domestic product in research and development.

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[2] Council Decision (EU) …/… of … laying down the measures necessary for the implementation of Protocol No 37 on the financial consequences of the expiry of the ECSC Treaty and on the Research Fund for Coal and Steel, annexed to the Treaty on European Union and to the Treaty on the Functioning of the European Union and repealing Decision No 2003/76/EC (OJ L, …, ELI …).

[+] OJ: Please insert in the text the date and number of the Decision contained in document ST 6884/26 and complete the corresponding footnote.

[3] Council Decision 2008/376/EC 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 (OJ L 130, 20.5.2008, p. 7, ELI: http://data.europa.eu/eli/dec/2008/376/oj).

(3) To that effect, and in line with the objectives of the Research Programme, work programmes should duly consider the evolving policy needs and the Union's priorities as identified in the Commission's Communications 'A Competitiveness Compass for the EU', 'The Clean Industrial Deal: A joint roadmap for competitiveness and decarbonisation', 'A European Steel and Metals Action Plan' and 'The European Green Deal'.

(4) In order to foster a just transition, the Research Programme should contribute to the social, economic and environmental revitalisation of coal and steel regions particularly affected by the transition of the coal and steel sectors.

(5) Committing the totality of the available assets in eight years is necessary to improve the attractiveness and impact of the Research Programme, leverage and accelerate private research and innovation investment, boost competitiveness and accelerate the industrial transformation of the steel and coal sectors towards the green transition and decarbonisation in a challenging geopolitical and economic context.

(6) In a changing economic and financial environment, recent experience has shown the need for more flexibility and a more attractive financial and technical framework for implementing the Research Programme. The multiannual technical guidelines ('technical guidelines') for the Research Programme should enable a more flexible approach in its implementation and should thus further simplify access to funding under that programme and maximise the effectiveness and impact of that funding.

(7) The replacement of Decision 2008/376/EC is necessary to simplify the landscape of Union funding programmes, in particular by aligning the Research Programme with the instruments used under the Horizon Europe Framework Programme of the European Union for Research and Innovation (2021-2027), established by Regulation (EU) 2021/695 of the European Parliament and of the Council[4], and those that will be used under the successor to that Framework Programme. Alignment is needed, inter alia, in relation to the funding rates between the programmes, which will allow for complementarities between various programmes in the sectors related to the coal and steel industry, providing applicants with a seamless pathway between programmes, where relevant. Changes in the corporate management of funding tools as well as the 'single rulebook' introduced by Regulation (EU, Euratom) 2024/2509 of the European Parliament and of the Council[5] resulted in a need to align the technical guidelines for the Research Programme. Those changes, combined with the changes in the implementation of the Research Programme to achieve its investment objectives, further strengthen the case for replacing Decision 2008/376/EC.

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4 Regulation (EU) 2021/695 of the European Parliament and of the Council of 28 April 2021 establishing Horizon Europe – the Framework Programme for Research and Innovation, laying down its rules for participation and dissemination, and repealing Regulations (EU) No 1290/2013 and (EU) No 1291/2013 (OJ L 170, 12.5.2021, p. 1, ELI: http://data.europa.eu/eli/reg/2021/695/oj).

5 Regulation (EU, Euratom) 2024/2509 of the European Parliament and of the Council of 23 September 2024 on the financial rules applicable to the general budget of the Union (OJ L, 2024/2509, 26.9.2024, ELI: http://data.europa.eu/eli/reg/2024/2509/oj).

(8) The Research Programme should finance actions on the basis of open calls. The actions should primarily take the form of research projects covering the whole range of Technology Readiness Levels, from low to high, allowing for greater participation of industry, including small and medium-sized enterprises, and public and academic entities.

(9) In order to cover the risk for the Commission and other beneficiaries associated with non-recovery of sums due by beneficiaries, and to reduce the burden on applicants in providing bank guarantees, it is appropriate to extend the use of the mutual insurance mechanism established by Regulation (EU) 2021/695 to the Research Programme.

(10) Directive 2010/75/EU of the European Parliament and of the Council[6] provided for the establishment of an innovation centre for industrial transformation and emissions (the 'innovation centre'). By collecting and analysing information on innovative techniques, the innovation centre contributes, inter alia, to minimising pollution, to decarbonisation, to resource efficiency and to a circular economy that uses fewer or safer chemicals relevant to the activities covered by that Directive. In order to monitor technological progress and assess environmental benefits and trade-offs for industrial transformation in the Union, the periodic reports of the research projects under the Research Programme should be shared with the innovation centre, for information purposes.

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6 Directive 2010/75/EU of the European Parliament and of the Council of 24 November 2010 on industrial and livestock rearing emissions (integrated pollution prevention and control) (OJ L 334, 17.12.2010, p. 17, ELI: http://data.europa.eu/eli/dir/2010/75/oj).

(11) To ensure that all available assets are committed within eight years, the investment objectives of the asset management operations should be updated. The assets should be invested with the objective of preserving and, where possible, enhancing their value in order to meet the liquidity needs arising from funding calls. The other aspects of the asset management operations should be adjusted to align with the updated investment objectives.

(12) The multiannual financial guidelines ('financial guidelines') should enable a flexible approach as regards the technical aspects of the implementation and should specify the appropriate investment instruments to achieve the investment objectives. The rules pertaining to the way investments are conducted, namely those related to asset allocation principles, eligible investments and environmental, social and governance considerations, are technical in nature. For other portfolios managed by the Commission, they would in principle be determined in accordance with the rules for delegation of budget implementation powers referred to in Regulation (EU, Euratom) 2024/2509. Consequently, the Commission should be allowed to decide to enlarge the scope of eligible investments to include other asset classes and investment operations consistent with the investment strategy and objectives, as well as currencies of other advanced economies, as listed by the International Monetary Fund and subject to hedging of currency risk, in accordance with those rules. Moreover, to align the financial guidelines applicable to environmental, social and governance investments with the rules applicable to the other portfolios it manages, the Commission should also be allowed to set detailed financial guidelines.

(13) To ensure financial transparency, the Member States should be provided with an annual report containing information on asset management operations carried out under the financial guidelines, including information on asset allocation to the different asset classes, and an explanation of any major change in strategic asset allocation.

(14) Regulation (EU, Euratom) 2024/2509 applies to the Research Programme.

(15) To accommodate the different contribution methods of participants, in particular in research and innovation activities, it should be possible to declare in-kind contributions from third parties as eligible costs, by way of derogation from Article 193(2) of Regulation (EU, Euratom) 2024/2509. To incentivise valorisation of results, income generated by such valorisation should not be considered as revenues of the action, by way of derogation from Article 195(2) of Regulation (EU, Euratom) 2024/2509.

(16) In accordance with Regulation (EU, Euratom) 2024/2509, Regulation (EU, Euratom) No 883/2013 of the European Parliament and of the Council[7] and Council Regulations (Euratom, EC) No 2988/95[8], (Euratom, EC) No 2185/96[9] and (EU) 2017/1939[10], the financial interests of the Union are to be protected through proportionate measures, including the prevention, detection, correction and investigation of irregularities and fraud, the recovery of funds lost, wrongly paid or incorrectly used and, where appropriate, the imposition of administrative sanctions. In particular, in accordance with Regulations (EU, Euratom) No 883/2013 and (Euratom, EC) No 2185/96 the European Anti-Fraud Office (OLAF) can carry out investigations, including on-the-spot checks and inspections, with a view to establishing whether there has been fraud, corruption or any other illegal activity affecting the financial interests of the Union. In accordance with Regulation (EU) 2017/1939, the European Public Prosecutor's Office (EPPO) is competent to investigate and prosecute fraud and other criminal offences affecting the financial interests of the Union as provided for in Directive (EU) 2017/1371 of the European Parliament and of the Council[11].

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7 Regulation (EU, Euratom) No 883/2013 of the European Parliament and of the Council of 11 September 2013 concerning investigations conducted by the European Anti-Fraud Office (OLAF) and repealing Regulation (EC) No 1073/1999 of the European Parliament and of the Council and Council Regulation (Euratom) No 1074/1999 (OJ L 248, 18.9.2013, p. 1, ELI: http://data.europa.eu/eli/reg/2013/883/oj).

8 Council Regulation (EC, Euratom) No 2988/95 of 18 December 1995 on the protection of the European Communities financial interests (OJ L 312, 23.12.1995, p. 1, ELI: http://data.europa.eu/eli/reg/1995/2988/oj).

9 Council Regulation (Euratom, EC) No 2185/96 of 11 November 1996 concerning on-the-spot checks and inspections carried out by the Commission in order to protect the European Communities' financial interests against fraud and other irregularities (OJ L 292, 15.11.1996, p. 2, ELI: http://data.europa.eu/eli/reg/1996/2185/oj).

10 Council Regulation (EU) 2017/1939 of 12 October 2017 implementing enhanced cooperation on the establishment of the European Public Prosecutor's Office ('the EPPO') (OJ L 283, 31.10.2017, p. 1, ELI: http://data.europa.eu/eli/reg/2017/1939/oj).

11 Directive (EU) 2017/1371 of the European Parliament and of the Council of 5 July 2017 on the fight against fraud to the Union's financial interests by means of criminal law (OJ L 198, 28.7.2017, p. 29, ELI: http://data.europa.eu/eli/dir/2017/1371/oj).

In accordance with Regulation (EU, Euratom) 2024/2509, any person or entity receiving Union funds is to fully cooperate in the protection of the Union's financial interests, to grant the necessary rights and access to the Commission, OLAF, the European Court of Auditors and, as appropriate, to EPPO, and to ensure that any third parties involved in the implementation of Union funds grant equivalent rights.

(17) In order to ensure uniform conditions for the implementation of this Decision, implementing powers should be conferred on the Commission as regards certain decisions on the approval of the funding for research projects. Those powers should be exercised in accordance with Regulation (EU) No 182/2011 of the European Parliament and of the Council[12].

(18) Council Decision 2003/77/EC[13] and Decision 2008/376/EC should be repealed.

(19) It is appropriate to merge the technical and financial guidelines for reasons of simplification.

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12 Regulation (EU) No 182/2011 of the European Parliament and of the Council of 16 February 2011 laying down the rules and general principles concerning mechanisms for control by the Member States of the Commission's exercise of implementing powers (OJ L 55, 28.2.2011, p. 13, ELI: http://data.europa.eu/eli/reg/2011/182/oj).

13 Council Decision 2003/77/EC of 1 February 2003 laying down multiannual financial guidelines for managing the assets of the ECSC in liquidation and, on completion of the liquidation, the Assets of the Research Fund for Coal and Steel (OJ L 29, 5.2.2003, p. 25, ELI: http://data.europa.eu/eli/dec/2003/77(1)/oj).

(20) In order to ensure a consistent implementation of the Research Programme in 2026, Decision 2008/376/EC should continue to apply to the financing of actions resulting from proposals submitted to calls published up to 31 December 2026.

(21) For reasons of clarity as to the rules applicable to actions, it is appropriate to defer the application of this Decision until 1 January 2027,

HAS ADOPTED THIS DECISION:

Chapter I
General provisions

Article 1

Subject matter

This Decision establishes the Research Programme of the Research Fund for Coal and Steel (the 'Research Programme') and lays down the objectives of that programme and its budget and the multiannual technical guidelines ('technical guidelines') therefor and the multiannual financial guidelines ('financial guidelines') for managing 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 (together referred to as the 'assets').

Article 2

Definitions

For the purposes of this Decision, the following definitions 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 United Nations 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 international codification system of coal of the United Nations Economic Commission for Europe;

(e) coke and semi-coke derived from lignite;

(f) oil shale;

(2) ‘legal entity’ means any of the following:

(a) a natural person;

(b) a legal person created and recognised as such under Union, national or international law, which has legal personality and the capacity to act in its own name, exercise rights and be subject to obligations;

(c) an entity which does not have legal personality, as referred to in Article 200(2), point (c), of Regulation (EU, Euratom) 2024/2509;

(3) ‘action result’ means any tangible or intangible outcome of a given action, such as data, knowledge or know-how, independent of its form or nature and of whether it can be protected, as well as any rights attached to it, including intellectual property rights;

(4) ‘steel’ means any of the following:

(a) raw materials for iron and steel production;

(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 rerolling);

(d) hot-finished products of iron, ordinary steel or special steel (coated or uncoated products, excluding steel castings, forgings and powder metallurgy products);

(e) end products of iron, ordinary steel or special steel (coated or uncoated);

(f) products of the first-stage processing of steel that can enhance the competitive position of the iron and steel products referred to in points (a) to (e);

(g) scrap iron and steel waste intended for recycling and reprocessing.

(5) ‘valorisation’ means the use of action results in activities other than those covered by the action concerned, including deployment.

Article 3

Programme objectives

1. The Research Programme shall support the competitiveness of sectors related to the coal and steel industry by providing support for collaborative research with an industry-led orientation in those sectors, including on dual-use applications.

2. The Research Programme shall provide support for clean steel breakthrough technologies, contributing to the objectives of climate neutrality in the Union and reinforcing Union strategic autonomy across the steel value chain. The Research Programme shall also provide support for research projects for managing the just transition of formerly operating coal mines or coal mines in the process of closure and for related infrastructure and the regions in which they are located, particularly those facing significant social, economic or environmental challenges arising from the transition of the coal and steel sectors.

3. The Research Programme shall promote valorisation and innovation, including the testing and piloting of new methods, to enhance the market relevance of research outcomes and to increase their potential for scalable deployment. It shall also promote solutions that are commercially viable and industrially scalable.

4. The Research Programme shall be consistent with the political, scientific and technological objectives of the Union, and shall complement the activities carried out in the Member States.

5. The Research Programme shall support synergies with other relevant programmes and funding instruments aiming at accelerating technological development to deployment status.

6. The Research Programme shall support research projects aimed at the objectives set out in Article 4 for coal and in Article 5 for steel.

Article 4

Research objectives for coal

1. Research projects shall aim to accelerate the transition, by 2050, towards a climate-neutral Union economy, with the objectives of supporting the phasing out of fossil fuels, especially coal, and supporting the social, economic and ecological revitalisation of coal regions, developing alternative activities on former mine sites and avoiding or addressing the environmental damage from coal mines in the process of closure, formerly operating coal mines and the regions in which coal mines are located.

2. Special attention shall be given to strengthening Union leadership in managing the transition, including repurposing, of formerly operating coal mines and coal-related infrastructure through technological and non-technological solutions, while supporting technology and non-technology transfer. Research activities with those objectives shall present tangible climate and environmental benefits in line with the objective of climate neutrality by 2050.

3. Research projects shall take into account issues concerning safety in coal mines in the process of closure and formerly operating coal mines with a view to improving working conditions, occupational health and safety, as well as environmental issues harmful to health.

4. Research projects shall seek to eliminate the impact of coal mines in the process of closure and of formerly operating mines on the climate, atmosphere, water and soils.

5. Research projects shall consider:

(a) new and improved technologies to avoid environmental pollution, such as methane leakage and associated greenhouse emissions and contamination of water tables, of coal mines in the process of closure, formerly operating mines and their surroundings, including the atmosphere, land, soils and water;

(b) solutions for managing and reusing mining wastes, improving circularity and restoring the environment; and

(c) technologies to restore and protect sites from long-term effects.

Article 5

Research objectives for steel

1. Research projects shall aim to develop, demonstrate and improve sustainable and low-carbon steelmaking and finishing processes, with a view to raising product quality, increasing productivity and decreasing strategic dependencies.

2. Research projects shall focus on developing advanced, sustainable and low carbon steel products and related lead markets which meet the requirements of steel users while reducing emissions and environmental impacts, in accordance with the objectives of Directive 2003/87/EC[14], Directive 2010/75/EU[15] and Regulation (EU) 2024/1781[16] of the European Parliament and of the Council.

3. In steel production and use, research projects shall enable the conservation of resources, the preservation of ecosystems and the transition to a circular economy and shall consider safety issues.

4. Research projects shall pay particular attention to the continuous development of skills adapted to the evolution of the sector towards new net-zero-carbon processes, to the improvement of working conditions and to the promotion of high health and safety standards and sustainable livelihoods.

5. Research projects shall accelerate the use of digital technologies, including artificial intelligence and machine learning, in steel production and use.

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[14] Directive 2003/87/EC of the European Parliament and of the Council of 13 October 2003 establishing a system for greenhouse gas emission allowance trading within the Union and amending Council Directive 96/61/EC (OJ L 275, 25.10.2003, p. 32, ELI: http://data.europa.eu/eli/dir/2003/87/oj).

[15] Directive 2010/75/EU of the European Parliament and of the Council of 24 November 2010 on industrial and livestock rearing emissions (integrated pollution prevention and control) (OJ L 334, 17.12.2010, p. 17, ELI: http://data.europa.eu/eli/dir/2010/75/oj).

[16] Regulation (EU) 2024/1781 of the European Parliament and of the Council of 13 June 2024 establishing a framework for the setting of ecodesign requirements for sustainable products, amending Directive (EU) 2020/1828 and Regulation (EU) 2023/1542 and repealing Directive 2009/125/EC (OJ L, 2024/1781, 28.6.2024, ELI: http://data.europa.eu/eli/reg/2024/1781/oj)

Article 6

Budget

1. The financial envelope of the Research Programme for the period 1 January 2027 to 31 December 2034 shall consist of the following:

   (a) any amounts of the annual allocation which were made available to the Research Fund for Coal and Steel as a result of the cancellation of budgetary commitments;

   (b) any remaining assets and profits generated by remaining assets; and

   (c) the amounts of previous annual allocations not yet entered in the budget.

2. The financial envelope of the Research Programme shall be committed in its entirety through four work programmes covering the years 2027 and 2028, 2029 and 2030, 2031 and 2032, and 2033 and 2034. The work programmes shall provide for yearly calls for proposals in accordance with Article 10.

Article 7

Eligibility

1. Any legal entity established within the territory of a Member State may participate in the Research Programme and apply for financial assistance.

2. Any legal entity established in a candidate country may participate in the Research Programme without receiving any financial contribution, unless otherwise provided under the relevant European Agreements and their Protocols or in the decisions of the respective Association Councils.

3. Any legal entity established in a third country may participate in the Research Programme on the basis of individual projects without receiving any financial contribution, provided that such participation is in the Union's interest.

Article 8

Implementation and financial contribution

1. The Research Programme shall be implemented in accordance with Regulation (EU, Euratom) 2024/2509, under direct management by the Commission, through executive agencies.

2. Funding under the Research Programme shall be provided in the form of grants in accordance with Regulation (EU, Euratom) 2024/2509, except for the funding of actions necessary for the sound and effective management of the Research Programme, such as the evaluation and selection of proposals, monitoring and assessment, studies, clustering and networking of research projects funded.

Article 9

Security for dual-use research projects

1. Dual-use research projects carried out under the Research Programme shall comply with the applicable national security rules, including rules on the protection of EU classified information against unauthorised disclosure, and shall comply with any other relevant Union and national law.

2. Where necessary, proposals shall include a security self-assessment identifying any security issues and detailing how those issues will be addressed in order to comply with the relevant Union and national law.

3. Where necessary, the Commission shall carry out a security scrutiny procedure for proposals raising security issues. Legal entities participating in a dual-use research project shall ensure the protection against unauthorised disclosure of EU classified information used or generated by the action. They shall provide proof of personal security clearance or facility security clearance from the relevant national security authorities, prior to the start of the activities concerned.

4. If independent external experts have to deal with EU classified information, the appropriate security clearance shall be required before those experts are appointed.

5. Where appropriate, the Commission may carry out security checks.

6. Proposals or actions which do not comply with the security rules under this Article shall be rejected or terminated at any time. Members States shall be informed of the termination of dual-use research projects not complying with those rules.

Chapter II
Technical guidelines

Article 10

Calls for proposals

1. Calls for proposals shall be published twice a year. The content and publication of calls for proposals shall comply with Article 197 of Regulation (EU, Euratom) 2024/2509.

2. Proposals shall relate to the research objectives laid down in Articles 4 and 5, and where applicable, to the priority objectives listed in the conditions of the call for proposals.

3. In order to cover the entire value chain, the work programmes shall be designed to address the whole range of Technology Readiness Levels, from low to high, and shall include bottom-up research and projects of various scales to ensure the participation of a wide range of stakeholders.

4. The selection, award and evaluation procedures for proposals shall take place in conformity with Articles 201, 202 and 203, respectively, of Regulation (EU, Euratom) 2024/2509.

5. For the purposes of Article 153(3) of Regulation (EU, Euratom) 2024/2509, the evaluation committee shall be composed of independent external experts, except in duly justified cases.

Article 11

Grants

1. Projects based on selected proposals shall be the subject of a grant agreement. Grant agreements shall follow the corporate model grant agreements drawn up by the Commission, taking into account, as appropriate, the nature of the activities concerned.

2. Beneficiaries shall implement actions in compliance with the conditions and obligations set out in this Decision, Regulation (EU, Euratom) 2024/2509 and the grant agreement.

Article 12

Funding rates

1. A single funding rate per action shall apply for all activities funded by that action. The maximum funding rate per action under the Research Programme shall be fixed in the call conditions.

2. Up to 100 % of total eligible costs per action under the Research Programme may be reimbursed.

However, in the case of legal entities which, by their legal form, are for-profit making or which have as their legal or statutory purpose to distribute profits to their shareholders or individual members, up to 70 % of the total eligible costs per action under the Research Programme may be reimbursed.

Notwithstanding the first and second subparagraphs, in the case of small and medium-sized enterprises up to 100 % of the total eligible costs per action under the Research Programme may be reimbursed.

Article 13

Indirect costs

1. Indirect eligible costs shall be 25 % of the total direct eligible costs, excluding direct eligible costs for subcontracting, financial support to third parties and any unit costs or lump sums which include indirect costs.

   Where appropriate, indirect eligible costs included in unit costs or lump sums shall be calculated in accordance with the first subparagraph.

2. Notwithstanding paragraph 1, if provided for in the call conditions, indirect eligible costs may be declared in the form of a lump sum or unit costs.

Article 14

Eligible costs

1. By way of derogation from Article 193(2) of Regulation (EU, Euratom) 2024/2509, costs of resources made available by third parties by means of in-kind contributions shall be eligible up to the total direct eligible costs of the third party.

2. By way of derogation from Article 195(2) of Regulation (EU, Euratom) 2024/2509, income generated by valorisation shall not be considered to be revenue generated by the action.

Article 15

Managing action results

Beneficiaries shall manage their action results in accordance with the obligations set out in the conditions of the call for proposals and in the grant agreement.

Article 16

Use of the mutual insurance mechanism

Contributions to the mutual insurance mechanism established by Article 37 of Regulation (EU) 2021/695 shall cover the risk associated with the recovery of sums due by beneficiaries and shall be considered to meet the guarantee requirements of Article 155 of Regulation (EU, Euratom) 2024/2509. No additional guarantee or security shall be accepted from beneficiaries or imposed upon them.

Article 17

Technical reports

1. For all research projects the beneficiaries shall draw up periodical technical reports. Such reports shall describe the technical progress made during the reference period. They shall be shared with the innovation centre for industrial transformation and emissions established pursuant to Article 27a of Directive 2010/75/EU, for information purposes.

2. On completion of the work, the beneficiaries shall provide the Commission with a final technical report comprising an assessment of the impact and exploitation of the results of the research project. The Commission shall publish that report in full or in summarised form depending on the strategic relevance of the research project.

Article 18

Final activity review

1. After the conclusion of the Research Programme, the Commission shall conduct a final review of activities and shall present its findings in a report. That report shall be sent to the Coal and Steel Committee.

2. The Commission may appoint independent highly qualified experts to assist with the final review of activities.

Chapter III
Financial guidelines

Article 19

Financial guidelines

1. The assets shall be managed to provide annual or semi-annual payments within the limits of the annual allocations in order to finance collaborative research in the sectors related to the coal and steel industry. The annual or semi-annual payments shall be financed by the net revenue from the investments and by the cash amounts generated by selling part of the assets, up to the amount of the annual allocations.

2. The Commission shall review Articles 20 to 26 where it considers it appropriate. To that end, the Commission shall reassess the operation and effectiveness of the financial guidelines and shall propose amendments thereto where it considers it appropriate.

Article 20

Use of funds

1. The assets of the ECSC in liquidation, including both its loan portfolio and its investments, shall be used as necessary to meet the remaining obligations of the ECSC in liquidation relating to its outstanding borrowings, its commitments resulting from previous operating budgets and any unforeseen liabilities.

2. The assets that are not necessary to meet the remaining obligations of the ECSC in liquidation shall be prudently invested by the Commission, in accordance with the chosen investment horizon referred to in Article 21, and used to fund research in sectors related to the coal and steel industry.

Article 21

Investment horizon, investment objective and risk tolerance

1. The assets shall be invested with the objective of preserving, and where possible enhancing, the value of those assets to meet the liquidity needs arising from the funding calls (the 'investment objective'). The investment objective shall be pursued over the investment horizon and delivered with a high confidence level.

2. The assets shall be managed in accordance with prudential rules and the principles of sound financial management, and in accordance with the rules and procedures set out by the accounting officer of the Commission and with the risk management framework of the Commission.

3. The investment objective shall be pursued through the implementation of a prudent investment strategy based on diversification across eligible asset classes, geographical areas, issuers and maturities (the 'investment strategy'). The investment strategy shall take into account the investment horizon and the size of remaining assets and shall ensure that necessary funds are available in a sufficiently liquid form as and when needed.

4. The investment strategy shall be expressed in the form of a strategic asset allocation, which shall set out the indicative target allocations to different categories of eligible financial assets.

5. The Commission shall reflect the strategic asset allocation in a strategic benchmark (the 'benchmark'), against which the performance of the assets shall be compared.

6. The investment strategy and the benchmark shall be determined by the Commission in accordance with the rules on the delegation of budget implementation powers referred to in Article 60 of Regulation (EU, Euratom) 2024/2509. In case the assets are invested only in current bank accounts and term deposits, an investment benchmark and investment strategy shall not be required.

7. The Commission may modify the investment strategy and the benchmark in the event of:

   (a) a change in economic conditions that is duly demonstrated by relevant documentation;

   (b) a substantial change in the needs and situation of the contributing instruments; or

   (c) a significant change in inflow or outflow estimates.

   The procedure for modification of the investment strategy shall be the same as for its initial determination.

8. The investment strategy shall be established taking into account the investment horizon and the risk tolerance of the assets.

Article 22

Asset allocation principles and eligible investments

1. Sufficient diversification among and within all asset classes shall be assured to reduce investment risks. In principle, the riskier or less liquid an asset, the less concentrated the exposure shall be.

2. The assets may achieve exposure to different asset classes and diversification via investments in collective investment undertakings or exchange-traded products.

3. The assets shall be invested only in the following asset classes, which shall be denominated in euro:

   (a) money market assets;

   (b) fixed income securities;

   (c) regulated collective investments in debt and equity.

4. The assets shall achieve exposure to the asset classes referred to in paragraph 3 through investment in the following instruments or by engaging in the following operations:

   (a) deposits;

(b) money market instruments and money market funds which offer daily liquidity, in accordance with Regulation (EU) 2017/1131 of the European Parliament and of the Council[17];

(c) debt instruments, such as bonds, bills and notes, and securitised instruments in accordance with the simple, transparent and standardised criteria established by Regulation (EU) 2017/2402 of the European Parliament and of the Council[18];

(d) collective investment undertakings covered by Directive 2009/65/EC of the European Parliament and of the Council[19], including exchange-traded funds which invest in equity or in debt instruments where maximum losses cannot exceed amounts invested;

(e) repurchase agreements in accordance with the principle established by Article 215(2) of Regulation (EU, Euratom) 2024/2509;

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17 Regulation (EU) 2017/1131 of the European Parliament and of the Council of 14 June 2017 on money market funds (OJ L 169, 30.6.2017, p. 8, ELI: http://data.europa.eu/eli/reg/2017/1131/oj).

18 Regulation (EU) 2017/2402 of the European Parliament and of the Council of 12 December 2017 laying down a general framework for securitisation and creating a specific framework for simple, transparent and standardised securitisation, and amending Directives 2009/65/EC, 2009/138/EC and 2011/61/EU and Regulations (EC) No 1060/2009 and (EU) No 648/2012 (OJ L 347, 28.12.2017, p. 35, ELI: http://data.europa.eu/eli/reg/2017/2402/oj).

19 Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) (OJ L 302, 17.11.2009, p. 32, ELI: http://data.europa.eu/eli/dir/2009/65/oj).

(f) reverse repurchase agreements;

(g) securities lending operations with recognised clearing systems, including Clearstream and Euroclear, or with leading financial institutions specialising in that type of operation.

5. Derivatives in the form of forward and future contracts and swaps shall be used solely for the purposes of efficient portfolio management and not for the purposes of speculation or leveraging of positions. Those derivatives may be used for adjustment of duration, mitigation of credit or other relevant risk or changes in asset allocation consistent with the investment strategy.

6. The assets may be invested in liquid money market assets and bonds denominated in US dollars issued by sovereign and supranational entities provided they are invested for the sole purposes of diversification and exposure to another interest rate curve. Any currency risk shall be hedged by making appropriate use of swaps or other instruments for foreign exchange hedging, in accordance with paragraph 5.

7. The Commission may, in accordance with the rules on the delegation of budget implementation powers referred to in Article 60 of Regulation (EU, Euratom) 2024/2509, enlarge the scope of eligible investments to include other asset classes and investment operations that are consistent with the investment strategy and objectives, as well as currencies of other advanced economies, as listed by the International Monetary Fund and subject to hedging of currency risk. Any decision to include new asset classes or investment operations, or currencies of other advanced economies, shall be supported by a substantiated justification per asset class, operation or currency, of how the expanded investment possibilities will enhance the risk-return performance of the assets. That justification shall include an assessment of the operational capacities needed to support those expanded investment possibilities.

Article 23

Environmental, social and governance considerations

1. The investment strategy shall be implemented by favouring environmental, social and governance investments when available and possible, provided that they align with risk management criteria.

2. The Commission may set out detailed guidelines applicable to environmental, social and governance investments, in accordance with the rules on the delegation of budget implementation powers referred to in Article 60 of Regulation (EU, Euratom) 2024/2509.

Article 24

Transfer to the general budget of the Union

to meet payment obligations of the Research Fund for Coal and Steel

The net revenue from the investments of the assets and the cash amounts generated by selling part or the totality of those assets shall be transferred from the ECSC in liquidation and, on completion of the liquidation, from the assets of the Research Fund for Coal and Steel when necessary to meet the payment obligations from the budget line directed to research programmes for sectors related to the coal and steel industry.

Article 25

Remaining amounts

Any unspent or recovered amounts remaining after the implementation of the last call for proposals shall be made available to the Research Fund for Coal and Steel and shall be used exclusively for research in the sectors related to the coal and steel industry.

Article 26

Accounting and management procedures

1. The management of the funds shall be accounted for in the annual accounts for the ECSC in liquidation and, on completion of the liquidation, the annual accounts for the assets of the Research Fund for Coal and Steel. Those accounts shall be based upon and presented in accordance with the accounting rules adopted by the accounting officer of the Commission in accordance with Article 80 of Regulation (EU, Euratom) 2024/2509, taking into account the specific nature of the ECSC in liquidation and, on completion of the liquidation, the assets of the Research Fund for Coal and Steel. The accounts shall be approved by the Commission and examined by the Court of Auditors. The Commission shall engage external firms to carry out an annual audit of its accounts.

2. The Commission shall carry out, in relation to the ECSC in liquidation and, on completion of the liquidation, the assets of the Research Fund for Coal and Steel, the management operations referred to in Articles 20 to 26 under the Commission's internal rules and procedures.

3. The Commission shall draw up a detailed annual report on management operations carried out under Articles 20 to 26 and send it to the Member States. In that annual report, the Commission shall include information on the use of the different asset classes, on the reasons behind its choice to invest in specific asset classes and on the observed performance of each asset class.

Chapter IV
Transitional and final provisions

Article 27

Decision on the approval of the funding of certain research projects

The Commission shall adopt an implementing act on the approval of the funding of research projects, where the estimated amount of the Union contribution under the Research Programme is equal to or more than EUR 5 million.

That implementing act shall be adopted in accordance with the examination procedure referred to in Article 28(3).

Article 28

Management of the Research Programme and committee procedure

1. The Commission shall manage the Research Programme. It shall be assisted by technical and advisory groups with relevant expertise, established by a Commission decision.

2. The Commission shall be assisted by the Coal and Steel Committee. That committee shall be a committee within the meaning of Regulation (EU) No 182/2011.

3. Where reference is made to this paragraph, Article 5 of Regulation (EU) No 182/2011 shall apply.

4. Where the opinion of the committee is to be obtained by written procedure, that procedure shall be terminated without result when, within the time-limit for delivery of the opinion, the chair of the committee so decides or a simple majority of committee members so request.

Article 29

Repeal and transitional measures

Decisions 2003/77/EC and 2008/376/EC are repealed.

However, Decision 2008/376/EC shall continue to apply to the financing of actions resulting from proposals submitted to calls for proposals published until 31 December 2026.

Where necessary, any remaining tasks of the Coal and Steel Committee established by Decision 2008/376/EC related to the actions referred to in the second subparagraph of this Article shall be undertaken by the Coal and Steel Committee referred to in Article 28 of this Decision.

Article 30

Entry into force and application

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

It shall apply from 1 January 2027.

Done at …, …

For the Council
The President