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PROPOSAL

From:	Secretary-General of the European Commission, signed by Mr Jordi AYET PUIGARNAU, Director
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To:	Mr Jeppe TRANHOLM-MIKKELSEN, Secretary-General of the Council of the European Union
No. Cion doc.:	COM(2020) 320 final
Subject:	Proposal for a COUNCIL DECISION amending Decision 2008/376/EC on the adoption of the Research Programme of the Research Fund for Coal and Steel and on the multiannual technical guidelines for this programme

Delegations will find attached document COM(2020) 320 final.

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Proposal for a

COUNCIL DECISION

amending Decision 2008/376/EC on the adoption of the Research Programme of the Research Fund for Coal and Steel and on the multiannual technical guidelines for this programme

EXPLANATORY MEMORANDUM

1. CONTEXT OF THE PROPOSAL

• Reasons for and objectives of the proposal

The purpose of this proposal is to amend the Council Decision 2008/376/EC[1] in order to align it 'with the scientific, technological and political objectives of the Community' according to Article 2 of Council Decision 2008/376/EC itself. More in detail, the present proposal has the objective to revise the coal and steel research objectives of the Research Programme of the Research Fund for Coal and Steel ('RFCS Research Programme'). The proposal took into account recommendations contained in the RFCS monitoring and assessment report (2011-2017)[2] as well as the advice of the Coal and Steel Advisory Groups[3] and of the Member States represented in the Coal and Steel Committee[4].
This Commission's proposal aims at bringing the RFCS Research Programme in line with the Paris Agreement[5], the Commission's European Green Deal[6], the Sustainable Europe Investment Plan Communications[7], the New Circular Economy Action Plan[8] and the Commission's New Industrial Strategy for Europe[9].

The proposal aims at:

- Updating the coal research objectives in line with the Commission's climate, energy and environmental targets. It also aims at achieving carbon neutrality by 2050 and the 'do no harm principle' enshrined in the European Green Deal Communication.
- Supporting a fair and just transition for coal regions in line with the principles of the Just Transition Mechanism.
- Revising the steel research objectives in order to prioritize near zero carbon steelmaking technologies, applications and use.
- Providing for the possibility of implementing a part of the RFCS Research Programme through co-programmed European Partnerships.

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1 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).

2 Available at: https://ec.europa.eu/info/publications/research-fund-coal-and-steel-monitoring-and-assessment-report_en

3 Coal Advisory Group and the Steel Advisory provided its comments on 3 and 4 December 2019 respectively. Information is available in the Register of Commission Expert Groups: https://ec.europa.eu/transparency/regexpert/index.cfm?do=groupDetail.groupMeeting&meetingId=18626

4 The Coal and Steel Committee endorsed the proposed approach on 19 December 2019.

5 Multilateral Treaty, Chapter XXVII Environment, 7.d Paris Agreement. Entered into force on 4 November 2016.

6 European Commission Communication 'The European Green Deal', Brussels, 11 December 2019, COM(2019) 640.

7 European Commission Communication 'Sustainable Europe Investment Plan. European Green Deal Investment Plan' Brussels, 14 January 2020, COM(2020) 21.

8 European Commission Communication 'A New Circular Economy Action Plan', Brussels, 11 March 2020, COM(2020) 98.

9 European Commission Communication 'A New Industrial Strategy for Europe', Brussels, 10 March 2020, COM(2020) 102.

- Replacing a special regime for experts under the research framework programme by the general rules on remunerated external experts laid down in the Financial Regulation[10].

- **Consistency with existing policy provisions in the policy area**

The proposal is part of a legal package revising the RFCS Research Programme. In particular, it is linked to the Commission's proposals to amend Council Decision 2003/76/EC[11] establishing the measures necessary for the implementation of Protocol (No 37)[12] and Council Decision 2003/77/EC[13] laying down the multiannual financial guidelines for managing the assets of the European Coal and Steel Community (ECSC) in liquidation and, on completion of the liquidation, the assets of the RFCS. The revision of Council Decision 2003/77/EC, under Directorate-General Budget's responsibility, is also consistent with the European Court of Auditors 2019 Review on the winding-up of the ECSC[14].

- **Consistency with other Union policies**

On 11 December 2019, the European Commission adopted 'The European Green Deal'[15] Communication setting the framework to transform the EU into the first climate-neutral continent by 2050. The European Green Deal tackles the climate and environmental challenges while developing a modern, resource-efficient and competitive economy, in the framework of the United Nation's 2030 Agenda and the sustainable development goals[16].

The European Green Deal Communication stresses the Commission's interest to 'support clean steel breakthrough technologies leading to a zero-carbon steel making process by 2030 and (…) to explore whether part of the funding being liquidated under the European Coal and Steel Community can be used. More broadly, the EU Emissions Trading System Innovation Fund will help to deploy such large-scale innovative projects'[17].

Moreover, the Communication 'European Green Deal Investment Plan. Sustainable Europe Investment Plan', presented on 14 January 2020, committed the Commission to 'propose a revision of the Regulations on the Research Fund for Coal and Steel in order to enable the use of a portion of the European Steel and Coal Community assets in liquidation. This will allow

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10 Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 (OJ L 193, 30.7.2018, p. 1).

11 Council Decision 2003/76/EC of 01 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, OJ L 29, 5.2.2003. Amended by Council Decision 2018/599 of 16 April 2018.

12 Protocol (No 37) on the financial consequences of the expiry of the ECSC treaty and on the Research fund for Coal and Steel, OJ C 115, 9.5.2008, p. 327–328.

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. 25–27. Amended by Council Decision 2008/750/EC.

14 European Court of Auditors, 'Review No 10/2019: The European Coal and Steel Community: winding-up is according to plan, but funding for research is no longer sustainable' 2019. Available on: https://www.eca.europa.eu/lists/ecadocuments/rw19_10/rw_ecsc_en.pdf

15 COM(2019) 640

16 https://sustainabledevelopment.un.org/post2015/transformingourworld

17 COM(2019) 640, pp. 8, 9.

to maintain the annual RFCS Research Programme[18] of at least EUR 40 million as well as to enable the funding of large clean steelmaking R&I breakthrough projects. Research activities in the coal sector will focus on regions in transition in line with the principles of the Just Transition Mechanism'[19].

The present proposal is also in line with the 2018 Communication 'A Clean Planet for All'[20], which sets out the European Commission's strategic long-term vision for a climate-neutral economy, in accordance with the Paris Agreement. This Communication envisaged that the Commission would explore how the assets of the European Coal and Steel Community in liquidation could support breakthrough technologies for low-carbon steelmaking. The Commission has adopted on 4 March 2020 a Proposal for a European Climate law, including a legally binding target of net zero greenhouse gas emissions by 2050 in the EU[21].

This revision also takes into account the need to fuel private and public investment in research, innovation and new technologies developing solutions for a more competitive and sustainable industry, as stressed in the 2016 Commission's Communication 'Steel: Preserving sustainable jobs and growth in Europe'[22].

In view of the above policy development, it is necessary to harmonize the RFCS Research Programme's objectives and its multiannual technical guidelines with the above policy developments, and in particular with the objectives of the European Green Deal.

2. LEGAL BASIS, SUBSIDIARITY AND PROPORTIONALITY

• Legal basis

The legal basis is the second paragraph of Article 2 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 Treaties.

• Subsidiarity (for non-exclusive competence)

The proposed amendments to the RFCS Research Programme can only be made at EU level, through the revision of the legal basis.

• Proportionality

The proposal is necessary for establishing the measures necessary for the implementation of the Protocol, annexed to the EU Treaties, on the financial consequences of the expiry of the ECSC Treaty and on the Research Fund for Coal and Steel.

• Choice of the instrument

Having regard to the second paragraph of Article 2 of Protocol (No 37), Council Decision 2008/376/EC can be amended by the Council acting by qualified majority on a proposal from the Commission and after consulting the European Parliament.

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18 Respecting Protocol (No 37) on the financial consequences of the expiry of the ECSC treaty and on the Research fund for Coal and Steel. OJ C 115, 9.5.2008, p. 327–328.

19 COM(2020) 21, p. 18.

20 European Commission Communication, 'A Clean Planet for all. A European strategic long-term vision for a prosperous, modern, competitive and climate neutral economy', COM(2018) 773.

21 Proposal for Regulation of the European Parliament and of the Council establishing the framework for achieving climate neutrality and amending Regulation (EU) 2018/1999 (European Climate Law)

22 European Commission Communication, 'Steel: Preserving sustainable jobs and growth in Europe', COM(2016)155.

3. RESULTS OF EX-POST EVALUATIONS, STAKEHOLDER CONSULTATIONS AND IMPACT ASSESSMENTS

- **Ex-post evaluations/fitness checks of existing legislation**

The proposal is based on results of the seven-year report, which carries out a monitoring exercise of the RFCS Research Programme, including an assessment of the expected benefits, with the assistance of a panel of qualified experts[23]. The most recent seven yearly report was published on 5 February 2020[24]. The experts analysed the functioning of the RFCS Research Programme, assessed the technological developments and expected benefits of the programme to the sector and society, and drew recommendations for the improvement of the programme, including a revision of the legal basis.

- **Stakeholder consultations**

The RFCS stakeholders have been involved in several ad-hoc meetings, specific Advisory Group meetings (Coal Advisory Group - CAG, Steel Advisory Group - SAG) and COSCO meetings (equivalent to the Programme Committee in Horizon 2020).

- **Collection and use of expertise**

The preliminary results of the present RFCS monitoring and assessment report were illustrated in the seminar "Steel and Coal: A New Perspective. European Research and Innovation in Action" hosted by the European Commission on 28 March 2019 where more than 100 stakeholders were present[25].

- **Impact assessment**

An impact assessment is not necessary for the proposed revision.

- **Regulatory fitness and simplification**

The proposal is based on the results of the RFCS monitoring and assessment seven year report, which foresees a regular review of the RFCS Research Programme, including an assessment of the expected benefits.

- **Fundamental rights**

The proposal is in line with the protection of fundamental rights.

4. BUDGETARY IMPLICATIONS

The proposal does not create any new liabilities to be charged to the General Budget under the current MFF.

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23 The monitoring and assessment report is foreseen in the provisions laid down in Council Decision n° 2008/376/EC published in the Official Journal of 20 May 2008 ref. OJ L 130/7 and amended by Council decision 2017/955 of 29 May 2017. This expert group is foreseen in C(2018) 3245 of 30.5.2018 - Commission Implementing Decision of 30.5.2018.

24 Available at: https://ec.europa.eu/info/publications/research-fund-coal-and-steel-monitoring-and-assessment-report_en

25 European Commission DG RTD, 'Steel and Coal: European Research and Innovation in Action', 2019. Available online: https://publications.europa.eu/s/mmQ7

5. OTHER ELEMENTS

- **Implementation plans and monitoring, evaluation and reporting arrangements**

A monitoring and assessment of the implementation of the RFCS programme will be carried out in 2027.

- **Explanatory documents (for directives)**

Not applicable.

- **Detailed explanation of the specific provisions of the proposal**

The revision regards the provisions contained in Chapter II, Sections 1, 3 and 4 of Council Decision 2008/376/EC (Article 2 and Articles 4 – 10). The revision also proposes to update Articles 28, 39 and 41. Finally, it is proposed to add a new Article 17a among the eligible activities set out in Chapter III, Section 2.

The revision is meant to:

- update of the coal research objectives (Articles 4, 5, 6, 7) in line with the European Green Deal and the Just Transition Mechanism;
- update of the steel research objectives (Articles 8, 9, 10 and 10a) in line with the European Green Deal and Sustainable Europe Investment Plan;
- insert a new Article 17a among the RFCS Research Programme's eligible activities in order to include research activities under co-programmed European partnerships among the fundable activities. Such partnerships could especially support research in the steel sector by developing near zero-carbon steel production processes by 2030, and through upscaling demonstrators of these technologies at industrial level;
- repeal a reference to the consultation of the Committee (Articles 28 and 41) where the estimated amount of the European Union contribution under the RFCS Research Programme is equal to or more than EUR 0,6 million;
- make applicable the general rules on remunerated external experts laid down in the Financial Regulation, instead of a special regime for experts under the research framework programme;
- repeal a reference to the possibility of amending Sections 3 and 4 of Chapter II by means of implementing measures (Article 41), in order to apply mutatis mutandis the principles applicable to empowerments given in legislative acts which are set out in the Interinstitutional Agreement of 18 June 2019 on non-binding criteria for the application of Articles 290 and 291 of the Treaty on the Functioning of the European Union[26].

[26] Non-Binding Criteria for the application of Articles 290 and 291 of the Treaty on the Functioning of the European Union — 18 June 2019 (OJ C 223, 3.7.2019, p. 1–4).

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THE COUNCIL OF THE EUROPEAN UNION,

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

Having regard to the 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 the second paragraph of Article 2 thereof,

Having regard to the proposal from the European Commission,

Having regard to the opinion of the European Parliament[27],

Whereas:

(1) On 5 October 2016, the Union ratified the Paris Agreement[28]. This international agreement invites parties who have ratified it to strengthen the global response to the threat of climate change limiting global temperature rise to well below 2 degrees.

(2) In line with the Paris Agreement, on 11 December 2019 the European Commission published 'The European Green Deal' committing the Commission to 'tackle climate and environmental-related challenges' and 'to transform the EU into a fair and prosperous society, with a modern, resource-efficient and competitive economy where there are no net emissions of greenhouse gases in 2050 and where economic growth is decoupled from resource use'[29]. The European Green Deal Communication, which sets out a new growth strategy, announces the need to support clean steel breakthrough technologies leading to a zero carbon steelmaking process by 2030 and to explore whether part of the funding liquidated under the European Coal and Steel Community can be used. The European Green Deal Communication also states that 'all EU actions and policies should pull together to help the EU achieve a successful and just transition towards a sustainable future'. In line with the 'do no harm principle', enshrined in the European Green Deal Communication, the research objectives of the RFCS Research Programme are being revised, so as to no longer cover activities that perpetuate the extraction, processing and unabated use of coal.

(3) The Union has been pursuing an ambitious policy on climate action and has put in place a regulatory framework to achieve its 2030 greenhouse gas emission reduction target. In particular, Regulation (EU) 2018/1999[30] sets out the legislative foundation

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27 OJ C , , p. .

28 Multilateral Treaty, Chapter XXVII Environment, 7.d Paris Agreement. Entered into force on 4 November 2016.

29 COM(2019)640, p. 2.

30 OJ L 328, 21.12.2018, p. 1–77.

for reliable, inclusive, cost-efficient, transparent and predictable governance of the Energy Union and Climate Action (governance mechanism), which ensures the achievement of the 2030 and long-term objectives and targets of the Energy Union in line with the 2015 Paris Agreement on climate change.

(4) In its Communication 'Sustainable Europe Investment Plan. European Green Deal Investment Plan', the Commission announced its intention to propose a revision of Council Decision 2008/376/EC[31] also with the aim to enable the funding of large clean steelmaking R&I breakthrough projects as well as research activities in the coal sector in line with the principles of the Just Transition Mechanism.

(5) In addition, the report on the monitoring and assessment of the Research Programme of the Research Fund for Coal and Steel ('the Research Programme') recommends to amend the research objectives for coal and steel set out in Sections 3 and 4 of Chapter II of Decision 2008/376/EC and to support breakthrough research in the steel sector as well as emblematic projects in the coal sector.

(6) It is necessary therefore to align the RFCS Research Programme objectives with international agreements, such as the Paris Agreement, as well as with the scientific, technological and political objectives of the Union on climate neutrality by 2050.

(7) Co-programmed partnerships have demonstrated to be effective in pooling resources for a common European research objective. In order to help to reach a climate-neutral economy by 2050, it is necessary to set out the possibility to provide support via co-programmed European partnerships, in synergy and sequencing with other programmes. A European partnership could be an ideal instrument for pooling resources to support research on breakthrough technologies for the reduction of CO_2 emissions in the steel industrial sector.

(8) Decision 2008/376/EC should therefore be amended accordingly,

HAS ADOPTED THIS DECISION:

Article 1

Decision 2008/376/EC is amended as follows:

(1) In Article 2, the second paragraph is replaced by the following:

'The Research Programme shall provide support for collaborative research in the coal and steel sectors. The Research Programme shall also provide support for clean steel breakthrough technologies leading to near zero-carbon steel making projects and research projects for managing the just transition of formerly operating coal mines or coal mines in the process of closure and related infrastructure in line with the Just Transition Mechanism and in compliance with Article 4(2) of Council Decision 2003/76/EC. 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 and within the existing EU research programmes, in particular the framework programme for research, technological development and demonstration activities (hereinafter referred to as 'the Research Framework Programme').';

[31] 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).

(2) Article 4 is replaced by the following:

'Article 4

Supporting the just transition of the coal sector and regions

1. Research projects shall support the transition towards a climate-neutral Union economy by 2050, with the objective to support the phasing out of fossil fuels, to develop alternative activities on former mine sites and avoid or restore environmental damage of coal mines in the process of closure, formerly operating coal mines and their surroundings. Projects shall in particular focus on:

(a) development and testing of carbon dioxide capture, use and storage technologies;

(b) use of geothermal energy on former coal sites;

(c) non-energetic uses and the production of raw materials from mining wastes and residues from formerly operating coal mines or those in the closure process, duly assessing that their climate, environmental and health impact is minimised and lower than alternative solutions;

(d) repurposing of former coal and lignite mines as well as coal-related infrastructure, including power supply services, in line with a climate-neutral and environmentally-friendly transition;

(e) promoting the development of efficient re-skilling and up-skilling programmes for labour affected by a coal phase out. This includes research on training and re-skilling of labour force employed or previously employed in the coal sector.

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

(3) Article 5 is replaced by the following:

'Article 5

Improving health and safety

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 deleterious to health, shall be taken into account in the projects covering the activities referred to in Articles 4 and 6.

Research projects shall focus on diseases related to mining activities with the aim of improving the health of people living in coal regions in transition. Research projects shall also ensure protective measures during the closure of mines and in formerly operating mines.';

(4) Article 6 is replaced by the following:

'Article 6

Minimising the environmental impacts of coal mines in transition

1. Research projects shall seek to minimise the impacts of coal mines in the process of closure and of formerly operating mines on the atmosphere, water and soils. Research shall be geared towards preserving and restoring natural resources for future generations and minimising the environmental impact of coal mines in the process of closure and in formerly operating mines.

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

(a) new and improved technologies to avoid environmental pollution, including methane leakage, of coal mines in the process of closure, formerly operating mines and their surroundings (inter alia atmosphere, land, soils and water);

(b) capturing, avoiding and minimising greenhouse gas emissions, in particular methane, from coal deposits in the process of closure;

(c) managing and re-using mining waste, fly ash and desulphurisation products from coal mines in the process of closure and formerly operating coal mines, accompanied, where relevant, by other forms of waste;

(d) refurbishing waste heaps and using industrially residues from coal production and consumption in coal regions in transition;

(e) protecting water tables and purifying mine drainage water;

(f) restoring the environment of former installations or installations that are in the process of closure that used coal, and their surroundings, notably water, land, soils and biodiversity;

(g) protecting surface infrastructure against the effects of subsidence in the short and long term.';

(5) Article 7 is repealed.

(6) Article 8 is replaced by the following:

'Article 8

New, sustainable and low-carbon steelmaking and finishing processes

Research and technological development (RTD) shall aim to develop, demonstrate and improve near zero-carbon steel production processes with a view to raising product quality and increasing productivity. Substantially reducing emissions, energy consumption, the carbon footprint and other environmental impacts as well as conserving resources, shall form an integral part of the activities sought. Research projects shall address one or more of the following areas:

(a) new and improved breakthrough near zero-carbon iron- and steel-making processes and operations, with particular attention to carbon direct avoidance and/or smart carbon usage;

(b) steel process and process chain optimisation (including iron and steelmaking, processes based on recycled scrap melting, secondary metallurgy, casting, rolling, finishing and/or coating operations) via instrumentation, detection of properties of intermediate and final products, modelling, control and automation including digitalisation, application of big data, and/or artificial intelligence and any other advanced technologies;

(c) steel process integration and process efficiency in near zero-carbon steel production;

(d) maintenance and reliability of steel production tools;

(e) techniques for increasing recyclability, recycling and re-use of steel and developing a circular economy;

(f) techniques for increasing the energy efficiency of steel production by recovery of waste heat, prevention of energy losses, hybrid heating techniques and energy management solutions;

(g) innovative technologies and solutions for the iron- and steel making processes promoting cross-sector activities, demonstration projects integrating zero-carbon energy production or contributing to a clean hydrogen economy.';

(7) Article 9 is replaced by the following:

'Article 9

Advanced steel grades and applications

RTD shall focus on meeting the requirements of steel users to develop new near zero-carbon products and on creating new market opportunities while reducing emissions and environmental impacts. In the context of the technologies referred to in Article 8, research projects shall address one or more of the following areas, with the objective to deliver near zero-carbon steel production processes in the Union:

(a) new advanced steel grades;

(b) improvement of steel properties such as mechanical and physical properties, suitability for further processing, suitability for various applications and various working conditions;

(c) prolonging service life, in particular by improving the resistance of steels, steel structures to heat and corrosion, mechanical and thermal fatigue and/or other deteriorating effects;

(d) predictive simulation models on microstructures, mechanical properties and production processes;

(e) technologies relating to the forming, welding and joining of steel and other materials;

(f) standardisation of testing and evaluation methods;

(g) high-performance steels for applications like mobility, including sustainability, eco-design methods, retrofitting, lightweight design and/or safety solutions.';

(8) Article 10 is replaced by the following:

'Article 10

Conservation of resources, protection of the environment and circular economy

In both steel production and steel utilisation, the conservation of resources, the preservation of ecosystems, the transition to a circular economy 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 and by-product from various sources and improvement of the quality of steel scrap;

(b) treatment of waste and recovery of valuable secondary raw materials, including slags, inside and outside the steel plant;

(c) pollution control and protection of the environment in and around the workplace and the steel plant: gaseous, solid or liquid emissions, water management, noise, odours, dust, etc.;

(d) design of steel grades and assembled structures to facilitate the easy recovery of steel for recycling or re-use;

(e) utilisation of process gases and elimination of waste gases emissions from steel production;

(f) life cycle assessment and life cycle thinking to steel production and use.';

(9) A new Article 10a is inserted:

'Article 10a

Management of work force and working conditions

Research projects shall address one or more of the following areas:

(a) developing and disseminating competencies to keep pace with new near zero-carbon steel production processes, such as digitalisation and to reflect the principle of life-long learning;

(b) improving working conditions, including health, safety and ergonomics in and around the workplace.';

(10) A new Article 17a is inserted:

'Article 17a

European Partnerships

1. Part of the Research Programme may be implemented through co-programmed European Partnerships established in accordance with the rules set out in [Article 8 and Annex III to the Horizon Europe Regulation].

2. For the purposes of this Article, a co-programmed European Partnership means an initiative prepared with early involvement of Member States, where the Union, together with private and/or public partners (such as industry, universities, research organisations, bodies with a public service mission at local, regional, national or

international level or civil society organisations including foundations and NGOs), commit to jointly support the development and implementation of a programme of research activities. Co-programmed European Partnerships are set up on the basis of memoranda of understanding and/or contractual arrangements between the Commission and such private and/or public partners specifying the objectives of the partnership, related commitments for financial and/or in-kind contributions of the partners, key performance and impact indicators, and outputs to be delivered. They include the identification of complementary research activities that are implemented by the partners and by the Research Programme.

3. In the framework of co-programmed European Partnerships, the Research Programme may provide funding to activities eligible under this section, in the form foreseen under Article 30. In addition, it may provide funding on the form of prizes.';

(11) In Article 28, paragraph (4) is replaced by the following:

'4. The Commission shall decide on the choice of projects and the allocation of funds.';

(12) Article 39 is replaced by the following:

'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 Article 237 of Regulation (EU) No 2018/1046 of the European Parliament and of the Council[3] shall apply.';

[3] Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 (OJ L 193, 30.7.2018, p. 1).';

(13) In Article 41, points (a) and (c) are deleted.

Article 2

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 the date in which Decision 2003/76/EC applies or from 1 January 2021, whichever is the later.

Done at Brussels,

For the Council
The President