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COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 29.10.2009
COM(2009)610 final

2009/0169 (COD)

Proposal for a

DECISION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

on the participation by the Community in a Joint Baltic Sea Research and Development Programme (BONUS-169) undertaken by several Member States

(Text with EEA relevance)

SEC(2009)1476
SEC(2009)1475

EXPLANATORY MEMORANDUM

1. CONTEXT OF THE PROPOSAL

1.1. Objectives

The purpose of this proposal, based on Article 169 of the EC Treaty, is to establish the participation of the Community in a Joint Baltic Sea Research Programme (BONUS-169) undertaken by all eight EU Baltic Sea Member States (Denmark, Estonia, Finland, Germany, Latvia, Lithuania, Poland, and Sweden, from now on the "Participant States") in support of the Baltic Sea region's sustainable development. BONUS-169 will provide scientific outputs to facilitate the implementation of ecosystem-based management in the Baltic Sea region and support the development and implementation of 'fit-for-purpose' ecosystem-based regulations, policies and management practices aimed at safeguarding the sustainable use of the ecosystem's goods and services.

This initiative will also help the establishment and structuring of the ERA in the Baltic Sea Region. The previously funded BONUS ERA-NET and ERA-NET PLUS have already made significant contributions to improving the coordination of marine Baltic Sea research. BONUS-169 will give momentum to achieve the critical mass or the level of integration needed to adequately address the very complex national research systems. By bringing together all 8 EU Baltic Sea Member States, this initiative aims to achieve a durable coordination and cooperation among their research policies and scientific communities in tackling common European challenges and thus make a significant contribution to the structuring of the European Research Area in the Baltic Sea Region by removing barriers between nationally funded research programmes. There will be scope for participation of the Russian Federation in the Joint Research Programme provided that the necessary legal requirements are met. Furthermore, BONUS-169 is expected to make a significant contribution to the implementation of the Baltic Sea Strategy and to actively support the Marine Strategy and Maritime Policy.

The Participating States have agreed that the Baltic Organisations Network for Funding Science, BONUS EEIG, established in Helsinki, Finland, will be the dedicated implementation structure of BONUS-169.

1.2. Grounds for the proposal

The Baltic Sea ecosystem is seriously impacted by many natural and human-induced pressures. The sea and coasts are particularly affected by combined and increasing negative impacts from pollution, eutrophication, climate change, acidification, invasive alien species, overexploitation of living resources and biodiversity loss. These threats are reducing the capacity of the Baltic Sea to sustainably provide the goods and services upon which humans depend. This has critical implications for the entire Baltic Region, and the wider European Community. In the coming decades, global change (including climate change) and long-term, as well as long-range influences are predicted to increase, putting additional pressures on the Baltic Sea System.

Sustainable solutions to environmental problems and the development and implementation of an ecosystem approach in the Baltic Sea necessitates new scientific knowledge to understand

the behaviour of the extremely complex Baltic Sea System, its interactions and feedbacks with the multiple natural and anthropogenic drivers.

However, while many research activities are taking place in the Baltic Sea region, these efforts remain for a large part uncoordinated and lack a jointly agreed regional action plan. As a result, the efforts so urgently required to meet the complex challenges faced are highly fragmented.

An action at Community level in the Baltic Sea region is urgently called for, given the limited research possibilities available at national, regional or local level to individually meet the complex environmental challenges of the Baltic Sea region as a whole. Integrated and coordinated action between the Baltic Sea States is urgently needed if the very significant and pressing environmental challenges faced in the region are to be met effectively.

BONUS-169 is an opportunity to achieve the critical mass and the level of integration needed to adequately address the very complex national research systems. It seeks to improve the efficiency and effectiveness of the Baltic Sea Region's fragmented environmental research programming and approach by integrating the research activities in the Baltic Sea System into a durable, cooperative, interdisciplinary well focussed multi-national programme in support of the region's sustainable development.

This is in line with the long-standing political support over the last 15 years by the Council and the European Parliament urging for an improved coordination of research activities in Europe and for coordination of national and regional research policies and programmes under the support of the Seventh Framework Programme (FP7) to avoid fragmentation and overlapping competencies.

In reply to this, the Commission is presenting the current proposal on the participation by the Community in a Joint Baltic Sea Research and Development Programme (BONUS-169) undertaken by several Member States.

1.3. Existing initiatives in the area of the proposal

Although the Baltic Sea environmental research community has access to a number of programmes under the EU RTD Framework Programme, there is currently no jointly implemented scheme specifically tailored to address the environmental challenges of the Baltic Sea region itself.

As a first step to improve coordination in the region, the BONUS ERA-Net (2004-2006) was funded under the 6th Framework Programme. It made a good progress in initiating communication between research funding institutions in the region, analysing the landscape and developing the preconditions for further integration by elaborating a series of Analytic Papers, a Science Plan, Legal basis for a Decentralised Implementation Structure (DIS).

In 2006, the European Parliament reporting on the Commission Proposal for the Seventh Framework Programme (FP7) acknowledged the need to address the fragmentation by stressing that "...it is vital that the Seventh Framework Programme should support the coordination of national and regional research policies and programmes" and that in order "to avoid fragmentation and overlapping competencies, there should be more cooperation between national and European research programmes, and between economic actors in the

long-term research agenda". BONUS-169 was one of the four potential Article 169 initiatives included in the FP7 Cooperation Specific Programme and Capacities Specific Programme¹ to promote such co-ordination. Not being at the time "mature" enough and ready for implementation, it was not included in the 'first train' of Article 169 initiatives. Instead and prior to the adoption of a fully-fledged BONUS-169 initiative, an ERA-Net Plus (2007-2011) was funded under FP7 as a bridging measure to further develop and test in practice the identified mechanisms through a joint call.

1.4. Consistency with the other policies and objectives of the Union

BONUS-169 is fully aligned with the objectives and spirit of the European Strategy for Marine and Maritime Research and the EU Strategy for the Baltic Sea Region. Furthermore, it will contribute to the achievement of the objectives of the revised Lisbon Strategy by investing more and better in knowledge for growth and jobs, contributing to the realisation of the ERA in the Baltic region and helping Europe to respond more effectively to key societal challenges in the region in relation to the environmental protection and sustainable development, tourism, aquaculture, food safety and maritime transport.

2. SUMMARY OF THE PROPOSED ACTION

BONUS-169 will integrate the national research programmes and activities of the 8 Baltic Sea States into a single joint research programme and support, in particular, the research and environmental objectives of the Baltic Sea Strategy, the Marine and Maritime Strategy and the Water Framework Directive. Furthermore, the combination of EU and national funds will create a critical mass in terms of capacity, expertise and resources that will stimulate structural changes in the Baltic Sea and related river basin and coastal zone research systems and will promote the development and implementation of a durable, cooperative, interdisciplinary well integrated and focussed research programme jointly implemented by all Participating Member States.

In order to reach its objectives, BONUS-169 will be implemented in two distinct phases: an initial strategic phase, lasting two years, during which appropriate consultation platforms for active stakeholder involvement will be set-up, a Strategic Research Agenda prepared, and precise Implementation Modalities will be further broadened and developed; an implementation phase, of minimum 5 years, during which a minimum of three joint calls will be launched in view of funding strategically targeted BONUS-169 Projects specifically addressing the objectives of the initiative.

The two-stage approach would allow for engaging a boarder range of funding institutions and hence mobilise additional funds and the establishment of a coherent, policy-driven and long term research agenda in support of the region's sustainable development.

¹ 2006/971/EC, Council Decision of 19 December 2006 concerning the specific programme 'Cooperation' implementing the Seventh Framework Programme of the European Community for research, technological development and demonstration activities (2007 to 2013);

2006/974/EC: Council Decision of 19 December 2006 concerning the specific programme 'Capacities' implementing the Seventh Framework Programme of the European Community for research, technological development and demonstration activities (2007 to 2013)

Since the future success of BONUS-169 will depend to a large extent upon the achievement of the objectives set out for the strategic phase, the Commission will evaluate the maturity and readiness of the initiative and provided that the results of the evaluation of are positive, the Commission and the BONUS EEIG shall conclude the Implementation Agreement.

The European Community will match the eligible Participating States contributions up to a maximum of EUR 50 million bringing the total expected budget for the initiative to EUR 100 million. The cash contributions of the Participating States and the Community contribution will be administered as a real common pot.

The strategic phase will be implemented by a grant according to the rules set out in this Decision and on Regulation (EC) no 1906/2006 of the European Parliament and of the Council of 18 December 2006 laying down the rules for the participation of undertakings, research centres and universities in actions under the Seventh Framework Programme and for the dissemination of research results (2007-2013)².

The implementation phase will be implemented by indirect centralised management, according to the provisions of Art. 54(2) (c) of the Financial Regulation. According to Article 56 of the Financial Regulation, the Commission will first obtain evidence of the existence and proper operation of, *inter-alia*, grant-award procedures, an internal control system, an adequate accounting system within the entity to which it entrusts implementation, and an independent external audit.

3. LEGAL ELEMENTS OF THE PROPOSAL

3.1. Legal basis

The proposal for BONUS-169 is based on Article 169 of the EC Treaty, which provides for the participation of the Community in research programmes jointly undertaken by several Member States, including participation in the structures created for the execution of those programmes.

Furthermore the Council Decision No 971/2006/EC of 19 December 2006 concerning the Specific Programme "Cooperation" implementing the Seventh Framework Programme of the European Community for research, technological development and demonstration activities (2007-2013) explicitly mentions the BONUS-169 as one of the possible candidates under the Coordination of non-Community research programmes.

3.2. Subsidiary principle

Despite all efforts undertaken to address the fragmentation and duplication of Baltic Sea research, there is still a need for reinforced integration among nationally funded research efforts in order to fully address the environmental challenges facing the Baltic Sea Region which are, for a large part, of trans-national nature. The strategic objectives of this action, namely the integration of the national Baltic Sea environmental research programmes to address urgent environmental problems in the Baltic Sea region and the shortcomings leading to the fragmentation, cannot be addressed by Member States acting in isolation and in the framework of their national constitutional system given that purely inter-governmental actions

² OJ 30.12.2006 L 391/1

aimed at the coordination of public environmental funding in the Baltic Sea have not expanded in recent years and have not, so far, been able to address the Environmental challenges faced successfully.

The additional funding to be provided through an Article 169 will (1) support cross-thematic funding highly relevant with the real research needs, but “falling out” of the traditional funding schemes, like projects combining natural/social/humanitarian science etc. (2) will promote the levelling the east-west imbalance in R&D funding, (3) will encourage National Research Funding Organisations to partly give up their independence for a more effective joint governance scheme implemented overseeing a Baltic Sea System research. This has been also acknowledged by the very strong political support and endorsement by the national governments of the Baltic States, the various European Councils and the European Parliament.

In addition, further to the regional added-value expected, the initiative will also aid in the development of similar research governance models for other European seas.

3.3. Proportionality principle

Article 169 invites the Community to make "provision, in agreement with the Member States concerned, for participation in research and development programmes undertaken by several Member States, including participation in the structures created for the execution of those programmes." Against this background, Member States are in the lead and have large scope for national decisions.

The initiative is expected to have a very strong leverage effect by mobilising up to EUR 100 million for Baltic Sea research - a sum that would not have been committed in the absence of an Article 169 and deemed absolutely essential in view of the nature and urgency of the challenges faced. This funding will allow BONUS-169 to drastically shift the current baseline from a largely fragmented system of RTD investment in environmental research in the Baltic Sea Region towards a structured and balanced investment capable of addressing the complex and trans-boundary aspects of the entire Baltic Sea System and contribute to the development and implementation of sound sustainable policies in the region.

3.4. Choice of instruments

Three policy options have been considered for meeting the general and specific objectives of the initiative. These are:

- Policy option 1: The continuation of policies so far developed under FP 7 (“business as usual”)
- Policy option 2: The recourse to regionally-oriented trans-thematic call(s) under the Framework Programme
- Policy option 3 - Recourse to Article 169 with three alternative approaches (A, B and C) varying in the extent and depth of the strategic orientation and the stakeholder involvement in the streamlining and implementation of the calls for proposals
 - Policy option 3 through approach A – Recourse to an Article 169 with a focus limited to marine research and with the immediate launching of science-driven calls for proposals

- Policy option 3 through approach B – Recourse to an Article 169 with a focus broadened to include the Baltic Sea drainage basin and with a Strategic vision and roadmap to be developed prior to the start of the initiative and Commission proposal
- Policy option 3 through approach C – Recourse to an Article 169 with a focus broadened to include the Baltic Sea drainage basin and with a strategic vision and roadmap developed during the first phase of the initiative.

Policy option 3 through approach C is the preferred option since it can effectively address the shortcomings identified above by achieving long-lasting and durable integration at Member State, institutional and research community level.

The Community contribution would ensure that truly European interest would be reflected in the working programme of the initiative, building upon, but not being limited by, activities addressed at purely national level.

4. BUDGETARY IMPLICATION

The budgetary implications of this horizontal proposal are already mentioned in the legal basis of FP7³ as well as in the "Cooperation" Specific Programme of FP7⁴. The agreement to be concluded between the Commission and the dedicated implementation structure shall ensure that the financial interests of the Community are protected.

5. ADDITIONAL INFORMATION

5.1. Simplification

The proposal provides for the simplification of administrative procedures for public authorities (EU or national) and for private parties.

The EU will deal directly with the dedicated implementation structure of BONUS-169 (the BONUS EEIG established in Helsinki) which will be in charge of allocating, administering, monitoring and reporting on the use of the Community contribution and the Member State cash contributions. The Community Contribution together with the Member State cash contributions will be administered as a real common pot.

5.2. Reviews

Before the launching of the implementation phase the Commission will evaluate the maturity and readiness of the initiative. A mid-term review will be held at mid-term of the implementation phase and a final review will be held at the end of the joint research programme.

³ Decision No 1982/2006/EC, OJ L 412, 30.12.2006, p. 1

⁴ Decision No 971/2006/EC, OJ L 400, 30.12.2006, p. 86

5.3. European Economic Area

The proposed act concerns an EEA matter and should therefore extend to the European Economic Area.

6. CONSULTATION OF INTERESTED PARTIES

6.1. Consultation methods, main sectors targeted and general profile of respondents

The advice of five independent experts forming the BONUS Impact Assessment Expert Group (IAEG) was sought in order to accompany the Impact Assessment process. The group combined a broad range of high-level expertise, and met regularly in Brussels⁵ throughout 2008 and the first half of 2009. Its recommendations formed the basis for a revision of the BONUS-169 Programme by the BONUS consortium with the assistance of two independent experts contracted by the Commission to this end.

Both expert groups analysed a broad range of background documents on the general situation of the environment and the environmental research in the Baltic area as well as all the documentation provided by the BONUS-169 consortium and advised the BONUS Consortium in the drafting of the "Outline of BONUS-169 Joint Baltic Sea System Research Programme".

6.2. Consultation of relevant stakeholders carried out by the Commission

Consultation within the context of the elaboration, adoption and implementation of the 7th EU RTD Framework Programme

BONUS-169 has formed integral part of the specific programme 'Cooperation', and has been subject to and benefited from the very broad consultation process organised within the context of FP7. Furthermore, falling under the remit of the thematic area Environment (including climate change), it is subject to regular consultations with the corresponding Programme Committee and Programme Advisory Group.

Consultation on a European Strategy for Marine and Maritime Research

BONUS-169 has formed an integral part of the European Strategy for Marine and Maritime Research and has thus benefited from the consultation process undergone in the framework of the Strategy.

Consultation with Ministers of the EU Baltic Member States regarding political engagement in a future BONUS-169

In reply to a letter by DG Research Commissioner Potočnik dated November 2008, the Ministers of Research from the BONUS participating countries reaffirmed their political and financial commitment to the initiative and endorsed the need for revision of the original BONUS-169 version in line with the IAEG's recommendations.

⁵ 17 July, 8 - 10 September, 6 - 7 and 20-21 November 2008, 26-27 February 2009, 15 April, 3-4 June and 11-12 June 2009

The EU Strategy for the Baltic Sea Region (EUSBR) in its very broad scope and coverage makes explicit reference to the BONUS-169 initiative both under the policy oriented action and the detailed action plan. In this context, it has largely benefitted from the public and stakeholders consultation carried out within this framework in 2008/2009⁷.

Opinion of the Impact Assessment Board

The draft impact assessment report was presented to the Impact Assessment Board - a body made of high-level Commission's officials mandated to check the quality of the impact assessment reports of the Commission's most significant initiatives - on 9 September 2009. Following the Board's opinion of 11 September 2009, the impact assessment report was revised to take account, as much as possible, of the Board's recommendations. These recommendations mainly led to improvements in explaining the value added of EU action and clarifying the objectives of the Bonus initiative. The revised impact assessment report was re-submitted to the Board on 21 September 2009. While the Board gave a positive opinion on this latter version, it did make some recommendations for further consideration. The impact assessment report in its final version tries to address, as best as possible, some of the Board's latest recommendations and provides justification as to the reasons - mainly due to lack of available data - for failing to address the rest.

6.3. Consultation of Stakeholders carried out by the BONUS Consortium

In developing the original Science Plan and Implementation Strategy, the BONUS consortium engaged with many groups of stakeholders between the period of June 2005 and November 2006. The process included a variety of consultation mechanisms and feedback procedures in all nine Baltic Sea countries (i.e. 8 EU countries and the Russian Federation). A wide range of academic and governmental scientists in all relevant disciplines and spheres of marine science were consulted in addition to the BONUS consortium funding agencies, relevant ministries and their associated specialised institutes, intergovernmental and international organisations as well as management and regulatory decision makers.

Furthermore, the BONUS Advisory Board comprising a broad spectrum of stakeholders such as HELCOM, ICES, DG MARE, WWF, and Finnish Farmers Association also played a pivotal role in the preparation of the BONUS-169 Science Plan and Implementation Strategy.

The revised BONUS-169 Outline Research Agenda submitted to DG RTD in June 2009 is largely based on the work and consultations carried out for the original BONUS-169 initiative.

An extensive and strategically-driven programme of stakeholder consultations will be carried out during the strategic phase of the Programme addressing stakeholders from other relevant sectors such as agriculture, fisheries, aquaculture, transport and water-management.

⁶ COM 2009, 248/3

⁷ http://ec.europa.eu/regional_policy/consultation/baltic/consultation_en.htm.

Proposal for a

DECISION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

on participation by the Community in a Joint Baltic Sea Research and Development programme (BONUS-169) undertaken by several Member States

(Text with EEA relevance)

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Articles 169 and 172, second paragraph, thereof,

Having regard to the proposal from the Commission,

Having regard to the opinion of the European Economic and Social Committee⁸,

Acting in accordance with the procedure laid down in Article 251 of the Treaty⁹,

Whereas:

- (1) Decision No 1982/2006/EC of the European Parliament and of the Council of 18 December 2006 concerning the Seventh Framework Programme of the European Community for research, technological development and demonstration activities (2007-2013)¹⁰ (hereinafter 'the Seventh Framework Programme') provides for Community participation in research and development programmes undertaken by several Member States, including participation in the structures created for the execution of those programmes, within the meaning of Article 169 of the Treaty.
- (2) Council Decision No 971/2006/EC of 19 December 2006 concerning the Specific Programme 'Cooperation' implementing the Seventh Framework Programme of the European Community for research, technological development and demonstration activities (2007-2013)¹¹ encourages a cross-thematic approach to research topics relevant to one or more themes of the Seventh Framework Programme, and in this context identified an Article 169 initiative in the field of Joint Baltic Sea research as one of the fields suitable for Community participation in jointly implemented national research programmes.
- (3) The Baltic Sea ecosystem, a semi-enclosed European inland sea, is one of the world's largest brackish water bodies and is today seriously affected by many natural and human-caused pressures, such as pollution from heavy metals, persistent organic

⁸ OJ C , , p. .

⁹ OJ C , , p. .

¹⁰ OJ L 412, 30.12.2006, p. 1.

¹¹ OJ L 400, 30.12.2006, p. 86

pollutants, radioactive material, oil spills and other harmful and hazardous substances, excessive inputs of nutrients and organic material leading to advanced eutrophication, the introduction of harmful alien organisms, the unsustainable exploitation of fish stocks, negative climate change impacts, loss of biodiversity, and increasing encroachment of human activities on coastal and offshore areas including ecologically unsustainable tourism. These pressures have seriously reduced the capacity of the Baltic Sea to sustainably provide the goods and services upon which humans depend directly and indirectly for social, cultural and economic benefits.

- (4) The European Council of 14 December 2007, highlighted the concern for the status of the environment in the Baltic Sea, as reflected in the Communication from the Commission concerning the European Union Strategy for the Baltic Sea Region¹². Moreover, the Council has invited the Commission to present a proposal for Article 169 initiative for the Baltic Sea Region.
- (5) Science can contribute to addressing these challenges and finding solutions to the environmental problems in the Baltic Sea. However, the gravity of the present situation calls for a qualitative and quantitative stepping up of current research in the Baltic region through the development and implementation of a fully-integrated approach whereby the relevant research programmes of all the bordering States can be streamlined and focused in order to address the complex and urgent issues in a coordinated, efficient and effective manner.
- (6) At present, a number of research and development programmes or activities undertaken by Member States individually at national level to support research and development in the Baltic Sea region are not sufficiently coordinated at European level to achieve the critical mass required in strategic research and development areas.
- (7) Furthermore, existing sector-specific research structures, which have evolved throughout a long history of national policies, are deeply rooted in national governance systems and prevent the development and funding of the multi-disciplinary, inter-disciplinary and trans-disciplinary environmental research needed to address the Baltic Sea challenges.
- (8) While there is a long tradition of Baltic Sea research cooperation with countries both within and outside the Baltic Sea area, collaborative efforts have so far lacked adequate financial resources for the optimal exploitation of the research potential due to the unequal economic and development situation in the countries as well as highly diverse national research agendas, research themes and priorities. This situation has held back the potential to achieve research outputs of significant use to policy making.
- (9) The Commission in its work programme for 2007-2008 of 11 June 2007 for the implementation of the Specific Programme 'Cooperation'¹³, provided financial support to BONUS ERA-NET and ERA-NET PLUS in the field of Baltic Sea environmental research in order to strengthen cooperation between environmental research funding agencies in the Baltic region and facilitate the transition to a joint research and development programme in the Baltic Sea to be implemented on the basis of Article 169 of the Treaty.

¹² COM(2009) 248 final of 10 June 2009.

¹³ C(2007)2460 of 11 June 2007.

- (10) In line with the approach of the Seventh Framework Programme and as acknowledged in the consultations with stakeholders undertaken during BONUS ERA-NET, there is a need for policy-driven research programmes in the Baltic region.
- (11) Denmark, Germany, Estonia, Latvia, Lithuania, Poland, Finland and Sweden (hereinafter "Participating States") have agreed to jointly undertake the Joint Baltic Sea Research and Development Programme BONUS-169 (hereinafter "BONUS-169"). BONUS-169 aims to support scientific development and innovation by providing the necessary legal and organisational framework for trans-national cooperation between the Baltic Sea states on environmental research in the Baltic Sea region.
- (12) While largely focussed on environmental research, the BONUS-169 initiative cross-cuts a number of related Community research programmes on a range of human activities having accumulated impacts on the ecosystem such as fisheries, aquaculture, agriculture, infrastructure, transport, training and mobility of researchers as well as socio-economic issues. The initiative is of considerable relevance to a number of Community policies and Directives including Directive 2008/56/EC of the European Parliament and of the Council of 17 June 2008 establishing a framework for Community action in the field of marine environmental policy (Marine Strategy Framework Directive)¹⁴, the EU Strategy for the Baltic Sea Region, the Common Fisheries Policy, the Common Agricultural Policy, Directive 2000/60/EC of the European Parliament and of the Council of 23 October 2000 establishing a framework for Community action in the field of water policy¹⁵ and international EU commitments such as the HELCOM Baltic Sea Action Plan. As a result, many other areas of Community Policy will benefit from BONUS-169.
- (13) In order to increase the impact of the BONUS-169, the Participating States have agreed to the Community participating in it.
- (14) BONUS-169 should include a strategic phase, followed by the implementation phase, to provide an opportunity to carry out a wide stakeholder consultation on a strategically-driven research agenda also capable of tackling emerging research needs. During the strategic phase of the initiative, the involvement of additional, sectorally oriented, funding agencies should be sought to further enhance the integration of research addressing cross-sectoral end user needs and to ensure the effective use and uptake of results for policy and resource management arrangements across a wide array of economic sectors.
- (15) At the end of the strategic phase, the Commission, assisted by independent expert should evaluate the maturity and the readiness of the initiative to enter the implementation phase.
- (16) Participating States have agreed to contribute EUR 50 million to BONUS-169. Non-monetary contributions in the form of access and use of infrastructures should be allowed, provided they do not represent a significant part of the entire contribution. They should be subject to an evaluation of their value and their utility for carrying out the BONUS-169 projects.

¹⁴ OJ L 164, 25.6.2008, p. 19.

¹⁵ OJ L 327, 22.12.2000, p.1.

- (17) The Community participation in BONUS-169 should be up to EUR 50 million for all the duration of BONUS-169 and match, within that limit, the contribution of the Participating States in order to increase their interest in carrying out the programme jointly. Most of the Community contribution should be allocated to the implementation phase. A ceiling should be defined for each phase. The ceiling for the implementation phase should be increased by any amount remaining after implementation of the strategic phase.
- (18) The joint implementation of BONUS-169 requires a dedicated implementation structure, as provided for in Decision No 971/2006/EC. The Participating States have agreed on such a dedicated implementation structure (Baltic Organisations Network for Funding Science, BONUS EEIG (hereinafter "BONUS EEIG") to implement BONUS-169. BONUS EEIG should be the recipient of the Community contribution and of the contributions of the Participating States. Those contributions should be administered by the BONUS EEIG according to funding rules and procedures common to the programme. BONUS EEIG should also ensure that the execution of BONUS-169 complies with sound financial management.
- (19) The Community contribution should be subject to commitments of resources by the Participating States and the payment of their financial contributions.
- (20) The payment of the Community contribution for the strategic phase should be subject to the conclusion of a grant agreement between the Commission, on behalf of the Community, and the BONUS EEIG that should be governed by the Regulation (EC) no 1906/2006 of the European Parliament and of the Council of 18 December 2006 laying down the rules for the participation of undertakings, research centres and universities in actions under the Seventh Framework Programme and for the dissemination of research results (2007-2013)¹⁶ in order to facilitate and simplify its management.
- (21) The payment of the Community contribution for the implementation phase should be subject to the conclusion of an implementation agreement between the Commission, on behalf of the Community, and the BONUS EEIG, containing the detailed arrangements for the use of the Community contribution. This part of the Community contribution should be managed under indirect centralised management in accordance with Articles 54(2)(c) and 56 of the Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities¹⁷ (hereinafter "Financial Regulation"), and Articles 35, 38(2) and 41 of the Commission Regulation (EC, Euratom) No 2342/2002 of 23 December 2002 laying down detailed rules for the implementation of the Financial Regulation¹⁸.
- (22) Any interest yielded by the contributions paid to the BONUS EEIG should be considered to be its revenue and assigned to the implementation of BONUS-169.
- (23) In order to protect its financial interests, the Community should have the right to reduce, withhold or terminate its financial contribution in the event that BONUS-169 is implemented inadequately, partially or late, or the Participating States do not

¹⁶ OJ L 391, 30.12.2006, p. 1.

¹⁷ OJ L 248, 16.09.2002, p. 1.

¹⁸ OJ L 357, 31.12.2002, p. 1.

contribute, or contribute partially or late, to the financing of BONUS-169, on the terms set out in the agreements to be concluded between the Community and BONUS EEIG.

- (24) In order to efficiently implement BONUS-169, during the implementation phase, financial support should be granted to participants in BONUS-169 projects selected at the central level under the responsibility of the BONUS EEIG following calls for proposals.
- (25) Whilst the Joint Research Centre is a department of the Commission, its institutes nevertheless possess research capabilities that are relevant to BONUS-169 and could contribute to its implementation. It is therefore appropriate to define the role of the Joint Research Centre in terms of its eligibility for funding.
- (26) In order to assure equal treatment, the evaluation should follow the same principles applicable to proposals submitted under the Seventh Framework Programme. Therefore the evaluation of proposals should be performed centrally by independent experts under the responsibility of the BONUS EEIG. Ranking and priority order should be approved by the BONUS EEIG strictly following the outcome of the independent evaluation which should be binding.
- (27) Any Member State and any country associated to the Seventh Framework Programme should be entitled to join BONUS-169.
- (28) In line with the objectives of the Seventh Framework Programme, participation by any other countries in BONUS-169 should be possible where such participation is provided by the relevant international agreement and where both the Commission and the participating Member States agree to it. In accordance with the Seventh Framework Programme, the Community should have the right to agree on the conditions relating to its financial contribution to BONUS-169 with regard to the participation by other countries in accordance with the rules and conditions set out in this Decision.
- (29) Appropriate measures should be taken to prevent irregularities and fraud and the necessary steps should be taken to recover funds lost, wrongly paid or incorrectly used in accordance with Council Regulation (EC, Euratom) No 2988/95 of 18 December 1995 on the protection of the European Communities financial interests¹⁹, Regulation (EC, Euratom) 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 interest against fraud and other irregularities²⁰ and Regulation (EC) No 1073/1999 of the European Parliament and of the Council of 25 May 1999 concerning investigations conducted by the European Anti-Fraud Office (OLAF)²¹.
- (30) It is essential that the research activities carried out under BONUS-169 conform to basic ethical principles, including those reflected in Article 6 of the Treaty on the European Union and in the Charter of Fundamental Rights of the European Union, and follow the principles of gender mainstreaming and gender equality.

¹⁹ OJ L 312, 23.12.1995, p. 1.

²⁰ OJ L 292, 15.11.1996, p 2.

²¹ OJ L 136, 31.05.1999, p. 1.

- (31) The Commission should conduct interim evaluations, assessing the quality and efficiency of the implementation of BONUS-169 and progress towards the objectives set, as well as a final evaluation.
- (32) The BONUS EEIG should encourage the participants in the selected BONUS-169 projects to communicate and disseminate their results widely and to make this information publicly available.

HAVE ADOPTED THIS DECISION:

Article 1
Community contribution

1. The financial contribution of the Community to the Joint Baltic Sea Research and Development Programme BONUS-169 (hereinafter "BONUS-169") undertaken jointly by Denmark, Germany, Estonia, Latvia, Lithuania, Poland, Finland and Sweden (hereinafter "Participating States"), shall be provided under the conditions set out in this Decision.
2. The Community shall make a financial contribution up to EUR 50 million for all the duration of BONUS-169 in accordance with Regulation (EC) no 1906/2006 during the strategic phase and in accordance with Article 54(2)(c) of the Financial Regulation during the implementation phase. Within that ceiling, the Community contribution shall match the contribution of the Participating States.
3. The Community financial contribution shall be paid jointly from the budget appropriations allocated to all the relevant themes of the Specific Programme "Cooperation".

Article 2
Implementation of BONUS-169

1. BONUS-169 shall be implemented by Baltic Organisations' Network for Funding Science, BONUS EEIG (hereinafter "BONUS EEIG")
2. BONUS-169 shall be implemented in two phases in accordance with Annex I: a strategic phase followed by an implementation phase.
3. The strategic phase of the Programme shall last up to two years. It shall prepare the implementation phase. During the strategic phase, BONUS EEIG shall carry out the following tasks:
 - (a) preparation of the Strategic Research Agenda - defining the part on scientific content of the programme focussing on calls for proposals, in conformity with the objectives set in the Seventh Framework Programme;
 - (b) setting up of the Stakeholder Consultation Platforms - with the aim of strengthening and institutionalising the involvement of stakeholders from all relevant sectors;

- (c) preparation of the implementation modalities including legal and financial rules and procedures, provisions governing the intellectual property rights arising from the BONUS-169 activities, human resources and communication aspects.
4. The implementation phase shall last for a minimum of five years. During the implementation phase at least three calls for proposals shall be published with a view to funding projects which address the objectives of the BONUS-169. These calls shall be targeted at multi-partner and trans-national projects, and include research, technological development, training and dissemination activities. Projects shall be selected according to the principles of equal treatment, transparency, independent evaluation, co-financing, no-profit, financing not cumulated with other Community sources, as well as the principle of non-retroactivity

Article 3
Conditions for the Community contribution

1. The Community financial contribution for the strategic phase shall be up to EUR 1.25 million and match, within that limit, the contribution of the Participating States. The commitment of the Community to contribute to the strategic phase shall be conditional upon an equivalent commitment from the Participating States.
2. The Community financial contribution for the implementation phase shall be up to EUR 48.75 million and match, within that limit, the contribution of the Participating States. This ceiling may be increased by any amount remaining after the implementation of the strategic phase. During the implementation phase, up to 25% of the contribution from the Participating States may consist in providing access to research infrastructures (hereinafter "in kind infrastructure contribution").
3. The Community financial contribution for the implementation phase shall be provided under the following conditions:
 - (a) a positive evaluation of the strategic phase carried out by the Commission with the assistance of independent experts; this evaluation shall cover the progress made towards the achievement of objectives and deliverables set out in Article 2(3) and Annex I;
 - (b) demonstration by the BONUS EEIG of its capacity to implement BONUS-169 including receiving, allocating and monitoring the Community financial contribution under indirect centralised management in accordance with Articles 54(2)(c) and 56 of the Regulation (EC, Euratom) No 1605/2002 (hereinafter "Financial Regulation") and Articles 35, 38(2) and 41 of Regulation (EC, Euratom) No 2342/2002 and in accordance with sound financial management.
 - (c) the maintenance and application of an appropriate and efficient governance model for BONUS-169 in conformity with Annex II;
 - (d) the efficient carrying out of the activities relating to the implementation phase of BONUS-169 set out in Annex I by the BONUS EEIG, which entails the launch of calls for proposals for the award of grants;

- (e) a commitment by each participating State to contribute its share of the financing to BONUS-169 and the payment of cash and the effective provision of in kind infrastructure contribution when this is requested; these commitments shall be included in a financing plan agreed by the competent national authorities in order to contribute to the joint execution of the BONUS-169 implementation phase;
- (f) compliance with the State aid rules of the Community, and in particular with the Community Framework for State Aid for Research and Development and Innovation²²;
- (g) ensuring a high level of scientific excellence, observance of ethical principles in accordance with the general principles of the Decision No 1982/2006/EC (hereinafter "Seventh Framework Programme"), and adherence to the principles of gender mainstreaming and gender equality, and the principle of sustainable development;

Article 4
Participation of the Joint Research Centre

1. The Joint Research Centre shall be eligible for funding by BONUS-169 under the same conditions as those for eligible entities of the Participating States.
2. The own resources of the Joint Research Centre, which are not covered by funding from BONUS-169, shall not be considered as part of the Community contribution within the meaning of Article 1.

Article 5
Agreements between the Community and BONUS EEIG

1. The detailed arrangements for the management and control of funds and the protection of the Communities' financial interests during the strategic phase shall be laid down in a grant agreement to be concluded between the Commission, on behalf of the Community, and the BONUS EEIG according to the rules set out in this Decision and in Regulation (EC) no 1906/2006.
2. The detailed arrangements for the management and control of funds and the protection of the Communities' financial interests during the implementation phase shall be laid down in an implementation agreement and annual financial agreements to be concluded between the Commission, on behalf of the Community, and the BONUS EEIG.

The implementation agreement shall in particular include the following provisions:

- (a) definition of the tasks delegated;
- (b) provision for the protection of Community funds;

²² OJ C 323, 30.12.2006, p. 1.

- (c) the conditions and detailed arrangements for performing the tasks, including funding rules and upper funding limits applicable to the BONUS-169 projects, appropriate provisions for demarcating responsibilities and implementing controls;
 - (d) rules on reporting to the Commission on how the tasks are performed;
 - (e) the conditions under which the performance of tasks ceases;
 - (f) detailed arrangements for Commission scrutiny;
 - (g) conditions governing the use of a separate bank account and the treatment of the interest yielded;
 - (h) provisions guaranteeing the visibility of Community action in relation to the other activities of the BONUS EEIG;
 - (i) an undertaking to refrain from any act that may give rise to a conflict of interests within the meaning of Article 52(2) of the Financial Regulation;
 - (j) provisions governing the intellectual property rights arising from the implementation of BONUS-169 as referred to in Article 2.
 - (k) the criteria to be used in the interim and final evaluations, including those referred to in Article 13.
3. The Commission shall make an ex-ante assessment of the BONUS EEIG in order to obtain evidence of the existence and proper operation of the procedures and systems referred to in Article 56 of the Financial Regulation.

Article 6

Interest generated from contributions

The interest generated by the financial contributions allocated to BONUS-169 shall be considered as revenue of BONUS EEIG and shall be assigned to BONUS-169.

Article 7

Reduction, withholding or termination of the Community financial contribution

If BONUS-169 is not implemented or is implemented inadequately, partially or late, the Community may reduce, withhold or terminate its financial contribution taking into account the progress in the implementation of BONUS-169.

If the Participating States do not contribute or contribute only partially or late to the financing of BONUS-169, the Community may reduce its financial contribution taking into account the amount of public funding allocated by the Participating States under the terms of the grant agreement referred to in Article 5(1).

Article 8

Protection of the Communities' financial interests by the Participating States

In implementing BONUS-169, the Participating States shall take the legislative, regulatory, administrative or other measures necessary for protecting the Communities' financial interest. In particular, the Participating States shall take the necessary measures to ensure full recovery of any amounts due to the Community in accordance with the Financial Regulation and Regulation (EC, Euratom) No 2342/2002.

Article 9

Control by the Commission and the Court of Auditors

The Commission and the Court of Auditors shall be entitled to carry out all the checks and inspections necessary to ensure proper management of the Community funds and to protect the Communities' financial interest against any fraud or irregularity. To this end, the Participating States and the BONUS EEIG shall make available all the relevant documents to the Commission and the Court of Auditors.

Article 10

Mutual information

The Commission shall communicate all relevant information to the European Parliament, the Council and the Court of Auditors. The Participating States shall submit to the Commission, through the BONUS EEIG, any additional information requested by the European Parliament, the Council and the Court of Auditors concerning the financial management of the BONUS EEIG.

Article 11

Participation of other Member States and associated countries

Any Member State and any country associated to the Seventh Framework Programme may join BONUS-169 in accordance with the criteria set out in Article 3(1) and 3points (e) and (f) of Article 3(4). Member States and countries that have joined BONUS-169 shall be regarded as Participating States for the purposes of this Decision.

Article 12

Participation of other countries

The Participating States and the Commission may agree to the participation of any other country subject to the criteria set out in Article 3(1) and 3points (e) and (f) of Article 3(4), provided that such participation is provided by the relevant international agreement.

The Participating States and the Commission shall define the conditions under which legal entities established or resident in such country shall be eligible for BONUS-169 funding.

Article 13
Annual reporting and evaluation

The Commission shall include a report of the activities of BONUS-169 in the annual report on the Seventh Framework Programme presented to the European Parliament and the Council pursuant to Article 173 of the Treaty.

The Commission shall carry out an interim evaluation of BONUS-169 no later than 31 December 2014. This evaluation shall cover progress towards the objectives set out in Article 2 and Annex I, as well as recommendations of BONUS-169 on the most appropriate ways to further enhance integration and the quality and efficiency of the implementation, including scientific, management and financial integration and whether the level of the financial contributions of the Participating States is appropriate, given the potential demand from their national research communities.

The Commission shall communicate the conclusions thereof, accompanied by its observations, to the European Parliament and the Council.

At the end of Community participation in BONUS-169 but no later than by 31 December 2017, the Commission shall conduct a final evaluation of BONUS-169. The Commission shall submit results of that evaluation to the European Parliament and the Council.

Article 14
Entry into force

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

Article 15

This Decision is addressed to the Member States.

Done at Brussels,

For the European Parliament
The President

For the Council
The President

ANNEX I

Objectives and implementation of the BONUS-169

1. OBJECTIVES OF BONUS-169

BONUS-169 shall enhance the Baltic Sea Region's research capacity to underpin the development and implementation of 'fit-for-purpose' regulations, policies and management practices, to respond effectively to the major environmental and key societal challenges the region faces and will face in the coming years and to improve the efficiency and effectiveness of the Baltic Sea Region's fragmented environmental research programming and approach by integrating the research activities in the Baltic Sea System into a durable, cooperative, interdisciplinary well integrated and focussed multi-national programme.

This initiative shall also contribute to the establishment and structuring of the ERA in the Baltic Sea Region.

In order to achieve these objectives it is necessary to improve the efficiency and effectiveness of the Baltic Sea Region's fragmented environmental research programming by integrating research activities into a durable, cooperative, interdisciplinary well-integrated and focussed multi-national programme in support of the region's sustainable development. To this end the BONUS-169 initiative shall:

- a) establish a policy-driven Strategic Research Agendas
- b) increase sustainable cross-border and cross-sectoral public research programme coordination and integration
- c) raise the research capacity level of the new EU Baltic States
- d) establish appropriate Stakeholder Consultation Platforms including representation from all relevant sectors
- e) mobilise additional financial resources from enhanced cross-sectoral Baltic Sea system research collaboration
- f) establish appropriate Implementation Modalities enabling an effective implementation of the programme through a joint management legal entity and governance structure
- g) launch at least three cross-thematic, strategically focussed and multi-partner joint calls for proposals

2. STRATEGIC PHASE

2.1 Objective

The strategic phase shall prepare the implementation phase. It shall deal with the strategic development of the programme to ensure that an optimal integration of Baltic Sea research can be achieved. It shall seek to strengthen the involvement of stakeholders and user groups to

ensure that the research is relevant to policy, and management, and that the prioritisation of research themes is driven by policy needs and the full involvement of scientists and their respective research institutions as well as the broad stakeholder communities shall be actively sought.

2.2 Deliverables

The BONUS EEIG shall send to the Commission the deliverables set out in the following paragraphs no later than 18 months from the start of the strategic phase.

The Commission shall provide advice and assistance upon request of the BONUS EEIG during the preparation of these deliverables. The BONUS EEIG shall report on the progress upon request of the Commission.

2.2.1 The Strategic Research Agenda

The Strategic Research Agenda shall be developed and agreed upon in consultation among Participating States, a broad range of stakeholders and the Commission. It shall be the basis for a policy-driven programme. It shall broaden the research focus to embody, in addition to the marine ecosystem, a basin approach that addresses the key issues affecting the quality and productivity of the Baltic Sea Region ecosystems.

It shall include a description of the baseline and state-of-the-art of the Baltic Sea research, provide a clear strategic vision and roadmap about how to achieve the stated objectives and set-out indicative policy-driven call topics, their budgets, publication timetable and the expected duration of projects. In addition, it shall include measures to address emerging research needs, advance the pan-Baltic integration of research, and include a joint roadmap for the shared use and possible planning for future investments in regional infrastructure capacities.

2.2.2 The Stakeholder Consultation Platforms

On the basis of a comprehensive analysis of the BONUS-169 relevant stakeholders in local, national, regional, and European contexts, Stakeholder Consultation Platforms and mechanisms shall be established aiming at strengthening and institutionalising the involvement of stakeholders from all relevant sectors for the identification of critical gaps, the prioritisation of research themes and the enhancement of research output uptake. This shall include participation of scientists, including from other relevant non-marine natural sciences and from social and economic science disciplines, to ensure the required multi-disciplinarity in developing the Strategic Research Agenda, its strategic vision and research priorities.

A Forum of Sector Research (a body of representatives from ministries and other actors dealing with Baltic Sea System research and governance) shall be established as a permanent body in support of the programme responsible for discussing the programme's planning, outcomes and emerging research needs from the decision-making perspective. This forum shall facilitate and advance the pan-Baltic integration of research, including the joint use and planning of infrastructure capacities, assist in highlighting research needs, advance the utilisation of the research results, and facilitate the integration of research funding.

2.2.3 The Implementation Modalities

The Implementation Modalities shall include all aspects securing the successful implementation of the Strategic Research Agenda. They shall, where appropriate, follow the rules of the Seventh Framework Programme. They shall consist *inter alia* of the following elements:

- a) adopting measures (drafting documents, establishing procedures, hiring and training staff) required by the Financial Regulation for indirect centralised management;
- b) obtaining formal commitments of Participating States amounting to at least EUR 48.75 million among which a maximum of 25% in the form of an in-kind infrastructure contribution;
- c) providing a realistic and evidence-based estimate of the value of the in-kind infrastructure contribution of Participating States consisting in the use of their infrastructure by BONUS-169 beneficiaries;
- d) compiling an exhaustive list of all infrastructures, including contacts to their owners, operators or other responsible authorities, and publish it and update it whenever necessary;
- e) ensuring that common implementation modalities are agreed upon and in place for the grant agreements with BONUS-169 beneficiaries to be concluded centrally by the BONUS EEIG including common and agreed rules for participation, model grant agreement, guidelines for applicants, participants and independent evaluators, and modalities for the audit of beneficiaries, including the possibility for the Commission and the Court of Auditors to carry out such audits;
- f) developing an appropriate governance structure for the management of the programme in all phases of the project life-cycle;
- g) ensuring that adequate funding is provided to strengthen the BONUS EEIG in terms of human resources and multidisciplinary expertise to enable it to support the strategic aspects as well as the efficient implementation of the programme;
- h) developing a financing structure of funding BONUS-169 project based on a pool of funds consisting of cash contributions of the Participating States and of the Community;
- i) developing a communication and dissemination strategy which, as far as possible ensures that the results and data follow the standards of the European Marine Observation and Data Network.

With regard to in-kind infrastructure contributions, a specific approach and rules shall be developed during the strategic phase whereby the Participating States commit themselves to provide to the BONUS-169 beneficiaries access to and use of infrastructure (notably research ships) free of charge. Costs for the use of such infrastructure shall not be eligible project costs. In this regard, the BONUS EEIG shall conclude relevant agreements with the Participating States or the infrastructure owners, which shall:

- a) define the methodology for evaluating in kind infrastructure contributions;

- b) ensure that the BONUS EEIG, the Commission and the Court of Auditors can audit the access to and use of the infrastructure and costs arising from it;
- c) stipulate that the contracting parties shall report annually on the costs incurred in providing the access to or use of the infrastructure to the BONUS-169 beneficiaries.

2.2.4 Community Funding of the Strategic Phase

Eligible costs shall be reimbursed up to 50% and shall be those actual costs incurred by the BONUS EEIG and recorded in its accounting necessary for the fulfilment of the objective identified in point 1. Costs may be eligible as of January 1st, 2010 and shall be further defined in the Grant Agreement for the strategic phase.

3. Implementation Phase

Provided that the results of the evaluation and the ex-ante audit of BONUS EEIG are positive, the Commission and the BONUS EEIG shall conclude the Implementation Agreement.

3.1. Objectives

During the implementation phase, at least three joint calls for proposals shall be published and implemented in view of funding strategically targeted BONUS-169 projects addressing the objectives of the initiative. The topics shall originate from the BONUS-169 Strategic Research Agenda, respect as much as possible the established roadmap and cover research, technological development, and training and/or dissemination activities.

3.2. Implementation of BONUS-169 Projects

BONUS-169 calls shall be implemented via multi-partner trans-national projects involving at least three independent eligible legal entities from three different Member States or associated countries, of which at least two shall be from the BONUS-169 Participating States.

Legal entities from Member States and associated countries may receive BONUS-169 funding. Any consortium submitting a proposal for a BONUS-169 project may include participants from a non-Member State provided that it can realistically ensure that it disposes of the resources needed to fully cover the costs for its participation. BONUS funding to such a participant could be justified on a case-by-case basis if its contribution to the project is absolutely essential for the project's successful outcome.

Each call for proposals shall clearly indicate the scientific topics. These topics shall be identified by the BONUS EEIG in consultation with the Commission. When identifying the topics, they shall take account of emerging needs, the results and outcomes of the previously implemented calls and of the wide stakeholder consultations undertaken during the strategic phase and throughout the programme.

The BONUS EEIG shall publish the call for proposals as widely as possible using specific information support, particularly Internet sites on the Seventh Framework Programme and addressing all relevant stakeholders, the specialised press and brochures. The call shall remain open for at least three months. Proposed projects shall be submitted centrally to the BONUS EEIG by the applicants in response to the calls and in a single-stage evaluation procedure.

Proposed projects shall be evaluated and selected centrally on the basis of independent review against defined eligibility and selection and award criteria. The core evaluation criteria are scientific excellence, the quality of implementation and the impact to be expected from the project. The call for proposals shall concretise the core evaluation criteria. Additional criteria may be introduced on condition that they are published in the call for proposals, are non-discriminatory and do not prevail over the core evaluation criteria.

The BONUS EEIG shall ensure that each proposal received is evaluated with the assistance of at least three independent experts appointed by it on the basis of the criteria set out in the Regulation (EC) no 1906/2006. A rating shall be given for each project proposal. The independent experts shall examine the projects against the evaluation criteria and score these on a scale from 0 to 5 per criterion according to the rules for submission of proposals, and the related evaluation, selection and award procedures of the Seventh Framework Programme.

The BONUS EEIG shall establish a funding list strictly in accordance with the results of the independent evaluation. The ranking list established by the independent experts shall be considered binding for the allocation of BONUS-169 funds.

The administrative management of the grants awarded to the selected BONUS-169 projects shall be handled centrally under the responsibility of the BONUS EEIG.

3.3 Further Activities

Besides the management of the BONUS-169 set out in points 3.1 and 3.2., the BONUS EEIG shall also engage in the following activities:

- a) regular updating of the Strategic Research Agenda and prioritisation of research themes to take account of emerging needs and results and outcome of the previously implemented calls and on the basis of the wide stakeholder consultation procedures referred to in point 2.2.2;
- b) facilitating access for trans-national and multidisciplinary research teams from BONUS-169 funded projects to unique research infrastructures and facilities;
- c) promoting an effective science-policy interface to ensure an optimal uptake of research results;
- d) securing funding by the Participating States that would ensure sustainability of the initiative without Community funding in the post BONUS-169 period;
- e) increased collaboration between the regional environmental research programmes with the relevant science communities in the other European sea basins;
- f) communication and dissemination activities.
- g) BONUS EEIG shall proactively engage in the sharing of best practice to the other European regional sea basins, as well as good articulation to the pan-European level to secure harmonisation and streamlining.

3.4. Contributions during the Implementation Phase

The implementation phase of BONUS-169 is co-funded by the Participating States and the Community over a minimum five-year period until the full life-cycle of all BONUS-169 funded projects is closed, provided that commitments from Community are done up to 2013 and all obligations to report to the Commission are fulfilled. The Community contribution during the implementation phase shall match the cash, in-kind infrastructure contributions of the Participating States to BONUS-169 projects made through the BONUS EEIG as well as the running costs incurred by the BONUS EEIG in the implementation phase. These running costs cannot exceed EUR 5 million.

The Community financial contribution and the cash contribution of the Participating States to BONUS-169 shall be pooled and administered centrally by the BONUS EEIG.

Subject to the conditions agreed in the annual financial agreements referred to in Article 5(2) the Community financial contribution shall be disbursed on the basis of evidence of payment of the cash contribution of the Participating States to the BONUS EEIG and of provision of in-kind infrastructure contributions for BONUS-169 projects.

The proper use of BONUS-169 funding by the beneficiaries is the responsibility of the BONUS EEIG, and shall be established by the independent financial auditing of projects to be carried out by the BONUS EEIG, or on its behalf.

3.5 Funding of BONUS-169 Projects

Subject to point (f) of Article 3(3), funding of BONUS-169 projects shall cover up to 100 % of the eligible costs to be calculated according to common funding rules and common funding rates, as established by the BONUS EEIG in the Implementation Modalities and agreed by the Commission in the Implementation Agreement.

ANNEX II

Governance of BONUS-169

1. The BONUS-169 shall be managed by BONUS EEIG through its Secretariat. BONUS EEIG shall establish the following structures for the purposes of BONUS-169: Steering Committee, Secretariat, Advisory Board, Forum of Sector Research, and the Forum of Project Coordinators.

2. **The Steering Committee** shall be the highest authority of the BONUS EEIG, forming its decision-making body and board governing its secretariat. The Steering Committee shall be composed of senior officers of the research funding and management institutions appointed by the members of the BONUS EEIG. It shall be presided by the Chairperson, a position that shall be rotated annually between the BONUS EEIG members. The previous, current and future chairpersons shall form the Strategy Task Force that supports the Secretariat concerning matters of strategic importance. On the basis of proposals by the Secretariat the Steering Committee shall decide on the strategic orientation of the BONUS-169, including the decisions on defining and updating the BONUS-169, on the planning of call for proposals, on the budget profile, on the eligibility and selection criteria, on the pool of evaluators, on the approval of the ranking list of the BONUS-169 projects to be funded, on the monitoring of progress of the funded BONUS-169 projects and on the supervision of the adequate and orderly work of the Secretariat concerning the BONUS-169.

3. **The Secretariat** shall be headed by the Executive Director who shall implement the decisions of the Steering Committee and shall act as the principal representative of the BONUS-169 to both the Commission and the various national funding agencies. The Secretariat shall be responsible for the overall coordination and monitoring of activities of BONUS-169, the publication, evaluation and implementation of the calls and the monitoring of the funded projects, both from the contractual as well as scientific point of view and for reporting on progress to the Steering Committee. It shall also be responsible for the planning and organisation of consultations with the stakeholders and the Advisory Board and their subsequent integration and streamlining into the Strategic Research Agenda and the promotion of effective science-policy interfaces.

4. **The Advisory Board** shall assist the Steering Committee and Secretariat. It shall be composed of scientists of high international reputation, representatives of relevant stakeholders, including for example, tourism, renewable energies, fisheries and aquaculture, maritime transport, biotechnology and technology providers and including both industry and civil society organisations with an interest in these sectors, other integrated Baltic research programmes and other European regional seas. It shall provide independent advice, guidance and recommendations, regarding scientific and policy related issues of the BONUS-169. That includes advice on the objectives, priorities and direction of the BONUS-169, ways of strengthening the performance of the BONUS-169 and delivery and the quality of its research outputs, capacity building, networking, and the relevance of the work to achieve the objectives of the BONUS-169. It shall also assist in the use and dissemination of the results of the BONUS-169.

5. **The Forum of Sector Research** shall be composed of representatives from ministries and other actors dealing with Baltic Sea System research and governance. It shall convene once a year as a consultation meeting that discusses the outcomes of BONUS-169 and emerging research needs from the decision-making perspective. It shall serve as the forum for

advancing the pan-Baltic integration of research including relevant sectorally-funded research and the use and planning of joint infrastructures.

6. **The Forum of Project Coordinators** shall be composed of co-ordinators of projects funded through the BONUS-169. It shall assist the Secretariat in matters dealing with the scientific coordination of BONUS-169 and the integration and synthesis of the research results.

LEGISLATIVE FINANCIAL STATEMENT

1. NAME OF THE PROPOSAL:

Proposal for a Decision of the European Parliament and of the Council on the participation by the Community in a Joint Baltic Sea Research Programme BONUS-169, undertaken by several Member States.

2. ABM / ABB FRAMEWORK

Policy Area(s) concerned and associated Activity/Activities: Research and Technological Development: Seventh Framework Programme, Article 169 of the Treaty establishing the European Community.

3. BUDGET LINES

3.1. Budget lines (operational lines and related technical and administrative assistance lines (ex- B..A lines)) including headings:

For 2010 Contribution from DG RTD for the strategic phase as follows:

	Denomination	Line	2010 (%)	2010 (€)
RTD	Cooperation – Environment (including Climate Change)	08 06 01	100%	1,250,000.00 €
RTD	Cooperation - Food, Agriculture and Fisheries, and Biotechnology	08 03 01	0%	0.00 €
RTD	Cooperation – Energy	08 05 01	0%	0.00 €
RTD	Cooperation - Transport (including Aeronautics)	08 07 01	0%	0.00 €
RTD	Cooperation - Socio-economic Sciences and the Humanities	08 08 01	0%	0.00 €
TOTAL			<u>100%</u>	<u>1,250,000.00 €</u>

As of 2012, contribution from DG RTD pro rata for the Implementation Phase as follows:

	Denomination	Line	2012-2013 %
RTD	Cooperation – Environment (including Climate Change)	08 06 01	35%
RTD	Cooperation - 'Food, Agriculture and Fisheries, and Biotechnology'	08 03 01	20%
RTD	Cooperation - Energy	08 05 01	15%
RTD	Cooperation - Transport (including Aeronautics)	08 07 01	15%
RTD	Cooperation - Socio-economic Sciences and the Humanities	08 08 01	15%
TOTAL			<u>100%</u>

	Line	2012-2013 %	2012 (€)	2013 (€)	Totals 2012-2013(€)
RTD	08 06 01	35%	5,862,500.00	11,200,000.00	17,062,500.00
RTD	08 03 01	20%	3,350,000.00	6,400,000.00	9,750,000.00
RTD	08 05 01	15%	2,512,500.00	4,800,000.00	7,312,500.00
RTD	08 07 01	15%	2,512,500.00	4,800,000.00	7,312,500.00
RTD	08 08 01	15%	2,512,500.00	4,800,000.00	7,312,500.00
TOTAL		<u>100%</u>	<u>16,750,000.00</u>	<u>32,000,000.00</u>	<u>48,750,000.00</u>

3.2. Duration of the action and of the financial impact:

The Community contribution to the BONUS-169 Joint Programme is expected to be established through co-decision by Council and Parliament in 2010 for an initial period up to 31 December 2016.

3.3. Budgetary characteristics:

Multi-Line commitments on the following lines as of 2010:

Budget line	Type of expenditure		New	EFTA contribution	Contributions from applicant countries	Heading in financial perspective
08 06 01	Non-compulsory	Differentiated	NO	YES	YES	N° [1A]
08 03 01	Non-compulsory	Differentiated	NO	YES	YES	N° [1A]
08 05 01	Non-compulsory	Differentiated	NO	YES	YES	N° [1A]
08 07 01	Non-compulsory	Differentiated	NO	YES	YES	N° [1A]
08 08 01	Non-compulsory	Differentiated	NO	YES	YES	N° [1A]

4. SUMMARY OF RESOURCES

4.1. Financial Resources

All figures in this statement are indicative and presented in constant values,

4.1.1. Summary of commitment appropriations (CA) and payment appropriations (PA)

EUR million (to 3 decimal places)

Expenditure type	Section no		2010	2011	2012	2013	2014 and later	Total
Operational expenditure								
Commitment Appropriations (CA)	8.1.	a	1.250	0.000	16.750	32.000	0.000	50.000
Payment Appropriations (PA)		b	1.000	0.250	5.584	12.874	30.292	50.000

Administrative expenditure within reference amount

Technical & administrative assistance (NDA)	8.2.4.	c	0	0	0	0	0	0
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TOTAL REFERENCE AMOUNT

Commitment Appropriations		a+c	1.250	0.000	16.750	32.000	0.000	50.000
Payment Appropriations		b+c	1.000	0.250	5.584	12.874	30.292	50.000

Administrative expenditure not included in reference amount²³

Human resources and associated expenditure (NDA)	8.2.5.	d	0.122	0.183	0.183	0.183	0.000	0.671
Administrative costs, other than human resources and associated costs, not included in reference amount (NDA)	8.2.6.	e	0.008	0.040	0.015	0.045	0.000	0.108

Total indicative financial cost of intervention

TOTAL CA including cost of Human Resources		a+c+d+e	1.380	0.223	16.948	32.228	0.000	50.779
TOTAL PA including cost of Human Resources		b+c+d+e	1.130	0.473	5.782	13.102	30.292	50.779

Co-financing details

(i) Programme level

According to this Decision, BONUS-169 will be implemented in two distinct phases: an initial strategic phase, lasting two years; and an implementation phase, of minimum 5 years. The launching of the implementation phase should be conditional upon the decision by the Commission following a positive ex ante audit and evaluation of the strategic phase as to the maturity and readiness of the initiative after the strategic phase.

The European Community will match the eligible Participating States contributions up to a maximum of EUR 50 million bringing the total expected budget for the initiative to EUR 100 million. The cash contributions of the Participating States and the Community contribution will be administered as a real common pot.

The strategic phase will be implemented by a grant according to the rules set out in this Decision. The Community contribution for the strategic phase shall match that of the Participating States up to EUR 1.25 million.

The implementation phase will be implemented by indirect centralised management, according to the provisions of Art. 54(2) (c) of the Financial Regulation and according to the rules set out in this Decision. The Community contribution for the implementation phase shall match that of the Participating States up to EUR 48.75 million. This ceiling may be increased by the reminders of the contribution to the strategic phase. For the implementation phase, up to 25% of the Participating States contribution may consist in providing access to research infrastructures ("in kind infrastructure contributions"). The EC contribution will be committed from 2010 to

²³ The reference amount is the Community contribution to BONUS-169.

2013 included. No new commitment from the Commission will be made after 2013. The running costs of the DIS during the implementation phase and as long as its operation is needed for the proper monitoring and implementation of all BONUS-169 funded projects and fulfilment of all the reporting contractual obligations to the Commission shall be eligible costs up to a maximum of EUR 5 million.

(ii) Project level

The cash financing of BONUS-169 shall comprise a “*real common pot*” commitment from the Participating States to contribute to the funding of participants in selected BONUS-169 projects.

The financial contribution to the participants in the BONUS-169 Projects will cover up to 100 % of the total eligible costs to be calculated in compliance with the State aid rules of the Community and according to common funding rules and common funding rates, as established by the DIS in the Implementation Modalities developed and assessed by ex-ante audit during the strategic phase and according to fixed modalities to be set out in the Implementation Agreement following principles based on those of the Seventh Framework Programme. The allocation of funding from the centrally managed common pot to selected BONUS-169 projects shall follow the order of the ranking list.

EUR million (to 3 decimal places)

Co-financing body		2010	2011	2012	2013	2014 and later	Total
Participating Member States ²⁴	f	1.250	0.000	16.750	32.000	0.000	50.000
Community contribution	a+c	1.250	0.000	16.750	32.000	0.000	50.000
Administrative expenditure	d+e	0.130	0.223	0.198	0.228	0.000	0.779
TOTAL CA including co-financing	a+c+d+e+f	2.630	0.223	33.698	64.228	0.000	100.779

The Commission is foreseen to contribute a total of €50M in cash. The Participating Member States commit to a total of €50M including maximum 25% "in kind infrastructure contributions".

4.1.2. Compatibility with Financial Programming

- Proposal is compatible with existing financial programming.
- Proposal will entail reprogramming of the relevant heading in the financial perspective.
- Proposal may require application of the provisions of the Inter-institutional Agreement²⁵ (i.e. flexibility instrument or revision of the financial perspective).

4.1.3. Financial impact on Revenue

- Proposal has no financial implications on revenue
- Proposal has financial impact – the effect on revenue is as follows:

EUR million (to one decimal place)

Budget line	Revenue	Prior to action [Year n-1]	Situation following action							
			[Year n]	[n+1]	[n+2]	[n+3]	[n+4]	[n+5] ₂₆		
	<i>a) Revenue in absolute terms</i>									
	<i>b) Change in revenue</i>									

²⁴ Expected indicative annual contribution from Participating States to be confirmed by BONUS EEIG

²⁵ See points 19 and 24 of the Inter-institutional agreement.

²⁶ Additional columns should be added if necessary i.e. if the duration of the action exceeds 6 years

4.2. Human Resources FTE (including officials, temporary and external staff)

Annual requirements		2010	2011	2012	2013	2014 and later
Total number of human resources						

5. CHARACTERISTICS AND OBJECTIVES

5.1. Need to be met in the short or long term

The Community contribution is needed for the further development, establishment and operation of BONUS-169, in order to allow the co-financing of the activities with the Participating States.

5.2. Value-added of Community involvement and coherence of the proposal with other financial instruments and possible synergy

The current research system in the Baltic Sea region is still too fragmented to tackle the complex and urgent environmental challenges currently being faced. The current situation calls for the development and implementation of a fully-integrated approach whereby the relevant research programmes of all the bordering States can be streamlined and focussed in order to address the complex and pressing issues at hand in a coordinated, efficient and effective manner.

5.3. Objectives, expected results and related indicators of the proposal in the context of the ABM framework

BONUS-169 will integrate national programmes of eight Participating States into a single joint Baltic Sea Research Programme and support, in particular, the objectives of the European Research Area, the Baltic Sea Strategy, the Water Framework Directive and the Marine and Maritime Strategies.

5.4. Method of Implementation (indicative)

Centralised Management

directly by the Commission

indirectly by delegation to:

executive Agencies

bodies set up by the Communities as referred to in art. 185 of the Financial Regulation

national or international public-sector bodies/bodies governed by private law with a public service mission and guaranteed by the Member States, Iceland, Israel, Norway, Switzerland and Turkey.

6. MONITORING AND EVALUATION

6.1. Monitoring system

Once established, BONUS-169 will be monitored through regular reports which will be provided by the DIS.

6.2. Evaluation

6.2.1. Ex-ante evaluation

An ex-ante audit shall be carried out by the Commission services in order to assess the readiness for implementing the programme in conformity with the Financial Regulation and more specifically with its provisions on indirect centralised management. The DIS shall subsequently formulate an Action Plan that shall adequately address the recommendations stemming from the ex-ante audit.

6.2.2. Measures taken following an intermediate/ex-post evaluation (lessons learned from similar experiences in the past)

The proposed governance model has been established based on the experience gained from the Article 169 initiative undertaken during the Sixth Framework Programme, namely the EDCTP, and under the Seventh Framework Programme – AAL, Eurostars and EMRP.

6.2.3. Terms and frequency of future evaluation

According to this Decision, the Commission with the assistance of independent experts shall carry out an evidence-based evaluation of the strategic phase.

A mid-term review of the implementation phase following the implementation of the second call and prior to the publication of the third call as well as an ‘*ex-post*’ evaluation will be carried out by the European Commission.

7. Anti-fraud measures

Article 8 of the Decision establishing BONUS-169 states that in implementing the Joint Programme, the Participating States shall take the legislative regulatory and administrative or other measures necessary for protecting the Communities' financial interests. In particular, the Participating States shall provide adequate guarantees as regards full recovery from the DIS of any amounts due to the Community.

Article 9 of the Decision establishing BONUS-169 states that the Commission and the Court of Auditors may, through their officials or agents, carry out all the checks and inspections needed to ensure proper management of the Community funds and protect the financial interests of the Community against any fraud or irregularity. To this end, the Participating States and/or the DIS shall, in due course, make all relevant documents available to the Commission and the Court of Auditors.

Further anti-fraud measures will be implemented as part of the detailed agreement between the Commission and the DIS.

8. DETAILS OF RESOURCES

8.1. Objectives of the proposal in terms of their financial cost

Commitment appropriations in EUR million (to 3 decimal places)

(Headings of Objectives, actions and outputs should be provided)	Type of output	Av. cost	2010		2011		2012		2013		2014 and later		TOTAL	
			No. outputs	Total cost	No. outputs	Total cost	No. outputs	Total cost	No. outputs	Total cost	No. outputs	Total cost	No. outputs	Total cost
OPERATIONAL OBJECTIVE No.1 ²⁷ Establishment and operation of the BONUS-169 Joint Programme														
Action 1														
	- Strategic Research Agenda - Stakeholder Platform - Implementation Modalities		3	1.250	0	0.000		0	0	0	0	0	3	1.250
	Call for R&D Projects		0	0	1	0.000	1	16.750	2	32.000	0	0		
Sub-total Objective 1			0	1.250		0.000		16.750		32.000	0	0		50.000
TOTAL COST			0	1.250		0.000		16.750		32.000	0	0		50.000

²⁷

As described under Section 5.3

8.2. Administrative Expenditure

8.2.1. Number and type of human resources²⁸

Types of post		Staff to be assigned to management of the action using existing and/or additional resources (number of posts/FTEs)					
		Year n	Year n+1	Year n+2	Year n+3	Year n+4	Year n+5
Officials or temporary staff ²⁹ (XX 01 01)	A*/AD						
	B*, C*/AST						
Staff financed ³⁰ by art. XX 01 02							
Other staff ³¹ financed by art. XX 01 04/05							
TOTAL							

8.2.2. Description of tasks deriving from the action

8.2.3. Sources of human resources (statutory)

- Posts currently allocated to the management of the programme to be replaced or extended
- Posts pre-allocated within the APS/PDB exercise for year n
- Posts to be requested in the next APS/PDB procedure
- Posts to be redeployed using existing resources within the managing service (internal redeployment)
- Posts required for year n although not foreseen in the APS/PDB exercise of the year in question

²⁸ There are no Commission officials that will work for BONUS-169 in the DIS.

²⁹ Cost of which is NOT covered by the reference amount

³⁰ Cost of which is NOT covered by the reference amount

³¹ Cost of which is included within the reference amount

8.2.4. *Other Administrative expenditure included in reference amount (XX 01 04/05 – Expenditure on administrative management)*

EUR million (to 3 decimal places)

	Year 2010	Year 2011	Year 2012	Year 2013	Year 2014 and later	TOTAL
1 Technical and administrative assistance (including related staff costs)	0	0	0	0	0	0
Executive agencies ³²						
Other technical and administrative assistance						
- <i>intra muros</i>						
- <i>extra muros</i>						
Total Technical and administrative assistance	0	0	0	0	0	0

Calculation– *Estimated costs of the dedicated implementation structure*

Estimation of the costs is based on estimates provided by BONUS EEIG following experiences in BONUS ERA-NET and BONUS Plus. The total cost for the period 2010-2016 include:

- BONUS management: programme manager and secretarial/office support
- Dissemination and Communication cost: events, material, press and print, website
- IT support, maintenance and licences
- Travel
- Proposal evaluation with independent experts: Expert fees and travel

8.2.5. *Financial cost of human resources and associated costs not included in the reference amount*

Information related to human resources and administrative expenditures not included in the reference amount must be considered as internal re-deployment inside the envelopes of FP7

³² Reference should be made to the specific legislative financial statement for the Executive Agency(ies) concerned.

administrative appropriations.

EUR million (to 3 decimal places)

Type of human resources ³³	2010	2011	2012	2013	Total
Officials and temporary staff Budget line 08 01 05	0.122	0.183	0.183	0.183	0.671
Staff financed by Art XXXXX (auxiliary. END. contract staff. etc.) (specify budget line)					
Total cost of Human Resources and associated costs (NOT in reference amount)	0.122	0.183	0.183	0.183	0.671

Calculation– *Officials and Temporary agents*

An average cost of EUR 122.000 per post FTE. In year 2010, 1 FTE and in year 2011 1.5 FTE is taken into account for the contract negotiation phase. From 2012 till 2013, 1.5 FTE is taken into account.

Calculation– *Staff financed under art. 08 01 02*

1.5 FTE/year are anticipated for the follow-up of this initiative by the Commission services from 2012 onward. The main tasks will be:

- Participation in meetings of the BONUS-169 committee and the meetings of the BONUS-169 Advisory Board meetings as member, +/- 3-4 times two-day meetings/year (Director/HoU level);
- Observer in the BONUS-169 proposal evaluations, 2-3 days per years (Project Officer level);
- Participation in workshops and dissemination events, 2-3 times per year (Project Officer level);
- Negotiation and Preparation of agreement with the DIS (Project Officer level + Assistant level);
- Monitoring of implementation based on the yearly reports. and coordination of the mid-term and final evaluations (Project Officer level);

³³ Additional costs estimated at €0.528M for human resources are expected for the follow-up of the initiative during the 2014-2016 period but will not be covered by the 7th Framework Programme.

- Financial and legal auditing of the implementation of BONUS-169 (Auditor. Administrator level).

	2010	2011	2012	2013	TOTAL
08 01 02 11 01 – Missions	0.008	0.015	0.015	0.015	0.053
08 01 02 11 02 – Meetings & Conferences					
08 01 02 11 03 – Committees ³⁴					
08 01 02 11 04 – Studies & consultations					
08 01 02 11 05 - Information systems					
2 Total Other Management Expenditure (08 01 02 11)	0.008	0.015	0.015	0.015	0.053
3 Other expenditure of an administrative nature Independent experts for strategic phase evaluation, mid-term and final reviews.		0.025		0.030	0.055
Total Administrative expenditure, other than human resources and associated costs (NOT included in reference amount)³⁵	0.008	0.040	0.015	0.045	0.108

Information related to human resources and administrative expenditures not included in the reference amount must be considered as internal re-deployment inside the envelopes of FP7 administrative appropriations.

Calculation - *Other administrative expenditure not included in reference amount*

Missions: Considering that, apart from Brussels, most meetings involving EC staff should be held in Finland. costs estimates are based on EUR 700 average travel costs per mission plus €104 of daily allowance and a ceiling of €140 for the accommodation costs (as specified in the EC mission guidelines); average mission duration is 1.5 days; number and nature of missions: 4 missions per year for 2 officials to attend BONUS-169 meetings. 3 missions per year for one official to attend workshops and other events. 4 missions per year for one official to attend to the BONUS-169 committee meeting (if elsewhere than in Brussels). For 2010, half of the annual costs are assumed.

External assistance: Cost estimates for external support for strategic phase and interim evaluations with 3 external experts. Strategic phase evaluation estimated at €25.000 and the midterm review at €30.000 (including expert cost, daily allowances, and travel).

³⁴ Specify the type of committee and the group to which it belongs.

³⁵ Additional costs estimated at €0.045M for missions and €0.050M for external assistance for the final review (i.e a total of €0.095M) are expected after 2013 but will not be covered by the 7th Framework Programme.