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From: General Secretariat of the Council
To: Delegations

Subject: COUNCIL DECISION on the adoption of the Research Programme of the Research Fund for Coal and Steel, on the multiannual technical guidelines for this programme, on the multiannual financial guidelines for managing the assets of the Research Fund for Coal and Steel

Delegations will find in annex the text for a “Council Decision on the adoption of the Research Programme of the Research Fund for Coal and Steel, on the multiannual technical guidelines for this programme, on the multiannual guidelines for managing the assets of the Research Fund for Coal and Steel”, on which the Competitiveness Council on 27 February 2026 reached a general approach and on which it decided to re-consult the European Parliament.

Proposal for a COUNCIL DECISION on the adoption of the Research Programme of the Research Fund for Coal and Steel, on the multiannual technical guidelines for this programme, on the multiannual financial guidelines for managing the assets of the Research Fund for Coal and Steel, and repealing Decisions 2003/77/EC and 2008/376/EC

THE COUNCIL OF THE EUROPEAN UNION,

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

Having regard to the proposal from the European Commission,

Having regard to the opinion of the European Parliament¹,

Whereas:

- (1) For the purposes of Protocol No 37 on the financial consequences of the expiry of the ECSC Treaty and on the Research Fund for Coal and Steel, annexed to the Treaty on European Union and to the Treaty for the Functioning of the European Union, in accordance with Council Decision (EU) .../...², the Commission is to manage the European Coal and Steel Community (ECSC) in liquidation and, on completion of the liquidation, the assets of the Research Fund for Coal and Steel.

¹ OJ C [...], [...], p. [...].

² Council Decision (EU) .../... of (OJ ...).

- (2) The Research Programme should contribute to increasing public and private investment in research and innovation in Member States, thereby helping to reach an overall investment target of at least 3% of the Union's gross domestic product in research and development.
- (3) To that effect, and in line with the objectives of the Research Programme of the Research Fund for Coal and Steel ('the Research Programme') adopted under Council Decision 2008/376/EC³, the funding should duly consider the evolving policy needs and Union's priorities as identified in the Competitiveness Compass⁴, the Clean Industrial Deal⁵, the European Steel and Metals Action Plan⁶ and the European Green Deal⁷.
- (4) In order to foster a just transition, the Research Programme should contribute to the social, economic and environmental revitalisation of coal and steel regions particularly affected by the transition of these sectors.

³ Council Decision 2008/376/EC of 29 April 2008 on the adoption of the Research Programme of the Research Fund for Coal and Steel and on the multiannual technical guidelines for this programme (OJ L 130, 20.5.2008, p. 7, ELI: <http://data.europa.eu/eli/dec/2008/376/oj>).

⁴ Communication from the Commission to the European Parliament, the European Council, the Council, the European Economic and Social Committee and the Committee of the Regions 'A Competitiveness Compass for the EU', COM(2025) 30 final.

⁵ Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions 'The Clean Industrial Deal: A joint roadmap for competitiveness and decarbonisation', COM(2025) 85 final.

⁶ Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions 'A European Steel and Metals Action Plan', COM(2025) 125 final.

⁷ Communication from the Commission to the European Parliament, the European Council, the Council, the European Economic and Social Committee and the Committee of the Regions 'The European Green Deal', COM(2019) 640 final.

- (5) Committing the totality of the available assets in eight years is necessary to improve attractiveness and impact of the Research Programme, to leverage and accelerate private research and innovation investment, to boost competitiveness and to accelerate industrial transformation of the steel and coal sectors towards green transition and decarbonisation in a challenging geopolitical and economic context.
- (6) In a changing economic and financial environment, recent experience has shown the need for a more flexible and attractive financial and technical framework for implementing the Research Programme. The guidelines for the Research Programme are designed to enable a more flexible approach in its implementation and should thus further simplify access and maximise the effectiveness and impact of the funding under that programme.

- (7) The replacement of the Decision 2008/376/EC is necessary to simplify the landscape of Union funding programmes, notably by aligning the Research Programme with the instruments used under the Horizon Europe Framework Programme of the European Union for Research and Innovation (2021-2027), as set out in Regulation (EU) 2021/695 of the European Parliament and of the Council⁸, as well as its successor. It includes the need to align the funding rates between the programmes. This will allow for complementarities between various programmes in the sectors related to the coal and steel industry enabling a seamless pathway for applicants between programmes when relevant. The changes in the corporate management of funding tools as well as Regulation (EU, Euratom) 2024/2509 of the European Parliament and of the Council⁹ becoming a ‘single rulebook’ resulted in a need to align the technical guidelines for the Research Programme. Combined with the changes in the implementation of the Research Programme, they further strengthen the case for replacing Decision 2008/376/EC in order to achieve the investment objectives.

⁸ Regulation (EU) 2021/695 of the European Parliament and of the Council of 28 April 2021 establishing Horizon Europe – the Framework Programme for Research and Innovation, laying down its rules for participation and dissemination, and repealing Regulations (EU) No 1290/2013 and (EU) No 1291/2013 (OJ L 170, 12.5.2021, p. 1, ELI: <http://data.europa.eu/eli/reg/2021/695/oj>).

⁹ Regulation (EU, Euratom) 2024/2509 of the European Parliament and of the Council of 23 September 2024 on the financial rules applicable to the general budget of the Union (OJ L, 2024/2509, ELI: <http://data.europa.eu/eli/reg/2024/2509/oj>).

- (8) The Research Programme should finance actions on the basis of open calls. The actions should primarily take the form of research projects covering the whole range from low to high Technology Readiness Levels, allowing for greater participation of industry, including small and medium-sized enterprises, and public and academic entities.
- (9) In order to cover the risk for the Commission and other beneficiaries associated with non-recovery of sums due by the beneficiaries, and also to reduce the burden on applicants in providing bank guarantees, it is appropriate to extend the use of the mutual insurance mechanism established by Article 37 of Regulation (EU) 2021/695 to the Research Programme.
- (10) Directive 2010/75/EU of the European Parliament and of the Council¹⁰ created the Innovation centre for industrial transformation and emissions. By collecting and analysing information on innovative techniques, the centre contributes inter alia to the minimisation of pollution, decarbonisation, resource efficiency, a circular economy using fewer or safer chemicals relevant to the activities in the scope of that Directive. In order to monitor technological progress and assess environmental benefits and trade-offs for industrial transformation in the Union, the periodic reports of the Research Programme's projects should be shared with the centre for information.
- (11) To ensure that all available assets are committed within eight years, the investment objectives of the asset management operations should be revised. It should be specified that the assets are to be invested with the objective of preserving - and, where possible, enhancing - their value in order to meet the liquidity needs arising from funding calls. The other aspects of the asset management operations should be adjusted to align with this updated investment objective.

¹⁰ Directive 2010/75/EU of the European Parliament and of the Council of 24 November 2010 on industrial emissions (integrated pollution prevention and control) (OJ L 334, 17.12.2010, p. 17, ELI: <http://data.europa.eu/eli/dir/2010/75/oj>).

- (12) The financial guidelines should enable a flexible approach as regards the technical aspects of implementation and should determine appropriate investment instruments to achieve the investment objectives. The rules pertaining to the way investments are conducted, namely related to asset allocation principles and eligible investments and environmental, social and governance considerations, are technical in nature. For other portfolios managed by the Commission, they would in principle be determined in accordance with the rules adopted pursuant to Article 60 of Regulation (EU, Euratom) 2024/2509. Consequently, the Commission should be allowed to decide to enlarge the scope of eligible investments to include other asset classes and investment operations consistent with the investment strategy and objectives, as well as currencies of other advanced economies, as listed by the International Monetary Fund and subject to hedging of currency risk, in accordance with those rules. Moreover, to align the guidelines applicable to environmental, social and governance investments with the rules applicable to the other portfolios it manages, the Commission should also be allowed to set the detailed guidelines.
- (13) To ensure financial transparency it is necessary to provide to the Member States, in an annual report, the information on management operations carried out under the financial guidelines, including information on allocation to the different asset classes, and explain any major change in the strategic asset allocation.
- (14) Regulation (EU, Euratom) 2024/2509 applies to the Research Programme. It lays down the rules on the establishment and the implementation of the general budget of the Union.
- (14a) To accommodate specific organisational set-up, especially encountered in the Research and Innovation activities, it should be possible to declare as eligible costs in-kind contributions from third parties, by derogation from Articles 193(2) of the Financial Regulation . To incentivise valorisation of results, it should be clarified that this should not be counted as revenues of the action, by derogation from Article 195(2) of the Financial Regulation.

(15) In accordance with Regulation (EU, Euratom) 2024/2509, Regulation (EU, Euratom) No 883/2013 of the European Parliament and of the Council¹¹, Council Regulations (Euratom, EC) No 2988/95¹², (Euratom, EC) No 2185/96¹³ and (EU) 2017/1939¹⁴, the financial interests of the Union are to be protected through proportionate measures, including the prevention, detection, correction and investigation of irregularities and fraud, the recovery of funds lost, wrongly paid or incorrectly used and, where appropriate, the imposition of administrative sanctions. In particular, in accordance with Regulation (EU, Euratom) No 883/2013 and (Euratom, EC) No 2185/96 the European Anti-Fraud Office (OLAF) may carry out investigations, including on-the-spot checks and inspections, with a view to establishing whether there has been fraud, corruption or any other illegal activity affecting the financial interests of the Union. In accordance with Regulation (EU) 2017/1939, the European Public Prosecutor's Office (EPPO) is competent to investigate and prosecute fraud and other criminal offences affecting the financial interests of the Union as provided for in Directive (EU) 2017/1371 of the European Parliament and of the Council¹⁵. In accordance with Regulation (EU, Euratom) 2024/2509, any person or entity receiving Union funds is to fully cooperate in the protection of the Union's financial interests, to grant the necessary rights and access to the Commission, OLAF, the European Court of Auditors and, as appropriate, to the EPPO, and to ensure that any third parties involved in the implementation of Union funds grant equivalent rights.

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

¹² Council Regulation (EC, Euratom) No 2988/95 of 18 December 1995 on the protection of the European Communities financial interests (OJ L 312, 23.12.95, p. 1, ELI: <http://data.europa.eu/eli/reg/1995/2988/oj>).

¹³ Council Regulation (Euratom, EC) No 2185/96 of 11 November 1996 concerning on-the-spot checks and inspections carried out by the Commission in order to protect the European Communities' financial interests against fraud and other irregularities (OJ L 292, 15.11.96, p. 2, ELI: <http://data.europa.eu/eli/reg/1996/2185/oj>).

¹⁴ Council Regulation (EU) 2017/1939 of 12 October 2017 implementing enhanced cooperation on the establishment of the European Public Prosecutor's Office ('the EPPO') (OJ L 283, 31.10.2017, p. 1, ELI: <http://data.europa.eu/eli/reg/2017/1939/oj>).

¹⁵ Directive (EU) 2017/1371 of the European Parliament and of the Council of 5 July 2017 on the fight against fraud to the Union's financial interests by means of criminal law (OJ L 198, 28.7.2017, p. 29, ELI: <http://data.europa.eu/eli/dir/2017/1371/oj>).

- (16) In order to ensure uniform conditions for the implementation of this Decision, implementing powers should be conferred on the Commission as regards certain decisions on the approval of the funding for research projects. Those powers should be exercised in accordance with Regulation (EU) No 182/2011 of the European Parliament and of the Council¹⁶.
- (17) Due to the changes required to the multiannual technical and financial guidelines laid down in Council Decisions 2003/77/EC¹⁷ and 2008/376/EC those Decisions should be replaced.
- (18) It is appropriate to merge the technical and the financial guidelines for reasons of simplification.
- (19) In order to ensure smooth transition, Decision 2008/376/EC should continue to apply to the financing of actions resulting from proposals submitted to calls published until 31 December 2026.
- (20) For reasons of clarity on the rules applicable to actions, it is appropriate to defer the application of this Decision to 1 January 2027,

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

¹⁷ Council Decision 2003/77/EC of 1 February 2003 laying down multiannual financial guidelines for managing the assets of the ECSC in liquidation and, on completion of the liquidation, the assets of the Research Fund for Coal and Steel (OJ L 29, 5.2.2003, p. 25, ELI: [http://data.europa.eu/eli/dec/2003/77\(1\)/oj](http://data.europa.eu/eli/dec/2003/77(1)/oj)).

HAS ADOPTED THIS DECISION:

Chapter I

General Provisions

Article 1

Subject matter

This Decision establishes the Research Programme of the Research Fund for Coal and Steel ('the Research Programme') and lays down the objectives of the Programme and its budget, the multiannual technical guidelines for the implementation of the Research Programme and the multiannual financial guidelines for managing the European Coal and Steel Community (ECSC) in liquidation and, on completion of the liquidation, the assets of the Research Fund for Coal and Steel ('the assets').

Article 2

Definitions

For the purposes of this Decision, the following definitions apply:

- (1) 'coal' means any of the following:
 - (a) hard coal, including the high and medium-ranking 'A' coals (sub-bituminous coals) as defined in the international codification system of coal of the United Nations Economic Commission for Europe;
 - (b) hard coal briquette;
 - (c) coke and semi-coke derived from hard coal;
 - (d) lignite, including the low-ranking 'C' coals (or ortho-lignites) and the low-ranking 'B' coals (or meta-lignites) as defined in the codification referred to in point (a);

- (e) coke and semi-coke derived from lignite;
 - (f) oil shale
- (2) 'legal entity' means any of the following:
- (a) a natural person;
 - (b) a legal person created and recognised as such under Union, national or international law, which has legal personality and the capacity to act in its own name, exercise rights and be subject to obligations;
 - (c) an entity which does not have legal personality as referred to in Article 200(2), point (c), of Regulation (EU, Euratom) 2024/2509;
- (3) 'action results' means any tangible or intangible outcome of a given action, such as data, knowledge or know-how, independent of its form or nature and whether or not it can be protected, as well as any rights attached to it, including intellectual property rights;
- (4) 'steel' means any of the following:
- (a) raw materials for iron and steel production;
 - (b) pig iron (including hot metal) and ferro-alloys;
 - (c) crude and semi-finished products of iron, ordinary steel or special steel (including products for reuse and rerolling);
 - (d) hot-finished products of iron, ordinary steel or special steel (coated or uncoated products, excluding steel castings, forgings and powder metallurgy products);
 - (e) end products of iron, ordinary steel or special steel (coated or uncoated);

- (f) products of the first-stage processing of steel that can enhance the competitive position of the iron and steel products referred to in points (a) to (e);
 - (g) scrap iron and steel waste intended for recycling and reprocessing.
- (5) ‘valorisation’ means the use of action results in the activities other than those covered by the action concerned, including deployment.

Article 3

Programme objectives

1. The Research Programme shall support the competitiveness of sectors related to the coal and steel industry by providing support for collaborative research with an industry-led orientation in those sectors, including on dual-use applications.
2. The Research Programme shall also provide support for clean steel breakthrough technologies, contributing to the objectives of climate neutrality in the Union, and reinforcing Union strategic autonomy across the steel value chain. In addition, the Research Programme shall provide support for research projects for managing the just transition of formerly operating coal mines or coal mines in the process of closure and related infrastructure and the regions in which they are located, particularly those facing significant social, economic or environmental challenges arising from the transition of the coal and steel sectors.
3. The Research Programme shall promote valorisation and innovation, including the testing and piloting of new methods, to enhance the market relevance of research outcomes and support their potential for scalable deployment. Research shall also promote solutions that are commercially viable and industrially scalable.
4. The Research Programme shall be consistent with the political, scientific, and technological objectives of the Union, and shall complement the activities carried out in the Member States.

5. The Research Programme shall support synergies with other relevant programmes and funding instruments aiming at accelerating technological development to deployment status.
6. The Research Programme shall support research projects aimed at the objectives set out for coal in Article 4 and for steel in Article 5.

Article 4

Research objectives for coal

1. Research projects shall aim to accelerate the transition towards a climate-neutral Union economy by 2050, with the objective of supporting the phasing out of fossil fuels, especially coal, and supporting the social, economic and ecological revitalisation of coal regions, developing alternative activities on former mine sites and avoiding or addressing the environmental damage from coal mines in the process of closure, formerly operating coal mines and the regions in which coal mines are located.
2. Special attention shall be given to strengthening Union leadership in managing the transition, including repurposing, of formerly operating coal mines and coal-related infrastructure through technological and non-technological solutions, while supporting technology and non-technology transfer. Research activities with those objectives shall present tangible climate and environmental benefits in line with the objective of climate neutrality by 2050.
3. Issues concerning safety in coal mines in the process of closure and formerly operating coal mines with a view to improving working conditions, occupational health and safety, as well as environmental issues harmful to health shall be taken into account in the research projects.
4. Research projects shall seek to eliminate the impact of coal mines in the process of closure and of formerly operating mines on the climate, atmosphere, water and soils.

5. Research projects shall envisage new and improved technologies to avoid environmental pollution, including methane leakage, associated greenhouse emissions and contamination of water tables, of coal mines in the process of closure, formerly operating mines and their surroundings (including the atmosphere, land, soils and water), solutions for managing and reusing mining wastes, improving circularity, restoring environment, and technologies to restore and protect sites from long-term effects.

Article 5

Research objectives for steel

1. Research projects shall aim to develop, demonstrate and improve sustainable and low-carbon steelmaking and finishing processes with a view to raising product quality, increasing productivity and decreasing strategic dependencies.
2. Research projects shall focus on developing advanced, sustainable and low carbon steel products and related lead markets meeting the requirements of steel users while reducing emissions and environmental impacts, in accordance with the objectives of Directive 2003/87/EC of the European Parliament and of the Council¹⁸, Directive 2010/75/EU of the European Parliament and of the Council¹⁹, [Regulation (EU) ...²⁰] and Regulation (EU) 2024/1781 of the European Parliament and of the Council²¹.

¹⁸ Directive 2003/87/EC of the European Parliament and of the Council of 13 October 2003 establishing a system for greenhouse gas emission allowance trading within the Union and amending Council Directive 96/61/EC (OJ L 275, 25.10.2003, p. 32, ELI: <http://data.europa.eu/eli/dir/2003/87/oj>).

¹⁹ Directive 2010/75/EU of the European Parliament and of the Council of 24 November 2010 on industrial and livestock rearing emissions (integrated pollution prevention and control) (OJ L 334, 17.12.2010, p. 17, ELI: <http://data.europa.eu/eli/dir/2010/75/oj>).

²⁰ [reference to be inserted after IAA adoption]

²¹ Regulation (EU) 2024/1781 of the European Parliament and of the Council of 13 June 2024 establishing a framework for the setting of ecodesign requirements for sustainable products, amending Directive (EU) 2020/1828 and Regulation (EU) 2023/1542 and repealing Directive 2009/125/EC (OJ L, 2024/1781, 28.6.2024, ELI: <http://data.europa.eu/eli/reg/2024/1781/oj>)

3. In both steel production and steel use, the research projects shall enable the conservation of resources, the preservation of ecosystems, the transition to a circular economy and safety issues.
4. Research projects shall pay particular attention on the continuous development of skills adapted to the evolution of the sector towards new net-zero-carbon processes, as well as the improvement of working conditions, promotion of high health and safety standards and sustainable livelihoods.
5. Research projects shall accelerate the use of digital technologies, including artificial intelligence and machine learning, in steel production and use.

Article 6

Budget

1. The financial envelope of the Research Programme for the period 1 January 2027 to 31 December 2034 shall consist of the following:
 - (a) any amounts of the annual allocation which were made available to the Research Fund for Coal and Steel as a result of the cancellation of budgetary commitments;
 - (b) any remaining assets and profits generated by remaining assets;
 - (c) the amounts of previous annual allocations not yet entered in the budget.
2. The financial envelope shall be committed in its entirety through four work programmes covering the years 2027 to 2028, 2029 to 2030, 2031 to 2032, and 2033 to 2034. The work programmes shall provide for yearly calls for proposals in accordance with Article 10.

Article 7
Eligibility

1. Any legal entity, established within the territory of a Member State may participate in the Research Programme and apply for financial assistance.
2. Any legal entity in candidate countries may participate in the Research Programme without receiving any financial contribution, unless otherwise provided under the relevant European Agreements and their additional Protocols, and in the decisions of the respective Association Councils.
3. Any legal entity from third countries may participate in the Research Programme on the basis of individual projects without receiving any financial contribution, provided that such participation is in the Union's interest.

Article 8
Implementation and financial contribution

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

Article 9
Security for dual use projects

1. Dual-use research projects carried out under the Research Programme shall comply with the applicable national security rules, including rules on the protection of EU classified information against unauthorised disclosure, and shall comply with any other relevant Union and national law.
2. Where necessary , proposals shall include a security self-assessment identifying any security issues and detailing how those issues will be addressed in order to comply with the relevant Union and national law.
3. Where necessary , the Commission shall carry out a security scrutiny procedure for proposals raising security issues. Legal entities participating in a project shall ensure the protection against unauthorised disclosure of EU classified information used or generated by the action. They shall provide proof of personal security clearance or facility security clearance from the relevant national security authorities, prior to the start of the activities concerned.
4. If independent external experts have to deal with EU classified information, the appropriate security clearance shall be required before those experts are appointed.
5. Where appropriate, the Commission may carry out security checks.
6. Proposals or actions which do not comply with the security rules under this Article shall be rejected or terminated at any time. Members States shall be informed of the termination of such projects.

Chapter II

Technical guidelines

Article 10

Calls

1. Calls for proposals shall be published twice a year. The content and publication of calls for proposals shall be consistent with Article 197 of Regulation (EU, Euratom) 2024/2509.
2. The proposals shall relate to the research objectives laid down in Articles 4 and 5, and where applicable, to the priority objectives listed in the call conditions.
 - 2a. In order to cover the entire value chain, the work programmes shall be designed to address the whole range from low to high Technology Readiness Levels, including bottom up research, and projects of various scales to ensure the participation of a wide range of stakeholders.
3. The evaluation, award and selection procedure for funded projects shall take place in conformity with Articles 201, 202 and 203 of Regulation (EU, Euratom) 2024/2509.
4. For the purposes of Article 153(3) of Regulation (EU, Euratom) 2024/2509, the evaluation committee shall be composed of independent external experts, except in duly justified cases.

Article 11

Grants

1. Projects based on selected proposals shall form the subject of a grant agreement. Grant agreements shall follow the corporate model grant agreements drawn up by the Commission, taking into account, as appropriate, the nature of the activities concerned.
2. Participants shall implement actions in compliance with the conditions and obligations set out in this Decision, Regulation (EU, Euratom) 2024/2509 and the grant agreement.

Article 12

Funding rates

1. A single funding rate per action shall apply for all activities it funds. The maximum rate per action shall be fixed in the call conditions.
2. Up to 100 % of total eligible costs of an action under the Research Programme may be reimbursed.

In the case of legal entities which by their legal form are for-profit making or which have a legal or statutory purpose to distribute profits to their shareholders or individual members, up to 70% of the total eligible costs may be reimbursed. By way of exception, SMEs shall be eligible for a funding rate of up to 100% of the total eligible costs.

Article 13

Indirect costs

1. Indirect eligible costs shall be 25% of the total direct eligible costs, excluding direct eligible costs for subcontracting, financial support to third parties and any unit costs or lump sums which include indirect costs. Where appropriate, indirect costs included in unit costs or lump sums shall be calculated using the flat rate referred to in the first sentence.

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

Article 14

Eligible costs

1. By way of derogation from Article 193(2) of Regulation (EU, Euratom) 2024/2509, costs of resources made available by third parties by means of in-kind contributions shall be eligible up to the direct eligible costs of the third party.
2. By way of derogation from Article 195(2) of Regulation (EU, Euratom) 2024/2509, income generated by the valorisation shall not be considered to be revenues of the action.

Article 15

Managing action results

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

Article 16

Use of the mutual insurance mechanism

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

Article 17
Technical reports

1. For all projects the beneficiaries shall draw up periodical reports. Such reports shall be used to describe the technical progress made. The reports shall be also shared with the Commission's innovation centre for industrial transformation and emissions referred to in Article 27a of Directive 2010/75/EU for information.
2. On completion of the work, the beneficiaries shall provide the Commission with a final report comprising an assessment of exploitation and impact. The Commission shall publish that report in full or in summarised form depending on the strategic relevance of the project.

Article 18
Final activity review

1. The Commission shall conduct a final review of activities after the closing of the Research Programme. The report containing the review shall be forwarded to the Coal and Steel Committee.
2. The Commission may appoint independent highly qualified experts to assist with the final activity review.

Chapter III

Financial guidelines

Article 19

Financial guidelines

1. The assets shall be managed to provide annual or semi-annual payments within the limits of the annual allocations in order to finance collaborative research in the sectors related to the coal and steel industry. The annual or semi-annual payments shall be financed by the net revenue from the investments and by the cash amounts generated by selling part of the assets, up to the amount of annual allocations.
2. The Commission shall review Articles 20 to 26 where it considers it appropriate. To that end, the Commission shall reassess the operation and effectiveness of the financial guidelines and shall propose any amendments where it considers it appropriate.

Article 20

Use of funds

1. The assets of the ECSC in liquidation, including both its loan portfolio and its investments, shall be used as necessary to meet the remaining obligations of the ECSC in liquidation, in terms of its outstanding borrowings, of its commitments resulting from previous operating budgets, and of any unforeseeable liability.
2. The assets not necessary to meet the remaining obligations of the ECSC in liquidation shall be prudently invested by the Commission, in accordance with the chosen investment horizon and used to fund research in the sectors related to the coal and steel industry.

Article 21

Investment horizon, objective and risk tolerance

1. The assets shall be invested with the objective of preserving, and where possible enhancing, the value of those assets to meet the liquidity needs arising from the funding calls (the ‘investment objective’). The investment objective shall be pursued over the investment horizon and delivered with a high confidence level.
2. The assets shall be managed in accordance with prudential rules and the principles of sound financial management and in accordance with the rules and procedures set out by the accounting officer of the Commission and with the risk management framework of the Commission.
3. The investment objective shall be served through the implementation of a prudent investment strategy based on diversification across eligible asset classes, geographical areas, issuers and maturities (the ‘investment strategy’). The investment strategy shall be set out taking into account the investment horizon and the size of remaining assets, and to ensure that necessary funds are available in a sufficiently liquid form as and when needed.
4. The investment strategy shall be expressed in the form of a strategic asset allocation, which shall set out the indicative target allocations to different categories of eligible financial assets.
5. The Commission shall reflect the strategic asset allocation in a strategic benchmark (the ‘benchmark’), against which the performance of the assets shall be compared.
6. The investment strategy and the benchmark shall be set out by the Commission, in accordance with the rules adopted pursuant to Article 60 of Regulation (EU, Euratom) 2024/2509. In case the assets are only invested in current bank accounts and term deposits, an investment benchmark and investment strategy shall not be required.

7. The investment strategy and the benchmark may be modified by the Commission in the event of a duly documented and motivated change in economic conditions, a substantial change in the needs and situation of the contributing instruments or a significant change in inflow or outflow estimates. The procedure for modification of the investment strategy shall be the same as for its initial adoption.
8. The investment strategy shall be established taking into account the investment horizon and risk tolerance of the assets.

Article 22

Asset allocation principles and eligible investments

1. Sufficient diversification among and within all asset classes shall be assured to reduce investment risks. In principle, the riskier or less liquid an asset, the less concentrated the exposure shall be.
2. Exposure to the different asset classes and diversification may also be achieved via investments into collective investment undertakings or exchange-traded products.
3. The assets shall be invested only in the following instruments denominated in euro:
 - (a) money market assets;
 - (b) fixed income securities;
 - (c) regulated collective investments in debt and equity.

4. The assets shall obtain exposure to the asset classes referred to in paragraph 3 through investment in the following instruments or by engaging in the following operations:
- (a) deposits;
 - (b) money market instruments and money market funds which offer daily liquidity, as regulated by Regulation (EU) 2017/1131 of the European Parliament and of the Council²²;
 - (c) debt instruments, such as bonds, bills and notes, and securitised instruments in line with the simple, transparent and standardised criteria set out in Regulation (EU) 2017/2402 of the European Parliament and of the Council²³;
 - (d) collective investment undertakings covered by Directive 2009/65/EC of the European Parliament and of the Council²⁴, including exchange-traded funds which invest in equity or in debt instruments where maximum losses cannot exceed amounts invested;
 - (e) repurchase agreements in accordance with the principle established by Article 215(2) of Regulation (EU, Euratom) 2024/2509;

²² Regulation (EU) 2017/1131 of the European Parliament and of the Council of 14 June 2017 on money market funds (OJ L 169, 30.6.2017, p. 8, ELI: <http://data.europa.eu/eli/reg/2017/1131/oj>).

²³ Regulation (EU) 2017/2402 of the European Parliament and of the Council of 12 December 2017 laying down a general framework for securitisation and creating a specific framework for simple, transparent and standardised securitisation, and amending Directives 2009/65/EC, 2009/138/EC and 2011/61/EU and Regulations (EC) No 1060/2009 and (EU) No 648/2012 (OJ L 347, 28.12.2017, p. 35, ELI: <http://data.europa.eu/eli/reg/2017/2402/oj>).

²⁴ Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) (OJ L 302, 17.11.2009, p. 32, ELI: <http://data.europa.eu/eli/dir/2009/65/oj>).

- (f) reverse repurchase agreements;
 - (g) securities lending operations with recognised clearing systems, including Clearstream and Euroclear, or with leading financial institutions specialising in that type of operation.
5. Derivatives, in the form of forward and future contracts and swaps, shall be used solely for the purposes of efficient portfolio management and not for the purposes of speculation or leveraging of positions. Those derivatives may be used for adjustment of duration, mitigation of credit or other relevant risk or changes in asset allocation consistent with the investment policy.
 6. The assets may be invested in liquid money market assets and bonds denominated in US dollars issued by sovereign and supranational entities solely for the purposes of diversification and exposure to another interest rate curve. Any currency risk shall be hedged by making appropriate use of swaps or other instruments for foreign exchange hedging, as specified in paragraph 5.
 7. The Commission may in accordance with the rules adopted pursuant to Article 60 of Regulation (EU, Euratom) 2024/2509 enlarge the scope of eligible investments to include other asset classes and investment operations consistent with the investment strategy and objectives, as well as currencies of other advanced economies, as listed from time to time by the International Monetary Fund and subject to hedging of currency risk. Any decision to include new asset classes, investment operations or currencies of advanced economies shall be supported by a substantiated justification per asset class, operation or currency, of how the expanded investment possibilities will enhance the risk-return performance of the assets. That justification shall include an assessment of the operational capacities needed to support those new investment possibilities.

Article 23

Environmental, social, and governance considerations

The investment strategy shall be implemented by favouring environmental, social and governance investments when available and possible, provided that they align with risk management criteria. The detailed guidelines applicable to environmental, social and governance investments may be set out by the Commission, in accordance with the rules adopted pursuant to Article 60 of Regulation (EU, Euratom) 2024/2509.

Article 24

Transfer to the general budget of the Union to meet RFCS payment obligations

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

Article 25

Remaining amounts

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

Article 26

Accounting and management procedures

1. The management of the funds shall be accounted for in the annual accounts for the ECSC in liquidation and, on completion of the liquidation, the annual accounts for the assets of the Research Fund for Coal and Steel. Those accounts shall be based upon and presented in accordance with the Commission's Accounting Rules as adopted by the Commission's accounting officer, taking into account the specific nature of the ECSC in liquidation and, on completion of the liquidation, the assets of the Research Fund for Coal and Steel. The accounts shall be approved by the Commission and examined by the Court of Auditors. The Commission shall engage external firms to carry out an annual audit of its accounts.
2. The Commission shall carry out, in relation to the ECSC in liquidation and, on completion of the liquidation, the assets of the Research Fund for Coal and Steel, the management operations referred to in Articles 20 to 26 under the internal Commission rules and procedures.
3. A detailed report on management operations carried out under Articles 20 to 26 shall be drawn up annually by the Commission and sent to the Member States. In the annual report, the Commission shall include information on the use of the different asset classes, on the reasons behind its choice to invest in specific asset classes and on the observed performance of each asset class.

Chapter IV

Transitional and final provisions

Article 27

Decision on the approval of the funding of certain research projects

1. The Commission shall adopt an implementing act on the approval of the funding of research projects, where the estimated amount of the Union contribution under the Research Programme is equal to or more than EUR 5 million;
2. This implementing act shall be adopted in accordance with Article 28(2) and with the examination procedure referred to in Article 28(3).

Article 28

Management of the Research Programme and committee procedure

1. The Commission shall manage the Research Programme. It shall be assisted by technical and advisory groups with relevant expertise, established by a Commission Decision.
2. The Commission shall be assisted by the Coal and Steel Committee. That committee shall be a committee within the meaning of Regulation (EU) No 182/2011.
3. Where reference is made to this paragraph, Article 5 of Regulation (EU) No 182/2011 shall apply.
4. Where the opinion of the committee is to be obtained by written procedure, that procedure shall be terminated without result when, within the time-limit for delivery of the opinion, the chair of the committee so decides or a simple majority of committee members so request.

Article 29

Repeal and transitional measures

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

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

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

Article 30

Entry into force and application

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

It shall apply from 1 January 2027.

Done at Brussels,

For the Council

The President
