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Subject: Proposal for a Decision of the European Parliament and of the Council on the participation by the Union in a Joint Baltic Sea Research and Development Programme (BONUS) undertaken by several Member States
- Report from the Presidency on the proposed agreement at first reading

INTRODUCTION

1. On 29 October 2009 the Commission transmitted to the European Parliament and to the Council its Proposal for a Decision regarding the participation by the Union in a Joint Baltic Sea Research and Development Programme (BONUS) undertaken by several Member States. The proposal is one of the "Article 169" initiatives that were identified in the FP7 Specific Programme Cooperation.

2. The Research Working Party has examined the proposal at several meetings since November 2009 and reached an agreement on a Presidency compromise text on 19 April 2010. On the basis of this agreement an informal trilogue with the European Parliament took place on 27 April 2010 in order to negotiate a first reading agreement.
3. The Permanent Representatives' Committee, at its meeting on 5 May 2010, approved the compromise text resulting from the trilogue and confirmed to the Chair of the ITRE Committee of the European Parliament by letter dated 5 May 2010 that, should the EP adopt its position at first reading, in accordance with Article 294 paragraph 3 of the Treaty on the Functioning of the European Union ("TFEU"), in the exact form as set out in the compromise package, the Council would, in accordance with Article 294, paragraph 4 of the TFEU, approve the European Parliament's position and the act shall be adopted in the wording which corresponds to the European Parliament's position subject, to revision by the legal linguists of both institutions, in particular as regards the modifications required by the entry into force of the Lisbon Treaty.
4. The ITRE Committee will vote on the compromise text on 11 May 2010. The European Parliament is expected to adopt its Opinion at the plenary session of 14 - 17 June 2010.
5. The Commission still maintains its original proposal regarding financing modalities, i.e. the so-called "real common pot", and has a reservation on changes to recital 18, Annex I, 2.2.3 (h) and Annex I, 3.4, 2nd paragraph.

Proposal for a
DECISION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL
on participation by the Union¹ in a Joint Baltic Sea Research and Development programme
(BONUS) 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 Committee²,

Acting in accordance with the procedure laid down in Article 251 of the Treaty³,

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)⁴ (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.

¹ The amendment from "BONUS-169" to "BONUS" to be applied throughout the text, as well as other amendments following the entry into force of the Lisbon Treaty to be verified by legal-linguists.

² OJ C , , p. .

³ OJ C , , p. .

⁴ OJ L 412, 30.12.2006, p. 1.

- (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)⁵ 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 has been seriously affected by many natural and human-caused pressures, such as pollution from dumped chemical weapon, for example war gases, dating back to the Second World War and from heavy metal compounds, organic substances, radioactive material, and heating oil and petroleum spills. The development of agriculture in the Baltic Sea drainage basin has likewise caused excessive inputs of fertilisers and organic material leading to advanced eutrophication, and the introduction of non-endemic alien organisms into the environment. The unsustainable exploitation of fish stocks and climate change are causing the loss of original biodiversity. These factors, as well as continuing human activity, including infrastructure projects directly on and in the immediate vicinity of the coast and in the Baltic Sea drainage basin, as well as ecologically unsustainable tourism are deteriorating the natural environment. All this is seriously reducing 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 Region⁶. Moreover, the Council has invited the Commission to present a proposal for Article 169 initiative for the Baltic Sea Region.

⁵ OJ L 400, 30.12.2006, p. 86

⁶ COM(2009) 248 final of 10 June 2009.

- (5) Science should contribute to addressing these challenges and finding solutions to the urgent 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.
- (9) The Commission in its work programme for 2007-2008 of 11 June 2007 for the implementation of the Specific Programme 'Cooperation'⁷, 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.

⁷ C(2007)2460 of 11 June 2007.

- (9 a) By and large, BONUS ERA-NET and ERA-NET PLUS have worked well and it is thus important to ensure the continuity of the research efforts in order to address the pressing environmental challenges.
- (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 (including in the field of energy), 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)⁸, 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 policy⁹ 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.

⁸ OJ L 164, 25.6.2008, p. 19.

⁹ OJ L 327, 22.12.2000, p.1.

- (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 should verify that the Strategic Research Agenda, Stakeholders Consultation Platforms and implementation modalities are in place for the initiative to enter the implementation phase. The Commission may, if appropriate, make recommendations for improving the Strategic Research Agenda. The transition to the implementation phase should be seamless and without delays.
- (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.
- (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. While reminding the Participating States that the principle of real common pot is important, each Participating State will decide, within funding rules and procedures common to the programme, whether to administer its own contribution or whether its contribution will be administered by the BONUS EEIG. BONUS EEIG should also ensure that the execution of BONUS-169 complies with sound financial management.
- (19) The Community contribution should be subject to formal commitments from the competent national authorities of 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)¹⁰ in order to facilitate and simplify its management.

¹⁰ OJ L 391, 30.12.2006, p. 1.

- (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 Communities¹¹ (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 Regulation¹².
- (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 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. The grant and payment of such financial support to participants in BONUS should be transparent, unbureaucratic and in accordance with common rules in line with the Seventh Framework Programme. The evaluation of proposals should be performed centrally by independent experts, with good knowledge of the local conditions, on the basis of transparent and common criteria and funding should be allocated in accordance with a centrally approved ranking list.

¹¹ OJ L 248, 16.09.2002, p. 1.

¹² OJ L 357, 31.12.2002, p. 1.

- (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, in particular those countries bordering the Baltic Sea or providing its drainage basin, 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 interests¹³, 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 irregularities¹⁴ 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)¹⁵.
- (30) The research activities carried out under BONUS-169 should conform to ethical principles in accordance with the general principles of the Decision No 1982/2006/EC (hereinafter "Seventh Framework Programme"), and follow the principles of gender mainstreaming and gender equality, and sustainable development.
- (31) In the light of interim evaluation conducted by the Commission, assisted by independent experts with good knowledge of the local conditions, the Commission should assess the quality and efficiency of the implementation of BONUS-169 and progress towards the objectives set, as well as conduct a final evaluation.
- (32) The participants of BONUS should communicate and disseminate their results widely, in particular to other similar regional marine research projects and to make this information publicly available.
- (32a) The successful implementation of the projects already carried out under the BONUS ERA-NET and BONUS ERA-NET PLUS brought to light the disastrous condition of the Baltic Sea; the state of the Baltic Sea environment should therefore continue to be subject to further research activities.

¹³ OJ L 312, 23.12.1995, p. 1.

¹⁴ OJ L 292, 15.11.1996, p 2.

¹⁵ OJ L 136, 31.05.1999, p. 1.

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 18 months. 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 the 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, encouraging an adequate participation of SMEs, 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. The grant and payment of financing to participants in BONUS shall comply with common rules in line with the Seventh Framework Programme.

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 conditional upon:
- (a) the establishment by the participating Member States of the Strategic Research Agenda, Stakeholders Consultation Platforms and the implementation modalities referred to in Article 2(3) as well as the progress made towards the achievement of objectives and deliverables set out in Annex I, section 2. The Commission may, if appropriate, make recommendations for improving the Strategic Research Agenda;
 - (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 effective payment of their financial contribution, in particular the funding of participants in the BONUS projects selected following the calls for proposals;
 - (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 Innovation¹⁶;

¹⁶ OJ C 323, 30.12.2006, p. 1.

- (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;
 - (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 be invited to 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 that is consistent with the overall reporting requirements set out in Article 13.

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 points (e) and (f) of Article 3(3). 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 points (e) and (f) of Article 3(3), 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

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 Agenda
- 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 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 15 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-projects;
- 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 conditions as referred to in point (a) of Article 3(3) are in place and the ex-ante audit of BONUS EEIG is positive, the Commission and the BONUS EEIG shall conclude the Implementation Agreement.

3.1. Objectives

During the implementation phase 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.

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 BONUS EEIG shall be the recipient and administrator of the Community contribution. A Participating State may decide to administer its own national funding and to devote its cash contribution exclusively to domestic research that is selected at central level or to have its cash contribution 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-beneficiaries or 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.

Governance of BONUS-169

1. The BONUS-169 shall be managed by BONUS EEIG through its Secretariat. BONUS EEIG has established 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 Executive Committee that supports the Secretariat concerning matters of strategic importance. Taking account 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.