Measures necessary for the implementation of the Protocol, annexed to the Treaty establishing the European Community, on the financial consequences of the expiry of the ECSC Treaty and on the Research Fund for Coal and Steel

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PURPOSE: to review the rules on the cancellation of commitments under the research programme of the Research Fund for Coal and Steel (RFCS) and the rules on amounts recovered under the research programme of the Research Fund for Coal and Steel (RFCS).

PROPOSED ACT: Council Decision.

ROLE OF THE EUROPEAN PARLIAMENT: Council may adopt the act only if Parliament has given its consent to the act.

BACKGROUND: the Treaty establishing the European Coal and Steel Community (ECSC) expired on 23 July 2002.

The Protocol annexed to the Treaty establishing the European Community, transferred the assets and liabilities of the ECSC to the European Community and allocated the net worth of these assets to research in the sectors related to coal and steel industry. The Protocol also assigned the revenue from these assets for research, outside the research framework programme, in the sectors related to the coal and steel industry.

The revenues assigned to the funding of research projects for Coal and Steel are **decreasing at a substantial rate from one year to the other**. The budgetary envelope of the RFCS programme has decreased from EUR 46 million in 2017 based on 2015 ECSC in liquidation's revenues to **EUR 27 million in 2018** based on 2016 ECSC in liquidation's revenues and the amount is expected to be even lower for 2019 (between EUR 14 million and EUR 18 million).

In order to maintain an acceptable level of funding for research projects in the coal and steel sector for a certain period, pending a change in monetary policy and an increase in asset returns on public bond markets, the Commission suggests the **recycling of unused appropriations** put at the disposal of the research programme of the Research Fund for Coal and Steel (RFCS).

CONTENT: the proposed revision is limited to two paragraphs of Article 4 of the Council Decision 2003/76/EC and aims at **applying the same treatment (automatic carry-over to the next year) for both categories of unused funds**: appropriations not committed at year-end and cancellations of commitments.

According to the Commission, the adoption of the proposed revision:

- **will authorise the recycling of all the de-commitments** (including the amounts recovered) made in the RFCS research programme since 2003 which have been returned to the assets of the ECSC in liquidation and represent a possible complementary funding for the RFCS research programme of EUR 40.3 million;
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- will provide additional funding of nearly EUR 5 million per year (average flow of annual de-commitments over the three past years in RFCS research programme).

Concretely, the rapid adoption of the proposal by the first Semester of 2018 would allow the commission to top up the expected envelope of the RFCS programme for 2018 (EUR 27 million) to reach an amount of EUR 40 million for the next annual call for proposals.