

# 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 allow the assets of the Research Fund for Coal and Steel (RFCS), where appropriate, to be used to provide an annual allocation of EUR 40 million to the RFCS until 2027 and to finance major research and innovation projects.

**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:** after the expiry of the European Coal and Steel Community (ECSC) Treaty in 2002 and under Protocol 37 annexed to the EU Treaties, the Member States established the new “Research Fund for Coal and Steel” (RFCS) as a continuation of the European Coal and Steel Community Coal and Steel Research and Technical Development Programmes.

The Research Programme of the Research Fund for Coal and Steel (RFCS) is an EU funding programme that finances research projects in coal and steel sectors. The RFCS has its own legal bases standing outside the Multiannual Financial Framework.

As has been recognised, annual funding of at least EUR 40 million is needed to successfully implement the research programme of the RFCS. Given the context of low interest rates, revenue earmarked for funding is decreasing rapidly. This is leading to a situation where the critical minimum budget available for organising an annual call for proposal for the research programme of the RFCS might not be met.

In its [legislative resolution](#) of March 2018 accompanying its consent to the Council Decision 2018/599, which aimed to authorise the use of all de-commitments and recovery orders made under the RFCS programme since 2003, Parliament called for making the management of the assets of the ECSC in liquidation more active, or even for using some of those funds to launch major projects to make European steel clean and competitive.

To meet EU targets, the Green Deal Investment Plan and Just Transition Mechanism Communication considered necessary a revision of the RFCS legal bases to enable using the assets of the ECSC in liquidation and, on completion of the liquidation, the assets of the RFCS.

**CONTENT:** the purpose of the proposal to amend [Decision 2003/76/EC](#) is to allow the sale of a share of the assets of the ECSC in liquidation for the period 2021-2027 in order to provide an annual RFCS allocation of EUR 111 million per year, which shall be allocated as follows:

- EUR 40 million per year shall finance collaborative research in the coal sector and steel sector;

- the remaining EUR 71 million shall finance breakthrough technologies leading to near zero-carbon steel making and research projects for managing the just transition of formerly operating coal mines or coal mines in the process of closure, and related infrastructure in line with the Just Transition Mechanism.

The annual allocation shall consist of the net income from investments and, where insufficient, from the sale of a share of the assets of the ECSC in liquidation and, after the closure of the liquidation, of the assets of the FRCA. The Decision should provide a predictable flow of funds of sufficient magnitude to facilitate the continuity of the desired support for collaborative research in the steel and coal sectors.

In line with the European Green Deal, the RFCS shall, in particular, develop a Clean Steel production as a potential game-changer dragging other intensive energy sectors, such as chemicals and cement, towards Climate neutrality by 2050.