Managing the assets of the ECSC in liquidation and of the Research Fund for Coal and Steel: multiannual financial guidelines

2020/0143(NLE) - 07/07/2021 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted by 600 votes to 42, with 54 abstentions, a legislative resolution on the proposal for a Council decision amending Decision 2003/77/EC 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.

Parliament approved the Commission proposal without amendments.

The European Commission uses the returns on ECSC in liquidation to support research projects in the steel and coal sectors. However, the ability of the portfolio to generate sufficient returns to finance a meaningful research programme has come under pressure in recent years as a result of the secular decline in financial market returns.

The proposal seeks to render the ECSC portfolio more resilient faced with these challenges, by enlarging the scope for investing in other asset classes and using other investment techniques to protect the portfolio from exclusive dependence on fixed income securities.

Specifically, the changes aim to:

- allow the resources of the portfolio to be sold where necessary in order to enable payments related to an **annual allocation of EUR 111 million until the year 2027**. Depending on investment conditions and evolution of the size of the portfolio, this will entail a gradual reduction of the volume of assets under management;

- **diversify the eligible investments in the portfolio** to enhance its risk-return performance. It is proposed to widen the universe of eligible assets in order to enhance expected returns for a given level of risk.

The Commission has made clear that the changes would not entail any automatic recourse to use of these assets or instruments. Instead, the Decision would merely authorise the Commission to make such investments when market conditions are propitious and if such investments are in line with the investment horizon of the investments, taking into account the payments related to the annual allocation until 2027.

The Commission will report on the decision to use these powers in its annual reports, explaining the reasons to expand the investment universe and to reporting on observed outcomes once performance data allow.

The proposal does not create any new liabilities to be charged to the General Budget under the multiannual financial framework.