

Financial consequences of the expiry of the ECSC Treaty and Research Fund for Coal and Steel: implementation of Protocol No 37

2025/0390(APP) - 30/03/2026 - Legislative proposal

PURPOSE: to lay down the measures necessary for the implementation 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.

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. All assets and liabilities of the European Coal and Steel Community (ECSC) were transferred to the European Community on 24 July 2002.

In accordance with Protocol No 37 on the financial consequences of the expiry of the ECSC Treaty and on the Research Fund for Coal and Steel, the net worth of the assets and liabilities, as they appear in the balance sheet of the ECSC, is to be considered as assets intended for research in the sectors related to the coal and steel industry ('the assets'), referred to as the 'ECSC in liquidation', and, on completion of the liquidation, as the 'assets of the Research Fund for Coal and Steel'.

For several years, the value of the produced revenues assigned for the funding of research projects for coal and steel is rapidly decreasing and the assets are not generating enough revenues to fund the current annual RFCS allocation of EUR 111 million to calls. In consequence, in 2024 and in 2025 calls were entirely financed by the sale of assets.

As part of its efforts to strengthen the competitiveness of the Union steel sector and safeguard the industry's future, the Commission committed in the European Steel and Metals Action Plan, published on 19 March 2025, to simplify and further accelerate investments in steel research, particularly in the context of the energy transition and decarbonisation of the steel industry.

From August 2027, it is expected that the ECSC in liquidation will have neither liabilities nor receivables, thus allowing its liquidation to be completed. The sale of part of the assets to finance research projects in the coal and steel sectors is possible, in view of the absence of liabilities of the ECSC in liquidation.

In light of the combined financial changes and policy considerations, the size of the research programme should be determined in a way that ensures that the assets can be used and correctly implemented in accordance with the objectives of the Protocol and in line with the principles of sound financial management.

CONTENT: the draft Council decision stipulates that the Commission will be responsible for laying down the measures necessary for the implementation 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 on the Functioning of the European Union.

The Commission will manage the assets in such a manner as to keep an annual Research Fund for Coal and Steel (RFCS) allocation of up to **EUR 120 million for the years 2027 to 2033 inclusive** in order to finance research in the sectors related to the coal and steel industry. Any remaining unallocated assets will be part of an allocation for the year 2034 equal to the market value of those assets at the moment of the transfer to the RFCS, taking into account market conditions. That allocation will be used to finance research in the sectors related to the coal and steel industry in 2034 and subsequent years.

Research activities for steel will focus on sustainable and low-carbon steelmaking and finishing processes, creating advanced steel products, lead markets, the conservation of resources, the circular economy, the development of skills, improving working conditions, and the use of digital technologies.

Research activities related to coal research projects will focus on managing the just transition, including through the repurposing, of formerly operating coal mines or coal mines in the process of closure and related infrastructure, including the regions in which they are located.

The annual allocation of the amount will be comprised of the net revenue from the investments and the cash amount to be generated by selling part of the assets. The net revenue from the investments and the cash amounts to be generated by selling part of the assets will constitute revenue in the general budget of the Union. That revenue and those cash amounts will be earmarked for the specific purpose of

financing research projects in the sectors related to the coal and steel industry not covered by the research framework programme. They will form the Research Fund for Coal and Steel (RFCS) and will be managed by the Commission.

The net revenue and cash amounts will be distributed through work programmes, with **27.2 % allocated to coal-related research and 72.8 %** allocated to steel-related research.

The Commission is empowered to adopt delegated acts to change the percentage of funding allocated to coal-related research and to steel-related research if necessary to enable full use of the assets in 2034.