Basic information

2017/0213(APP) APP - Consent procedure	Procedure completed
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 Amending Decision 2003/76/EC 2001/0061(CNS) **Subject** 3.50.02.03 Framework programme and research programme for Coal and Steel 8.70.03 Budgetary control and discharge, implementation of the budget	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
BUDG Budgets	ARTHUIS Jean (ALDE)	14/09/2017
	Shadow rapporteur ASHWORTH Richard (ECR) BENITO ZILUAGA Xabier (GUE/NGL)	

Committee for opinion	Rapporteur for opinion	Appointed
ITRE Industry, Research and Energy	The committee decided not to give an opinion.	

Council of the European Union

Council configuration	Meetings	Date
Agriculture and Fisheries	3612	2018-04-16

European Commission

Commission DG	Commissioner
Research and Innovation	MOEDAS Carlos

Key events

Date	Event	Reference	Summary

25/08/2017	Preparatory document	COM(2017)0452	Summary
05/12/2017	Legislative proposal published	14532/2017	Summary
14/12/2017	Committee referral announced in Parliament		
22/02/2018	Vote in committee		
23/02/2018	Committee report tabled for plenary, 1st reading/single reading	A8-0034/2018	Summary
13/03/2018	Decision by Parliament	T8-0061/2018	Summary
13/03/2018	Results of vote in Parliament		
16/04/2018	Act adopted by Council after consultation of Parliament		
16/04/2018	End of procedure in Parliament		
20/04/2018	Final act published in Official Journal		

Technical information

Procedure reference	2017/0213(APP)
Procedure type	APP - Consent procedure
Procedure subtype	Legislation
Amendments and repeals	Amending Decision 2003/76/EC 2001/0061(CNS)
Other legal basis	Rules of Procedure EP 165
Stage reached in procedure	Procedure completed
Committee dossier	BUDG/8/10888

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE615.429	10/01/2018	
Amendments tabled in committee		PE616.853	30/01/2018	
Committee report tabled for plenary, 1st reading/single reading		A8-0034/2018	23/02/2018	Summary
Text adopted by Parliament, 1st reading/single reading		T8-0061/2018	13/03/2018	Summary

Council of the EU

Document type	Reference	Date	Summary
Legislative proposal	14532/2017	05/12/2017	Summary

European Commission

Document type	Reference	Date	Summary
	COM(2017)0452		

Preparatory document		25/08/2017	Summary

Additional information		
Source	**Document**	**Date**
European Commission	EUR-Lex	

Final act	
Decision 2018/0599 OJ L 101 20.04.2018, p. 0001	Summary

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

2017/0213(APP) - 25/08/2017

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;
- 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.

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

2017/0213(APP) - 25/08/2017 - Preparatory document

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;
- 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.

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

2017/0213(APP) - 05/12/2017 - Legislative proposal

PURPOSE: to revise the rules on the cancellation of commitments made 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: Protocol No 37 on the financial consequences of the expiry of the ECSC Treaty and on the Research Fund for Coal and Steel has transferred all the assets and liabilities of the European Coal and Steel Community (ECSC) to the European Community and allocated the net worth of the assets and liabilities to research in sectors related to the coal and steel industry.

The Protocol has also assigned the revenues from those assets, referred to as ‘Research Fund for Coal and Steel’, to research in sectors related to the coal and steel industry.

Decision 2003/76/EC lays down the rules necessary for implementing Protocol No 37.

In view of the exceptional decrease, due to the low-interest-rate environment on the capital markets in recent years, in the revenue stemming from the assets of the ECSC in liquidation dedicated to research in the sectors related to the coal and steel industry, it is necessary to revise the rules on the **cancellation of commitments** made under the research programme of the Research Fund for Coal and Steel. It is also necessary to **revise the rules on the amounts recovered** under the programme.

CONTENT: the draft amendment to Council Decision 2003/76/EC provides that:

- unused revenue and appropriations deriving from this revenue still available on 31 December in any given year, as well as amounts recovered, shall be carried over automatically to the following year. Those appropriations may not be transferred to other budget items.
- budgetary appropriations corresponding to cancellations of commitments shall automatically lapse at the end of each financial year. Provisions for commitments released as a result of the cancellations shall be made available to the Research Fund for Coal and Steel.

Amounts corresponding to cancellations of commitments that have occurred since 24 July 2002 should also be made available to the Research Fund for Coal and Steel.

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

2017/0213(APP) - 16/04/2018 - Final act

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).

LEGISLATIVE ACT: Council Decision (EU) 2018/599 amending Decision 2003/76/EC establishing the 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.

CONTENT: the Research Fund for Coal and Steel (RFCS), established following the expiry of the Treaty establishing the European Coal and Steel Community (ECSC), is dedicated to financing research activities in these sectors.

In view of the decrease in revenue generated by the assets of the ECSC in liquidation due to the low interest rates on the capital markets in recent years and devoted to research in the sectors related to the coal and steel industry, this Decision amending Council Decision 2003/76/EC authorises the **recycling of unused appropriations made available to the research programme of the RFCS**.

This shall allow an acceptable level of funding for coal and steel research projects to be maintained for a certain period pending a change in monetary policy and an increase in asset returns on public bond markets.

In concrete terms, the amending decision provides that:

- unused revenue and appropriations deriving from this revenue still available on 31 December in any given year, as well as amounts recovered, shall be **carried over automatically to the following year**. Those appropriations may not be transferred to other budget items;
- budgetary appropriations corresponding to cancellations of commitments shall **automatically lapse at the end of each financial year**. Provisions for commitments released as a result of the cancellations shall be made available to the Research Fund for Coal and Steel.

Under the Decision, the amount corresponding to cancellations of commitments made since **24 July 2002** shall be made available to the Research Fund for Coal and Steel on 10 May 2018.

ENTRY INTO FORCE: 10.5.2018.

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

2017/0213(APP) - 13/03/2018 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted by 538 votes to 89, with 60 abstentions, following a special legislative procedure (Parliament's consent), a legislative resolution on the draft Council decision amending Council Decision 2003/76/EC establishing the 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.

The European Parliament **gave its consent to the draft Council Decision** which aims to authorise the use of all de-commitments made under the "Research Fund for Coal and Steel" (RFCS) programme since 2003.

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

2017/0213(APP) - 23/02/2018 - Committee report tabled for plenary, 1st reading/single reading

The Committee on Budgets adopted the report by Jean ARTHUIS (ADLE, FR) on the draft Council decision amending Council Decision 2003/76/EC establishing the 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.

The committee recommended that the European Parliament **give its approval** to the conclusion of the Agreement.

As indicated in the explanatory memorandum accompanying the report, the Research Fund for Coal and Steel (RFCS), established upon the expiry of the Treaty establishing the European Coal and Steel Community (ECSC), serves to finance research in the sectors concerned, 72.8% being earmarked for steel and 27.2% for coal.

The aim of the Commission’s proposal is to allow all the de-commitments made in the RFCS research programme since 2003 to be used. The Commission estimates the potential gains from this recycling at EUR 40.3 million. The adoption of the proposal would thus enable the Commission to increase the RFCS budget for 2018 to EUR 40 million and to use the remainder of the appropriations for the 2019 budget.

The EU is committed to **reducing its greenhouse gas emissions by 40% (taking 1990 as the base year)** by 2030 and complying with the Paris Agreement adopted at COP 21.

The explanatory memorandum mentions in this respect some projects illustrating the positive contribution to the environment of co-financing from the RFCS.

Furthermore, Parliament fully supports the aim of promoting **clean and competitive European steel.** A qualitative leap is necessary in order to establish a practical project to manufacture steel without any CO2 emissions by 2025. In this context, Parliament will ensure that a substantial amount is earmarked for this initiative under the new Framework Programme for Research and Innovation (FP9).

In conclusion, the rapporteur believes that the revision of Council Decision 2003/76/EC, which has no budgetary impact, would make it possible **not only to bring the RFCS into line with the Financial Regulation but also to find the money necessary for the financing of innovative projects.** On average the fund allocates EUR 55 million per annum to research projects. Without this money, potentially only half as many projects would be funded.