



2020/0142(APP)

26.5.2021

DRAFT RECOMMENDATION

on the proposal for a Council decision 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
(COM(2020)0319 – C9-XXXX/2021 – 2020/0142(APP))

Committee on Budgets

Rapporteur: Johan Van Overtveldt

Symbols for procedures

- * Consultation procedure
- *** Consent procedure
- ***I Ordinary legislative procedure (first reading)
- ***II Ordinary legislative procedure (second reading)
- ***III Ordinary legislative procedure (third reading)

(The type of procedure depends on the legal basis proposed by the draft act.)

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(Special legislative procedure – consent)

The European Parliament,

- having regard to the proposal for a Council decision (COM(2020)0319),
 - having regard to the request for consent submitted by the Council in accordance with the first paragraph of Article 2 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 (C9-XXXX/2021),
 - having regard to Rule 105(1) and (4) of its Rules of Procedure,
 - having regard to the recommendation of the Committee on Budgets (A9-0000/2021),
1. Gives its consent to the proposal for a Council decision;
 2. Instructs its President to forward its position to the Council, the Commission and the national parliaments.

EXPLANATORY STATEMENT

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.

To date, the assets of the ECSC in liquidation have been managed on the basis that the return on the assets invested would be the means whereby research projects would be financed which foresees that the "entire capital of the Assets of the Research Fund for Coal and Steel should be preserved intact".

As recognised¹, annual funding of at least EUR 40 million is necessary to successfully implement the research programme of the RFCS. However, under the current interest rate, considering the exhaustion of the resources available to allow the smoothing mechanism and in view of the UK withdrawal, it will be difficult to generate appropriate annual returns on the invested assets in the short to medium-term.

The Commission proposal suggests changes to the current Decision. It aims at allowing selling a part of the assets² of the ECSC in liquidation for the period 2021-2027 in order to provide an annual RFCS allocation of EUR 111 million per year. This annual allocation will continue to support the collaborative research in the sectors related to coal and steel under the RFCS Research Programme, it will also support breakthrough technologies leading to near zero-carbon steel making by 2030 and research projects for the coal sector 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 and in compliance with Article 4(2).

The proposal is part of a legal package revising the RFCS research programme. In particular, it is linked to:

A Commission's proposal to amend Council Decision 2008/376/EC on the adoption of the Research Programme of the Research Fund for Coal and Steel and on the multiannual technical guidelines for this programme.

A Commission's proposal to amend Council Decision 2003/77/EC laying down the multiannual financial guidelines for managing the assets of the European Coal and Steel Community (ECSC) in liquidation and, on completion of the liquidation, the assets of the RFCS. The revision of Council Decision 2003/77/EC, is also consistent with the European Court of Auditors 2019 Review on the winding-up of the ECSC.

The proposal does not create any new liabilities to be charged to the General Budget under the current MFF. As to the risk of depletion of assets, if research for coal and steel will be funded not only from revenues but also from the assets of ECSC in Liquidation, the Commission, it seems not an issue: Based on the current proposal, the fixed annual allocation is established only until 2027. With the exception of some carry-over due to payment requests still to be satisfied within the annual allocation, the assets will stabilise after 2027 and will not be further reduced. In other words, based on the proposal the assets left intact after 2027 should still be intact in 2050, bar the (positive or

¹ Court of Auditors: Review No 10/2019, The European Coal and Steel Community: winding up is according to plan, but funding for research is no longer sustainable (p.13)

² The level of the assets to be considered for the calculation is the level on 31/12/2019.

negative) effect of the ECSC portfolio performance.

On the basis of the information provided above, your rapporteur understands the rationale for the proposed changes. According to latest information received, the proposal has been positively assessed by the Council where only minor, technical changes have been introduced which do not alter the initial Commission proposal.