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Subject: COUNCIL DECISION 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 and repealing Decision No 2003/76/EC

COUNCIL DECISION (EU) 2026/...

of ...

**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
and repealing Decision No 2003/76/EC**

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to 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, and in particular Article 2, first paragraph, thereof,

Having regard to the proposal from the European Commission,

After transmission of the draft legislative act to the national parliaments,

Having regard to the consent of the European Parliament¹,

Acting in accordance with a special legislative procedure,

¹ Consent of ... 2026 (not yet published in the *Official Journal*).

Whereas:

- (1) The Treaty establishing the European Coal and Steel Community expired on 23 July 2002, in accordance with Article 97 of that Treaty. All assets and liabilities of the European Coal and Steel Community (ECSC) were transferred to the European Community on 24 July 2002.
- (2) 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 'Protocol'), annexed to the Treaty on European Union and to the Treaty on the Functioning of the European Union, the net worth of the assets and liabilities of the ECSC, 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, referred to as the 'ECSC in liquidation' and, on completion of the liquidation of the ECSC, referred to as the 'assets of the Research Fund for Coal and Steel' (together referred to as the 'assets').
- (3) The Protocol also provides that the revenue from the assets, referred to as the 'Research Fund for Coal and Steel' (RFCS), is to be used exclusively for research, outside the research framework programme, in the sectors related to the coal and steel industry, in accordance with the Protocol and the acts adopted on the basis thereof.

- (4) On 1 February 2003, the Council adopted Decision 2003/76/EC², which laid down the rules for implementing the Protocol.
- (5) For several years, the value of the generated revenues assigned to the funding of research projects for coal and steel has been decreasing due to low interest rates, and the assets have not been generating enough revenue to fund the current annual RFCS allocation of EUR 111 million to calls, established by Decision 2003/76/EC. As a result of the losses in 2022 and 2023, calls in 2024 and 2025 were entirely financed through the sale of assets. For 2026 and possibly also for subsequent years, any profit that is made will cover the annual allocation only in part, and is not expected to be sufficient to allow for the funding of a meaningful work programme.
- (6) As part of its efforts to strengthen the competitiveness of the Union steel sector and safeguard the industry's future, in its Communication of 19 March 2025 to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions entitled 'A European Steel and Metals Action Plan', the Commission announced that it would propose an overall reform of the RFCS in order to simplify and further accelerate investments in steel research. Such an acceleration should reflect the sector's needs.

² Council Decision 2003/76/EC of 1 February 2003 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 (OJ L 29, 5.2.2003, p. 22, ELI: [http://data.europa.eu/eli/dec/2003/76\(1\)/oj](http://data.europa.eu/eli/dec/2003/76(1)/oj)).

- (7) The energy transition from fossil energy sources, especially coal, currently represents a challenge, in particular with regard to the need to ensure a just transition, especially for industries and workers in coal-dependent regions. Further challenges include mitigating methane emissions from coal mines in the context of implementing Regulation (EU) 2024/1787 of the European Parliament and of the Council³.
- (8) From August 2027, it is expected that the ECSC in liquidation will have neither liabilities nor receivables, thus allowing its liquidation to be completed.
- (9) 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.
- (10) 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. Critical mass for the size of the research programme cannot be achieved only by using revenues or a limited part of the remaining assets. The amounts needed for the research programme will require the use of all the assets. Therefore, it should be possible to use the remaining assets to provide meaningful support, outside the framework programme for research of the Union, for worthwhile collaborative research projects that have the critical mass to create Union added value in the coal and steel sectors.

³ Regulation (EU) 2024/1787 of the European Parliament and of the Council of 13 June 2024 on the reduction of methane emissions in the energy sector and amending Regulation (EU) 2019/942 (OJ L, 2024/1787, 15.7.2024, ELI: <http://data.europa.eu/eli/reg/2024/1787/oj>).

- (11) In its Communication of 26 February 2025 to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions entitled ‘The Clean Industrial Deal’ and in the European Steel and Metals Action Plan, the Commission supported the business case for large investments to be made in the Union in the coming years, including for the steel industry. On the basis of that political incentive, the RFCS should contribute to a rapid transition to cleaner technologies by financing part of the necessary research efforts, including preparatory research for large investments and additional research supporting the deployment of large-scale investments.
- (12) Calls from 2027 to 2033 of up to EUR 120 million annually, and a call in 2034 of an amount equivalent to the available remaining unallocated assets, are expected to leverage private investment to enhance competitiveness and accelerate the decarbonisation and green industrial transition of the coal and steel sectors. Appropriate annual allocations should therefore be established to enable such calls and allow for meaningful support until the end of 2034.
- (13) In order to assign all of the net revenue from the investments and to facilitate the increase of the allocation for 2027 from EUR 111 million to up to EUR 120 million, it is appropriate to shorten the time frame in allocating it by making the closed balance sheets of the assets in year n cover the allocation for year n+1 in the years 2026 to 2033, while maintaining the annual allocations already established by Decision 2003/76/EC.

- (14) The current distribution of budget allocations between coal and steel research of 27,2 % and 72,8 %, respectively, is supported by both sectors and remains appropriate considering their respective needs and absorption capacities.
- (15) To be able to adapt to the possible research funding needs of the coal or steel sector in the case of insufficient absorption of the other sector, the power to adopt acts in accordance with Article 290 of the Treaty on the Functioning of the European Union should be delegated to the Commission in order to amend this Decision to change the percentage of funding allocated to coal-related research and to steel-related research in 2034 if necessary, to enable the full use of the assets. It is of particular importance that the Commission carry out appropriate consultations during its preparatory work, including at expert level, and that those consultations be conducted in accordance with the principles laid down in the Interinstitutional Agreement of 13 April 2016 on Better Law-Making⁴. In particular, to ensure equal participation in the preparation of delegated acts, the European Parliament and the Council should receive all documents at the same time as Member States' experts, and their experts should systematically have access to meetings of Commission expert groups dealing with the preparation of delegated acts.

⁴ OJ L 123, 12.5.2016, p. 1, ELI: http://data.europa.eu/eli/agree_interinstit/2016/512/oj.

- (16) Decision 2003/76/EC should therefore be repealed. However, until the liquidation of the ECSC is completed, it is appropriate to maintain the application of Article 1 of that Decision until the completion of the the financial operations of the ECSC in liquidation,

HAS ADOPTED THIS DECISION:

Article 1

1. The Commission shall 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.
2. The Commission shall be responsible for managing the financial operations of the ‘ECSC in liquidation’ and, on completion of the liquidation of the ECSC, of the ‘assets of the Research Fund for Coal and Steel’ (together referred to as the ‘assets’).

Article 2

1. The Commission shall 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 shall 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 shall be used to finance research in the sectors related to the coal and steel industry in 2034 and subsequent years.

2. Research activities for steel shall 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 shall 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, in accordance with Regulations (EU) 2021/523⁵, (EU) 2021/1056⁶ and (EU) 2021/1229⁷ of the European Parliament and of the Council and in compliance with Article 4(2) of this Decision.
3. The annual allocation of the amount set out in paragraph 1 shall be comprised of the net revenue from the investments and the cash amount to be generated by selling part of the assets.

⁵ Regulation (EU) 2021/523 of the European Parliament and of the Council of 24 March 2021 establishing the InvestEU Programme and amending Regulation (EU) 2015/1017 (OJ L 107, 26.3.2021, p. 30, ELI: <http://data.europa.eu/eli/reg/2021/523/oj>).

⁶ Regulation (EU) 2021/1056 of the European Parliament and of the Council of 24 June 2021 establishing the Just Transition Fund (OJ L 231, 30.6.2021, p. 1, ELI: <http://data.europa.eu/eli/reg/2021/1056/oj>).

⁷ Regulation (EU) 2021/1229 of the European Parliament and of the Council of 14 July 2021 on the public sector loan facility under the Just Transition Mechanism (OJ L 274, 30.7.2021, p. 1, ELI: <http://data.europa.eu/eli/reg/2021/1229/oj>).

Article 3

1. Each year, a profit-and-loss account, balance sheet and financial report shall be drawn up to show, separately from the other financial operations of the Union, the investment transactions and asset management operations under Article 2.

The financial statements referred to in the first subparagraph of this paragraph shall be annexed to the financial statements drawn up by the Commission annually under Article 318 of the Treaty on the Functioning of the European Union (TFEU) and Article 247 of Regulation (EU, Euratom) 2024/2509 of the European Parliament and of the Council⁸.

2. The powers of the European Parliament, the Council and the Court of Auditors concerning control and discharge as set out in the TFEU and in Regulation (EU, Euratom) 2024/2509 apply to the transactions and operations referred to in paragraph 1 of this Article.

⁸ Regulation (EU, Euratom) 2024/2509 of the European Parliament and of the Council of 23 September 2024 on the financial rules applicable to the general budget of the Union (OJ L, 2024/2509, 26.9.2024, ELI: <http://data.europa.eu/eli/reg/2024/2509/oj>).

Article 4

1. The net revenue from the investments provided for in Article 2 and the cash amounts to be generated by selling part of the assets shall constitute revenue in the general budget of the Union. That revenue and those cash amounts shall 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 shall form the RFCS and shall be managed by the Commission.
2. The net revenue and cash amounts referred to in paragraph 1 shall 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 in accordance with Article 7 to change the percentage of funding allocated to coal-related research and to steel-related research referred to in the first subparagraph of this paragraph if necessary to enable full use of the assets in 2034.

3. The net revenue and cash amounts earmarked under paragraph 1 and still available on 31 December in any given year, as well as amounts recovered, shall be carried over automatically to the following year.

4. 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 RFCS.

Article 5

The net revenue and cash amounts available to finance research projects for year n+1 shall be recorded in the balance sheet of the ECSC in liquidation of year n and, on completion of the liquidation, in the balance sheet of the assets of the RFCS of year n, until the allocation of the remaining assets in 2033 for 2034.

Article 6

Administrative expenditure resulting from liquidation, investment and management operations referred to in this Decision shall be covered by the Commission with the general budget of the Union.

Article 7

1. The power to adopt delegated acts is conferred on the Commission, subject to the conditions laid down in this Article.

2. The power to adopt delegated acts referred to in Article 4(2), second subparagraph, shall be conferred on the Commission for a period of eight years from ... [the date of entry into force of this Decision].
3. The delegation of power referred to in Article 4(2), second subparagraph, may be revoked at any time by the European Parliament or by the Council. A decision to revoke shall put an end to the delegation of the power specified in that decision. It shall take effect the day following the publication of the decision in the *Official Journal of the European Union* or at a later date specified therein. It shall not affect the validity of any delegated acts already in force.
4. Before adopting a delegated act, the Commission shall consult experts designated by each Member State in accordance with the principles laid down in the Interinstitutional Agreement of 13 April 2016 on Better Law-Making.
5. As soon as it adopts a delegated act, the Commission shall notify it simultaneously to the European Parliament and to the Council.

6. A delegated act adopted pursuant to Article 4(2), second subparagraph, shall enter into force only if no objection has been expressed either by the European Parliament or by the Council within a period of two months of notification of that act to the European Parliament and the Council, or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended by one month at the initiative of the European Parliament or of the Council.

Article 8

Decision 2003/76/EC is repealed.

However, Article 1 of Decision 2003/76/EC shall continue to apply to the financial operations of the ECSC in liquidation until the completion of the liquidation.

Article 9

This Decision shall enter into force on the twentieth day following its publication in the *Official Journal of the European Union*.

Done at ..., ...

For the Council

The President
