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PROPOSAL

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To:	Ms Thérèse BLANCHET, Secretary-General of the Council of the European Union
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Subject:	COMMISSION STAFF WORKING DOCUMENT EXECUTIVE SUMMARY OF THE EVALUATION Ex-ante evaluation Accompanying the document Proposal for a Council Decision on the adoption of the Research Programme of the Research Fund for Coal and Steel, on the multiannual technical guidelines for this programme, on the multiannual financial guidelines for managing the assets of the Research Fund for Coal and Steel, and repealing Decisions 2003/77/EC and 2008/376/EC

Delegations will find attached document SWD(2025) 410 final.

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COMMISSION STAFF WORKING DOCUMENT

EXECUTIVE SUMMARY OF THE EVALUATION

Ex-ante evaluation

Accompanying the document

Proposal for a Council Decision

on the adoption of the Research Programme of the Research Fund for Coal and Steel, on the multiannual technical guidelines for this programme, on the multiannual financial guidelines for managing the assets of the Research Fund for Coal and Steel, and repealing Decisions 2003/77/EC and 2008/376/EC

{COM(2025) 760 final} - {SWD(2025) 409 final}

This ex-ante evaluation accompanies the proposal for a Council Decision on the adoption of the Research Programme of the Research Fund for Coal and Steel and the multiannual technical and financial guidelines for this programme. This proposal is linked to another proposal for a 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 for the Functioning of the European Union. Both proposals constitute the proposal for a reform of the Research Fund for Coal and Steel.

The Research Fund for Coal and Steel co-finances through grants research and innovation projects in the areas of coal and steel.

The coal and steel sectors are facing several challenges in Europe. Steelmakers are struggling, for instance, with high energy costs, global overcapacity, unfair competition, trade issues and tariffs. However, domestic steel production remains key to the EU's industrial competitiveness, to its strategic autonomy and its security in the new geopolitical environment. Steel research and innovation are vital to keep improving the sector's performance and circularity, as well as to meet the EU's carbon neutrality targets. Striving for carbon neutrality also requires completing the transition from fossil energy sources, especially coal, and providing new opportunities for affected regions, industries and workers. Research and innovation remain essential, including for mitigating methane emissions and meeting the Methane Regulation obligations.

With the Competitiveness Compass[1], published in January 2025, the European Commission presented its roadmap and actions to boost industrial competitiveness. The Clean Industrial Deal [2], presented by the European Commission in February 2025, sets concrete actions to support the decarbonisation of European industry while ensuring that the EU remains an attractive manufacturing location. This includes the European Steel and Metals Action Plan[3], adopted in March 2025, which lists concrete measures aiming at boosting the competitiveness of the steel sector and eliminating bottlenecks for businesses and announces an overall reform of the Research Fund for Coal and Steel.

The *ex-ante* evaluation takes stock of the current challenges faced by coal and steel in Europe, the current R&I gaps that are to be addressed, and the concerns expressed by stakeholders.

The scope of this *ex-ante* evaluation covers the problems to be addressed, the added value of Union involvement, policy objectives, expected impacts of different options, their contribution to wider EU policy objectives, and monitoring and evaluation arrangements.

This *ex-ante* evaluation outlines that in order to accelerate investments in research and innovation for coal and steel to improve the attractiveness of the RFCS programme, a proposal for a reform addressing key elements is necessary.

The new RFCS programme should maintain the funding of research projects covering a broad range of Technology Readiness Levels (TRLs), in keeping with the current 'Annual Calls' of the RFCS, which stakeholders consider their top priority. At the same time, higher co-funding rates are expected to increase attractiveness of the programme, in particular for larger, high-TRL innovation projects, which stand at the core of the Clean Steel Partnership and are proving equally important to coal transition.

[1] COM(2025)30 final
[2] COM(2025)85 final
[3] COM(2025)125 final

The acceleration of funding could be provided by making the remaining assets available through two biannual work programmes for 2027-28 and 2029-30, each with yearly annual calls and two deadlines per year. RFCS calls could be open to research and innovation projects corresponding to both the current 'Annual Call' and 'Big Ticket' call profiles. This, together with maintaining two deadlines per year, would allow for predictability and flexibility to better serve industry timelines.

The RFCS' attractiveness and impact could be further strengthened by also focussing explicitly on dual use projects, as announced in the European Steel and Metal Action Plan. To ensure full use of the remaining assets and fund the most impactful projects, the breakdown between coal-related and steel-related calls for proposals, under the proposed reform, would be implemented at the level of the RFCS work programmes, instead of at the level of the Council decision, thus allowing for necessary flexibility. This *ex ante* evaluation also points to the need for the mobilisation of stakeholders for a successful implementation of the reform. In this regard, the Commission services and the European Research Executive Agency should further enhance communication, outreach and early consultation with the coal and steel industries on their pertinent research and innovation needs. They should also liaise with and encourage Member States and, where relevant, regional authorities to associate more closely to the RFCS until all assets are fully liquidated and used. This could facilitate the transition to other EU funds and instruments in order to support major steel and coal projects to address the research, innovation and investment needs of stakeholders.