

Basic information	
<b>2003/2218(DEC)</b> DEC - Discharge procedure	Procedure completed
2002 discharge: ECSC budget <b>Subject</b> 8.70.03.07 Previous discharges	

Key players				
European Parliament	<b>Committee responsible</b>		<b>Rapporteur</b>	<b>Appointed</b>
	CONT Budgetary Control		RÜHLE Heide (V/ALE)	10/09/2002

Key events			
Date	Event	Reference	Summary
26/06/2003	Non-legislative basic document published	N5-0033/2003	Summary
18/12/2003	Committee referral announced in Parliament		
18/03/2004	Vote in committee		Summary
18/03/2004	Committee report tabled for plenary	<a href="#">A5-0201/2004</a>	
20/04/2004	Debate in Parliament	<a href="#">CRE link</a>	
21/04/2004	Decision by Parliament	<a href="#">T5-0331/2004</a>	Summary
21/04/2004	Final act published in Official Journal		
21/04/2004	End of procedure in Parliament		

Technical information	
<b>Procedure reference</b>	2003/2218(DEC)
<b>Procedure type</b>	DEC - Discharge procedure
<b>Legal basis</b>	Rules of Procedure EP 102
<b>Stage reached in procedure</b>	Procedure completed
<b>Committee dossier</b>	CONT/5/20335

Documentation gateway				
European Parliament				
Document type	Committee	Reference	Date	Summary
Committee report tabled for plenary, single reading		<a href="#">A5-0201/2004</a>	18/03/2004	
		<a href="#">T5-0331/2004</a>		

Text adopted by Parliament, single reading		<a href="#">OJ C 104 30.04.2004, p. 0421-0615 E</a>	21/04/2004	<a href="#">Summary</a>
<b>Other institutions and bodies</b>				
Institution/body	Document type	Reference	Date	Summary
CofA	Non-legislative basic document	<a href="#">N5-0033/2003</a> <a href="#">OJ C 224 19.09.2003, p. 0001-0010</a>	26/06/2003	<a href="#">Summary</a>

<b>Final act</b>	
<a href="#">Budget 2004/0718</a> <a href="#">OJ L 330 04.11.2004, p. 0073-0073</a>	<a href="#">Summary</a>

## 2002 discharge: ECSC budget

2003/2218(DEC) - 26/06/2003 - Non-legislative basic document

**PURPOSE** : to present the Court of Auditors Annual Report and Statement of Assurance concerning the ECSC for the financial year ended 23 July 2002. **CONTENT** : to recall, in accordance with Article 97 of the Treaty establishing the ECSC, the European and Steel Community ceased to exist on 23 July 2002. Its objective had been to bring about conditions which would ensure the rational distribution of coal and steel production while safeguarding continuity of employment and taking care not to provoke fundamental and persistent disturbances. The report states that on 24 July 2002, the ECSC left behind: - EUR 400,9 million in outstanding commitments under the ECSC operating budget; - borrowings of EUR 742,5 million; - loans totalling EUR 768,8 million and - EUR 33,5 million in loans granted from the ECSC's former Pension Fund. According to forecasts, the liquidation of the ECSC should be concluded, at the latest, in 2027. This date is the latest expiry date for the contracts and commitments still outstanding. In this respect it is necessary to distinguish between, on the one hand, outstanding commitments under the operating budget and, on the other, reimbursement operations concerning loans and borrowings: - of the EUR 400,9 million of commitments still outstanding on 23 July 2002, the commitments for redeployment (EUR 132,6 million) will end, in their entirety, in 2006, the commitments for social measures (EUR 70,6 million) in 2007, the commitments for interest subsidies (EUR 16,8 million) in 2004 and, lastly, the commitments for research (EUR 180,8 million) in 2008, - the ECSC's borrowings and the loans from borrowed funds will be fully amortised by 2019 at the latest. The loans from own funds will be fully amortised by 2025 at the latest and loans from the former Pension Fund by 2027. On the implementation of the ECSC's last budget, the report recalls that the ECSC's budget consists of two parts: one for the administrative budget and a second for the operating budget. The headings of the ECSC's operating budget are divided into resources (revenue) and utilisation of resources, or requirements (expenditure). The initial estimates for the operating budget for 2002 amounted to EUR 167,8 million. Commitments for the financial year came to a final total of EUR 130,8 million. Redeployment aid absorbed EUR 35,2 million of the 64 million entered in the budget and social measures (coal) took EUR 21 million, compared to the 29 million entered in the budget. The estimates of resources in the operating budget of the ECSC for 2002, including the lump sum for administrative expenditure, amounted to EUR 167,8 million. The Commission decided to reduce the rate of the ECSC levy to 0% as of 1998. The provisions entered in the ECSC balance sheet at 31 December 2001 were deemed sufficient to maintain its financial activities until the expiry of the Treaty. On conclusion of the implementation of the ECSC operating budget, the sum total of appropriations used was EUR 130,8 million. As regards the closing balance sheet of the ECSC, the report shows that the balance sheet total declined by EUR 839 million compared with the situation at 31 December 2001. On the assets side, the decrease can be explained mainly by the reduction in loans and advances to credit institutions (down by EUR 341,6 million) and the decline in loans and advances to customers (down by EUR 405,2 million). Liquid assets fell by EUR 149,6 million to EUR 1 676,6 million at the close of the financial year. With regard to liabilities, the ECSC's liabilities vis-à-vis third parties decreased by half to EUR 801,7 million at 23 July 2002 (EUR 1 518,9 million at 31 December 2001). As regards loans and borrowings, in view of the expiry of the Treaty the Commission decided to adjust its policy concerning coverage of the risk of default: it committed itself to creating a guarantee fund to achieve a level of reserves to cover 100 % of the total outstanding loans which are not covered by a government guarantee. In the past, the ECSC had also created a provision for major exposures, the objective of which was to make advance provision against a concentration of risks in respect of beneficiaries of loans not covered by a first-rank government guarantee and which, individually, exceed 25% of own funds. This provision, which amounted to EUR 6 million at the end of the financial year closed on 23 July 2002, was withdrawn in its entirety, because the guarantee fund already covers 100% of the amount of loans outstanding. Income for the financial year closed on 23 July 2002 amounted to EUR 417,1 million and charges to EUR 258,5 million. The surplus for the period was approximately EUR 158,7 million. The exceptionally large surplus was mainly due to the withdrawals from the provision for financing the ECSC operating budget and the provision for budgetary contingencies, which, before the closure, amounted to EUR 149,8 million. On the date of expiry of the Treaty that established the ECSC the ECSC's own funds amounted to EUR 1 188,9 million at 23 July 2002. The ECSC's own funds are mainly invested in bonds and other fixed-income securities issued by first-ranking public entities (EUR 1 129,4 million). In its report on the financial statements of the ECSC at 23 July 2002, which includes the statement of assurance concerning the reliability of the accounts and is published with the financial statements concerned, the Court concluded that the latter give a true and fair view of the assets and financial situation of the European Coal and Steel Community at 23 July 2002 and of the results of its operations for the financial year then ended. Lastly, since it began its financial activity, the ECSC has disbursed EUR 24 500 million by way of loans, including EUR 23 800 million from borrowed funds and 643 million euro from own funds. During the same period, it provided guarantees in respect of EUR 77,9 million. ECSC financial aid has exceeded EUR 24 500 million. In addition, it is currently estimated that, major changes excepted, on conclusion of its liquidation, the ECSC will leave funds in excess of EUR 1 200 million to the European Community. In its final annual report on the ECSC, the Court would like to pay homage to those men and women who conceived and implemented this first European Community. In its general annual report, the Court will continue to keep a watchful eye both on the transactions involved in the liquidation of the ECSC and on the setting-up and management of the new Coal and Steel Research Fund.

## 2002 discharge: ECSC budget

2003/2218(DEC) - 21/04/2004 - Final act

PURPOSE : to grant discharge to the ECSC for the financial year ended 23 July 2002.

LEGISLATIVE ACT : Decision 2004/718/EC of the European Parliament concerning discharge for the financial management of the European Coal and Steel Community (ECSC) for the financial year ended 23 July 2002.

CONTENT : with this present Decision, the European Parliament gives discharge to the Commission for the financial management of the ECSC for the financial year ended 23 July 2002.

This Decision is in conformity with the European Parliament's resolution approved on 21 April 2004 and which is accompanied by a series of which complete the discharge decision (please refer to the summary of the opinion).

## 2002 discharge: ECSC budget

2003/2218(DEC) - 21/04/2004 - Text adopted by Parliament, single reading

The European Parliament adopted the report by Heide RÜHLE (Greens/EFA, D) and has given discharge to the Commission for the financial management of the ECSC for the financial year ended 23 July 2002. In an accompanying resolution, Parliament acknowledges the achievements of all those who instituted and shaped the European Coal and Steel Community and who in so doing have made a major contribution to the peaceful unification of Europe. Parliament calls, therefore, on the Commission, as it has done in previous years, to publish in the official languages an overview suitable for the general public of the work undertaken by the ECSC since it was established and acknowledges that the Commission has made a start on groundwork in this connection which must however promptly be taken further. Overall, Parliament welcomes the progress made in connection with the cessation of ECSC activities. The Parliament urges the Commission, as it has already done in previous years, to carry out without delay an overall assessment of research originally funded by the ECSC, in particular an assessment of the coal research programme and of the criteria proposed for the selection of new coal research projects, as has already been done for the steel sector and regards such assessments as an important basis for the activities of the new Research Fund for Coal and Steel. It is noted that, over the last 15 years, the ECSC has disbursed some EUR 800 million to firms and institutes for applied research in the steel sector alone without, as a rule, and contrary to what is expressly provided for in ECSC research contracts, receiving its contractual share of proceeds from the patents this has made possible. It calls on the Commission to enforce its legal claim to its share of proceeds from research funding by means of a registration procedure for patents and other suitable measures. In addition, Parliament acknowledges a measure of progress in overcoming the security problems affecting the IT system used for ECSC research management; expects the Commission, however, to comply immediately with all the Court of Auditors' and external auditors' observations on the reliability of the IT system. Parliament notes that all the loans outstanding after 23 July 2002 which are not covered by guarantees from a Member State are covered in full by the ECSC reserves and acknowledges the strategy adopted by the Commission for prudent financial management of the ECSC, and the "ECSC in liquidation". Progress made in reducing administrative costs reported in the document entitled "Expiry of the ECSC Treaty: Impact on Administrative Costs of the Commission" (submitted to the Committee on Budgetary Control by DG BUDG on 30 January 2004) has been noted. Parliament calls on the Commission to inform Parliament at regular intervals of the outcome of its Annual Policy Strategy with regard to redeployment of staff members involved in administering the "ECSC in liquidation". Parliament welcomes the progress made in transferring the ECSC Consultative Committee's acquired knowledge to the European Economic and Social Committee (EESC) and, in particular, the fact that the EESC'S new Consultative Commission on Industrial Change (CCIC), which comprises members of the ESC and delegates from the professional organisations representing the coal and steel sector and related sectors, was established on 24 October 2002 and held its inaugural meeting on 28 November 2002. It invites the CCIC to publish the findings of its deliberations on a regular basis in the official languages. It welcomes the successful conclusion of the negotiations with the accession countries on the conditions for their participation in the new Research Fund for Coal and Steel, whereby the payment of their contributions, determined in accordance with the size of their mineral resources, will be staggered to take account of their respective economic situations, and calls on the Commission to give it regular progress reports on the implementation of the decisions taken as a result of those negotiations. Parliament calls on the Commission to continue to conduct a regular review of all outstanding dormant commitments and to cancel only amounts in respect of which it is unlikely that there will be any movement in the future. Parliament notes that the financial statements for the ECSC in liquidation as at 31 December 2002 were not published in the Official Journal until 11 October 2003, nonetheless, Parliament welcomes the detailed and informative way in which they are set out, which should be the benchmark for subsequently published financial statements for the ECSC in liquidation, and calls on the Commission to ensure maximum transparency with regard to figures on trends in, and use of, ECSC assets and on revenue from them. It expects the Court of Auditors, which has submitted no specific report on the financial statements for the ECSC in liquidation as at 31 December 2002, to carry out the necessary audits each year and to publish the results in the Official Journal. Parliament stresses that it will continue to keep an eye on the mandatory use of revenues from ECSC assets for the benefit of research in the coal and steel sector.