


Procedure file

Basic information		
DEC - Discharge procedure	1997/2017(DEC)	Procedure completed
1995 discharge: ECSC budget		
Subject 8.70.03.07 Previous discharges		

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	CONT Budgetary Control		22/01/1997
		PSE BLAK Freddy	
	Committee for opinion	Rapporteur for opinion	Appointed
	ENER Research, Technological Development and Energy		

Key events			
20/11/1996	Non-legislative basic document published	02231/1996	Summary
25/02/1997	Vote in committee		Summary
25/02/1997	Committee report tabled for plenary	A4-0071/1997	
10/03/1997	Committee referral announced in Parliament		
09/04/1997	Debate in Parliament		
10/04/1997	Decision by Parliament	T4-0158/1997	Summary
10/04/1997	End of procedure in Parliament		
19/06/1997	Final act published in Official Journal		

Technical information	
Procedure reference	1997/2017(DEC)
Procedure type	DEC - Discharge procedure
Legal basis	Rules of Procedure EP 100
Stage reached in procedure	Procedure completed
Committee dossier	CONT/4/08581

Documentation gateway					
Non-legislative basic document		02231/1996	20/11/1996	CSL	Summary
Committee report tabled for plenary, single reading		A4-0071/1997 OJ C 115 14.04.1997, p. 0005	25/02/1997	EP	
Text adopted by Parliament, single reading		T4-0158/1997 OJ C 132 28.04.1997, p. 0124-0150	10/04/1997	EP	Summary
Text adopted by Parliament, single reading		T4-0159/1997 OJ C 132 28.04.1997, p. 0124-0150	10/04/1997	EP	

Final act	
Decision 1997/383	OJ L 162 19.06.1997, p. 0039

1995 discharge: ECSC budget

The ECSC financial statements confirm the trend towards the reduction of activities in this sector as the year 2002 approaches, the date of expiry of the ECSC Treaty. For example, in 1995 the new loans amounted to ECU 403 million by comparison with ECU 674 million in 1994. Furthermore, taking account of the recommendation made in the report on the granting of the discharge for the financial year 1994 with regard to provision for major risks led to the ECSC to come into line with the provisions of Council Directive 89/647 on major risks although, in legal terms, it was not forced to do so. Similarly, before 2002 the Commission must create a provision for all risks not covered by a state guarantee. While, from now on, it will have the scope of a subsidiary area of Community concern, the ECSC's loan activities drew the attention of the Court of Auditors with regard to: a) the 'corrections of value' for the provision for loss linked to the Eurotunnel debt to the ECSC, following a framework agreement between the company in question and the backers, representing the 225 institutional lenders of the company; this agreement provided for a partial conversion of the debts into equity capital (in the case of the ECSC 10% of its debts outstanding, i.e. about ECU 25 million). This would be a condition still to be approved by all the Eurotunnel shareholders; however, according to the Court of Auditors the correction of value shown in the accounts would be sufficient; b) the construction of the Great Belt link to Denmark. In this case, according to the Court of Auditors, the developer received twice as much as the ECSC should have been able to lend. While recognizing the error, the Commission stated that this was a formal error as the cost of the supplementary loan contracted by the ECSC was covered by the interest paid by the borrower; c) the global loans for job creation under Article 56(2)(a) of the ECSC Treaty. As a third of the cases examined did not satisfy the criteria for eligibility for interest rate subsidies, in the Court of Auditors' view, repayment of the interest rate subsidies already paid should be demanded. In general terms it was necessary to ensure that any attempt at fraud was prevented while keeping this type of instrument which was designed to encourage a form of social policy. ?

1995 discharge: ECSC budget

The Committee adopted the report by Freddy BLAK (PES, Dk) proposing that Parliament grant the Commission the budgetary discharge for the 1995 ESCS accounts. The committee noted the Commission's prudent risk management strategy in the run-up to 2002 - the year the ESCS Treaty expires - but voiced its concern at the lack of compliance with the conditions attached to interest-rate subsidies for job creation.?

1995 discharge: ECSC budget

Parliament adopted the report by Mr Freddy BLAK (PSE, DK) in which it gave discharge to the Commission in respect of the management of the ECSC for the financial year 1995. In the resolution which accompanied the discharge it noted, however, that the Commission continued to follow a prudent risk management strategy and stressed that this conservative approach would become increasingly important as the expiry of the ECSC Treaty drew nearer. It also commented on other ECSC lending activities. Thus, while endorsing the Commission's actions with regard to the management of ECSC lending to Eurotunnel, it noted with concern the serious error made by the Commission in providing twice as much ECSC finance to the Danish Great Belt project as was permitted by the regulations. This type of error should not be repeated in financing the resund connection between Sweden and Denmark. Lastly it called for a review of the rules covering the disbursement of interest-rate subsidies and global loans.