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► **B**

COUNCIL DECISION

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

(2003/76/EC)

(OJ L 29, 5.2.2003, p. 22)

Amended by:

► **M1** Council Decision (EU) 2018/599 of 16 April 2018

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(2003/76/EC)

Article 1

1. The Commission shall be entrusted with winding-up the financial operations of the European Coal and Steel Community which are still in progress when the ECSC Treaty expires. Where an ECSC debtor defaults during the liquidation period, the resulting loss shall be charged first to the existing capital and then to the revenue of the current year. The Commission, before writing off any claim against an ECSC debtor in default, will exhaust all remedies including the call on guarantees (mortgages, cautions, bank guaranties or other). The Commission will reserve all possible actions in case that the debtor regains solvency.

2. The liquidation shall be conducted in accordance with the rules and procedures applying to these operations, with the Community institutions enjoying the existing powers and prerogatives provided for by the ECSC Treaty and secondary legislation in force on 23 July 2002.

Article 2

1. The assets shall be managed by the Commission in such a manner as to ensure a long-term return. The investment of the liquid assets should be aimed at the highest possible yield that is compatible with security.

2. The Council, acting by qualified majority on a proposal from the Commission and after consulting the European Parliament, shall adopt multiannual financial guidelines for management of the assets.

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 remaining Communities, the liquidation operations provided for in Article 1 and the investment transactions under Article 2.

These financial statements shall be annexed to the financial statements drawn up by the Commission annually under Article 275 of the EC Treaty and the Financial Regulation applicable to the general budget of the European Communities.

2. The powers of the European Parliament, the Council and the Court of Auditors concerning control and discharge as set out in the Treaty establishing the European Community and in the Financial Regulation applicable to the general budget of the European Communities shall apply to the operations referred to in paragraph 1.

▼B*Article 4*

1. Net revenue from the investments provided for under Article 2 shall constitute revenue in the general budget of the European Union. This revenue shall be earmarked for a specific purpose, namely financing research projects in the sectors related to the coal and steel industry not covered by the Research Framework Programme. It shall form the Research Fund for Coal and Steel and shall be managed by the Commission.
2. The revenue referred to in paragraph 1 shall be distributed, 27,2 % being allocated to the coal-related research and 72,8 % to the steel-related research. Should it prove necessary, the Council, acting unanimously on a proposal from the Commission, shall modify the breakdown between coal-related research and steel-related research.
3. The multiannual technical guidelines for the programme shall be adopted by the Council acting by qualified majority on a proposal from the Commission and after consulting the European Parliament.

▼M1

4. Unused revenue and appropriations deriving from this revenue still available on 31 December in any given year, as well as amounts recovered, shall be carried over automatically to the following year. Those appropriations may not be transferred to other budget items.
5. 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 Research Fund for Coal and Steel.

Article 4a

The amount corresponding to cancellations of commitments made since 24 July 2002 pursuant to Article 4(5) shall be made available to the Research Fund for Coal and Steel on 10 May 2018.

▼B*Article 5*

1. Net revenue available to finance research projects for year n+2 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 Research Fund for Coal and Steel.
2. In order to minimise fluctuations in research funding due to movements on the financial markets, a smoothing shall be effected and a provision made for a contingency. Details of the calculations for smoothing and determining the size of the contingency provision are contained in the Annex.

▼B*Article 6*

Administrative expenditure resulting from liquidation, investment and management operations referred to in this Decision, corresponding to the expenditure laid down in Article 20 of the Treaty establishing a Single Council and a Single Commission of the European Communities of 8 April 1965, the amount of which was adjusted by the Council Decision of 21 November 1977, shall be met by the Commission from the general budget of the European Union.

Article 7

The Commission shall determine the amount of the assets and liabilities of the ECSC in a balance sheet closed at 23 July 2002.

Article 8

This Decision shall take effect on the day following that of its publication in the *Official Journal of the European Union*.

It shall apply from 24 July 2002.

Article 9

This Decision is addressed to the Member States.



ANNEX

Procedures to be followed to establish the amount of net revenue to be allocated to the Research Fund for Coal and Steel

1. INTRODUCTION

Net revenue which may be used to finance research projects corresponds to the annual net result of the ECSC in liquidation and subsequently, when liquidation has been completed, to the annual net result of the Assets of the Research Fund for Coal and Steel. The method employed consists of establishing the funding for coal and steel research for year n+2 when producing the balance sheet for year n, taking into account half of the increase or decrease in the net result in relation to the last level of funding adopted for coal and steel research.

2. DEFINITION

n: reference year

R_n : net result for year n

P_n : contingency provision for year n

D_{n+1} : allocation for research for year n+1 (established when the balance sheet for year n - 1 is produced)

D_{n+2} : allocation for research for year n+2

3. ALGORITHMS USED

The algorithms used to establish the size of the contingency provision and the allocations for research for year n+2, which will appear in the balance sheet for year n, are as follows:

3.1. size of contingency provision:

$$P_n = P_{n-1} + 0,5 * (R_n - D_{n+1})$$

3.2. allocations for research for year n+2 (rounded up or down to the nearest EUR 100 000. If the calculation gives a result exactly halfway, the allocation shall be rounded up to the nearest EUR 100 000):

$$D_{n+2} = D_{n+1} + 0,5 * (R_n - D_{n+1})$$

Where appropriate, the amount needed for rounding up (or the amount left over from rounding down) will be taken from (or returned to) the contingency provision.