

Official Journal

of the European Union

ISSN 1725-2423

C 245

Volume 46

11 October 2003

English edition

Information and Notices

<u>Notice No</u>	<u>Contents</u>	<u>Page</u>
	<i>I Information</i>	
	Commission	
2003/C 245/01	Euro exchange rates	1
2003/C 245/02	Commission Communication — Financial statements of the ECSC in liquidation at 31 December 2002	2
2003/C 245/03	Commission report — Financial Report of the ECSC in liquidation at 31 December 2002	3
2003/C 245/04	Prior notification of a concentration (Case COMP/M.3278 — CVC/TPG/Debenhams) — Candidate case for simplified procedure ⁽¹⁾	35
2003/C 245/05	Non-opposition to a notified concentration (Case COMP/M.3217 — Carlyle/Finmeccanica/Avio) ⁽¹⁾	36
	<i>II Preparatory Acts</i>	
		
	<i>III Notices</i>	
	Commission	
2003/C 245/06	Call for proposals for modal shift, catalyst and common learning actions under the Marco Polo Programme	37
	European Personnel Selection Office	
2003/C 245/07	Notice of open competition	56

EN

I

(Information)

COMMISSION

Euro exchange rates ⁽¹⁾

10 October 2003

(2003/C 245/01)

1 euro =

Currency		Exchange rate	Currency		Exchange rate
USD	US dollar	1,1788	LVL	Latvian lats	0,6514
JPY	Japanese yen	127,85	MTL	Maltese lira	0,4296
DKK	Danish krone	7,4292	PLN	Polish zloty	4,5466
GBP	Pound sterling	0,70845	ROL	Romanian leu	38 591
SEK	Swedish krona	9,002	SIT	Slovenian tolar	235,8
CHF	Swiss franc	1,55	SKK	Slovak koruna	41,27
ISK	Iceland króna	89,17	TRL	Turkish lira	1 641 000
NOK	Norwegian krone	8,227	AUD	Australian dollar	1,7056
BGN	Bulgarian lev	1,9473	CAD	Canadian dollar	1,5676
CYP	Cyprus pound	0,58449	HKD	Hong Kong dollar	9,1177
CZK	Czech koruna	32,105	NZD	New Zealand dollar	1,9654
EEK	Estonian kroon	15,6466	SGD	Singapore dollar	2,0326
HUF	Hungarian forint	254,45	KRW	South Korean won	1 352,26
LTL	Lithuanian litas	3,4524	ZAR	South African rand	8,1512

⁽¹⁾ Source: reference exchange rate published by the ECB.

COMMISSION COMMUNICATION**Financial statements of the ECSC in liquidation at 31 December 2002**

(2003/C 245/02)

In accordance with the commitments entered into on behalf of the ECSC in the field of loans, the Commission publishes the following financial statements, drawn up under Article 3 of Council Decision 2003/76/EC of 1 February 2003 and Article 6 of the annex to Council Decision 2003/77/EC of 1 February 2003:

- the balance sheet of the ECSC in liquidation at 31 December 2002;
- the profits-and-loss account for the period ending 31 December 2002;
- the allocation of the surplus for the period ending 31 December 2002;
- notes on the financial statements at 31 December 2002.

These financial statements are accompanied by the audit report by KPMG Audit, Luxembourg (only the French text is authentic).

COMMISSION REPORT**Financial Report of the ECSC in liquidation at 31 December 2002**

(2003/C 245/03)

Contents**Activity report**

Expiry of the ECSC Treaty and the management mandate given to the European Commission

Winding up of ECSC financial operations in progress on expiry of the ECSC Treaty

Management of assets

Financing of coal and steel research

Financial statements of the ECSC in liquidation

Balance sheet at 31 December 2002

Profit-and-loss account for the period ending 31 December 2002

Allocation of the surplus for the period ending 31 December 2002

Notes to the financial statements at 31 December 2002

ECSC in liquidation

The European Coal and Steel Community was established under the Treaty signed in Paris on 18 April 1951. The Treaty entered into force in 1952 for a period of fifty years and expired on 23 July 2002.

On expiry of the Treaty ownership of ECSC funds reverted to the Member States (Belgium, Denmark, Germany, Greece, Spain, France, Ireland, Italy, Luxembourg, the Netherlands, Austria, Portugal, Finland, Sweden and the United Kingdom). The final objective laid down by the Member States is the transfer of ECSC funds to the European Community (EC) and the creation of a joint research fund in sectors associated with the coal and steel industries. The Nice European Council decided to annex to the Treaty of Nice a Protocol on the financial consequences of the expiry of the ECSC Treaty and on the creation and management of the Coal and Steel Research Fund. Pending the entry into force of the Treaty of Nice on 1 February 2003, the Member States temporarily gave the European Commission a mandate to manage the assets concerned.

Commission

During the period from 24 July to 31 December 2002, the European Commission exercised the powers and responsibilities conferred on it by Decision 2002/234/ECSC of the Representatives of the Governments of the Member States, meeting within the Council, of 27 February 2002.

At 31 December 2002, the members of the Commission were:

Mr Romano PRODI	President
Mr Neil KINNOCK	Vice-President
Ms Loyola DE PALACIO	Vice-President

Mario MONTI	Member
Franz FISCHLER	Member
Erkki LIIKANEN	Member
Frits BOLKESTEIN	Member
Philippe BUSQUIN	Member
Pedro SOLBES MIRA	Member
Poul NIELSON	Member
Günter VERHEUGEN	Member
Chris PATTEN	Member
Pascal LAMY	Member
David BYRNE	Member
Michel BARNIER	Member
Viviane REDING	Member
Michael SCHREYER	Member
Margot WALLSTRÖM	Member
António VITORINO	Member
Anna DIAMANTOPOULOU	Member

The management of the ECSC in liquidation and of the Coal and Steel Research Fund is the responsibility of Mr Pedro SOLBES MIRA.

**Directorate-General for
Economic and Financial Affairs**

The ECFIN Directorate-General – Directorate L – conducts the main financial operations of the ECSC in liquidation under the authority, at 31 December 2002, of Mr Klaus REGLING, Director-General of DG ECFIN, and Mr David MC GLUE, Director of Directorate L.

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Euro

Article 121 of the Treaty establishing the European Community laid down 1 January 1999 as the starting date for the third phase of economic and monetary union. On 3 May 1998 a Council meeting of the Heads of State or Government confirmed that Belgium, Germany, Spain, France, Ireland, Italy, Luxembourg, the Netherlands, Austria, Portugal and Finland met the conditions required for adopting the single currency, the euro, from 1 January 1999. Greece joined this group of countries on 1 January 2001. On 31 December 1998 ⁽¹⁾ (19 June 2000 for the Greek drachma ⁽²⁾), the Council fixed irrevocably the conversion rates between the euro and the currencies of the Member States which were to adopt it:

⁽¹⁾ Council Regulation (EC) No 2866/98 (OJ L 359, 31.12.1998).

⁽²⁾ Council Regulation (EC) No 1478/2000 (OJ L 167, 7.7.2000).

1 euro =	40,3399	Belgian francs
	1,95583	German marks
	340,750	Greek drachmas
	166,386	Spanish pesetas
	6,55957	French francs
	0,787564	Irish pounds
	1 936,27	Italian lire
	40,3399	Luxembourg francs
	2,20371	Dutch guilders
	13,7603	Austrian schillings
	200,482	Portuguese escudos
	5,94573	Finnish markka

The euro exchange rates for the currencies of the other EU countries and some non-member countries are given on page 17.

ACTIVITY REPORT

Expiry of the ECSC Treaty and the management mandate given to the European Commission

The ECSC Treaty expired on 23 July 2002, and on 24 July 2002 the ownership of ECSC funds reverted to the Member States.

The final objective laid down by the Member States is the transfer of ECSC funds to the European Community (EC) and the creation of a joint research fund in the sectors associated with the coal and steel industries. This objective was already present in the resolution of the European Council meeting in Amsterdam on 16 June 1997 and in the resolutions adopted by the Council and the Representatives of the Governments of the Member States on 20 July 1998 and 21 June 1999.

The Nice European Council decided to annex to the Treaty of Nice a Protocol on the financial consequences of the expiry of the ECSC Treaty and on the Coal and Steel Research Fund. It was decided that, on the expiry of the Treaty, all assets and liabilities of the ECSC would be transferred to the European Community on 24 July 2002. The net worth of these assets and liabilities is to be considered as assets earmarked for research in the sectors associated with the coal and steel industries. The revenue from these assets is to be used exclusively for research in these sectors. The Treaty of Nice entered into force on 1 February 2003.

Since the Treaty of Nice was not ratified before the expiry of the ECSC Treaty, the Member States temporarily entrusted the European Commission⁽¹⁾ with the task of managing the assets of the ECSC in liquidation by applying the same principles as provided for in the Protocol to the Treaty of Nice.

⁽¹⁾ Decision 2002/234/ECSC of the Representatives of the Governments of the Member States, meeting within the Council, of 27 February 2002 (OJ L 79, 22.3.2002, p. 42).

Winding up of ECSC financial operations in progress on expiry of the ECSC Treaty

Management of borrowings of the ECSC in liquidation

During the winding-up period from 24 July to 31 December 2002, the debt of the ECSC in liquidation changed as follows:

(EUR million)						
Currency	Number of borrowings at 23 July 2002	Debt outstanding at 23 July 2002	Redemptions from 24 July to 31 December 2002	Exchange-rate adjustments	Debt outstanding at 31 December 2002	Number of borrowings at 31 December 2002
EUR	23	310,6	15,1	—	295,5	18
GBP	6	331,0		– 9,0	322,0	6
USD	1	100,9		– 5,5	95,4	1
Total	30	742,5	15,1	– 14,5	712,9	25

The amortisation of the borrowings outstanding at 31 December 2002 breaks down as follows:

(EUR million)				
	EUR	GBP	USD	Total
2003	241,1			241,1
2004	2,2			2,2
2005	2,2			2,2
2006	2,0			2,0
2007	2,0			2,0
2008	0,3		95,4	95,7
2009		92,2		92,2
2010				0,0
2011				0,0
2012	45,7			45,7
2013				0,0
2014				0,0
2015				0,0
2016				0,0
2017		103,3		103,3
2018				0,0
2019		126,5		126,5
	295,5	322,0	95,4	712,9

The main characteristics of the borrowings outstanding are as follows:

Year of issue	Interest (% p.a.) (*)	Term (years)	Initial amount	Amount outstanding at 31 December 2002	
				In borrowing currency	Equivalent in EUR
Contracts redenominated in EUR					
1990	9,16	15	2 700 000 DEM/EUR	414 146	414 146
1990	9,0	15	24 400 000 DEM/EUR	184 065	184 065
1992	3,29	15	11 900 000 DEM/EUR	3 042 187	3 042 187
1992	2,6875	15	9 000 000 000 ITL/EUR	2 324 056	2 324 056
1992	2,854	20	300 000 000 FRF/EUR	45 734 705	45 734 705
1992	2,96363	15	11 000 000 DEM/EUR	2 812 105	2 812 105
1992	8,34	15	2 300 000 DEM/EUR	587 986	587 986
1993	3,02769	10	20 000 000 DEM/EUR	2 045 168	2 045 168
1993	7,08	15	1 750 000 DEM/EUR	536 856	536 856
1993	6,39	15	1 355 000 DEM/EUR	415 680	415 680
1993	6,64	15	1 185 000 DEM/EUR	363 529	363 529
1993	3,239	10	15 600 000 000 ITL/EUR	1 611 346	1 611 346
1993	6,75	15	1 000 000 DEM/EUR	306 775	306 775
1993	3,26	10	57 300 000 DEM/EUR	2 240 379	2 240 379
1993	3,4055	10	52 600 000 000 ITL/EUR	1 258 089	1 258 089
1993	7	10	1 500 000 000 FRF/EUR	228 673 526	228 673 526
1993	2,86563	10	18 200 000 DEM/EUR	1 861 102	1 861 102
1993	3,11063	10	19 700 000 000 ITL/EUR	1 137 496	1 137 496
Total per currency				295 549 196	295 549 196
Contracts in GBP					
1990	11,875	19	60 000 000 GBP	60 000 000	92 236 741
1992	9,875	25	50 000 000 GBP	17 220 000	26 471 945
1992	9,875	25	30 000 000 GBP	30 000 000	46 118 371
1993	9,875	24	20 000 000 GBP	20 000 000	30 745 580
1994	6,875	25	50 000 000 GBP	35 261 000	54 205 995
1994	8,9375	25	47 000 000 GBP	47 000 000	72 252 114
Total per currency				209 481 000	322 030 746
Contracts in USD					
1993	6,375	15	100 000 000 USD	100 000 000	95 356 155
Total per currency				100 000 000	95 356 155
Grand total in EUR:					712 936 097

(*) Fixed or variable rates, depending on the case.

NB: Payments of capital and interest in respect of borrowings in GBP totalling GBP 102 481 000 are secured by the holding of bonds (financial fixed assets) with the same rate and maturity date.

Management of loans from the ECSC in liquidation

Over the period from 24 July to 31 December 2002, the changes in **loans from borrowed funds** (under Articles 54 and 56 ECSC) were as follows:

(EUR million)

Member State	Number of loans	Amount outstanding at 23 July 2002	Amortisation from 24 July to 31 December 2002	Exchange-rate adjustment	Amount outstanding at 31 December 2002	Number of loans
Greece	1	100,91	—	– 5,55	95,36	1
Spain	1	0,26	– 0,26	—	0,00	—
France	5	363,21	– 0,72	—	362,49	4
Italy	86	33,89	– 14,06	—	19,83	56
United Kingdom	1	74,26	—	– 2,01	72,25	1
Total Community	94	572,53	– 15,04	– 7,56	549,93	62

The **loans from borrowed funds** outstanding at 31 December 2002 were backed by guarantees as follows:

(EUR million)

Member State	Guarantee by public body	Bank guarantee ⁽¹⁾	Industrial grouping		Charge on property	No guarantee	Total
			Public	Private			
Greece	95,36	—	—	—	—	—	95,36
Spain	—	—	—	—	—	—	—
France	—	—	133,82	228,67	—	—	362,49
Italy	—	19,83	—	—	—	—	19,83
United Kingdom	—	—	—	—	—	72,25	72,25
Total Community	95,36	19,83	133,82	228,67	—	72,25	549,93

(¹) Mainly loans granted to financial institutions for on-lending to final recipients.

Over the period from 24 July to 31 December 2002, the changes in **loans from own funds** (under Article 54.2 ECSC) were as follows:

(EUR million)

Member State	Number of loans	Amount outstanding at 23 July 2002	Amortisation from 24 July to 31 December 2002	Exchange-rate adjustment	Amount outstanding at 31 December 2002	Number of loans
Belgium	28	6,21	– 0,72	—	5,49	24
Denmark	10	0,10	– 0,09	0,0	0,01	4
Germany	43	55,91	– 3,46	—	52,45	41
Greece	9	0,49	– 0,03	—	0,46	9
Spain	21	11,03	– 0,83	—	10,20	21
France	48	14,92	– 1,81	—	13,11	41
Ireland	10	0,34	– 0,02	—	0,32	10
Italy	21	7,39	– 0,72	—	6,67	21
Luxembourg	7	1,08	– 0,11	—	0,97	7
Netherlands	7	1,10	– 0,18	—	0,92	7
Austria	2	4,12	– 0,19	—	3,93	2
Portugal	6	0,69	– 0,06	—	0,63	6
Finland	2	0,78	– 0,03	—	0,75	2
United Kingdom	28	8,14	– 0,05	– 0,22	7,87	28
Total Community	242	112,30	– 8,30	– 0,22	103,78	223

NB: These are loans for financing the construction of subsidised housing at an interest rate of 1 % p.a.

The **loans from own funds** outstanding at 31 December 2002 were backed by guarantees as follows:

(EUR million)

Member State	Guarantee by public body	Bank guarantee ⁽¹⁾	Industrial grouping		Charge on property	No guarantee	Total
			Public	Private			
Belgium	—	5,49	—	—	—	—	5,49
Denmark	—	0,01	—	—	—	—	0,01
Germany	—	52,45	—	—	—	—	52,45
Greece	—	0,46	—	—	—	—	0,46
Spain	—	10,20	—	—	—	—	10,20
France	—	10,26	1,09	—	—	1,76	13,11
Ireland	0,32	—	—	—	—	—	0,32
Italy	—	6,67	—	—	—	—	6,67
Luxembourg	—	0,97	—	—	—	—	0,97
Netherlands	—	—	—	0,92	—	—	0,92
Austria	—	3,93	—	—	—	—	3,93
Portugal	—	0,63	—	—	—	—	0,63
Finland	—	0,75	—	—	—	—	0,75
United Kingdom	—	7,87	—	—	—	—	7,87
Total Community	0,32	99,69	1,09	0,92	—	1,76	103,78

⁽¹⁾ Mainly loans granted to financial institutions for on-lending to final recipients.

Levy

Total claims at 23 July 2002 amounted to EUR 4 975 874.

These were covered in their entirety by value adjustments. Over the period from 24 July to 31 December 2002, payments were received totalling EUR 34 579. Irrecoverable claims totalling EUR 82 870 were cancelled. Total claims at 31 December 2002 thus amounted to EUR 4 858 425, covered in their entirety by value adjustments.

Interest subsidies

Total claims at 23 July 2002 amounted to EUR 3 162 873. Value adjustments were made totalling EUR 2 825 137. During the period from 24 July to 31 December 2002, the ECSC in liquidation received payments of EUR 496 702 and issued new demands for the recovery of EUR 615 665. It waived or cancelled claims amounting to EUR 615 309. Consequently, at 31 December 2002 total claims amounted to EUR 2 666 527, covered by value adjustments in the sum of EUR 2 454 855.

Fines

A. THE FOLLOWING FINES, IMPOSED ON STEEL COMPANIES BY THE COMMISSION IN ACCORDANCE WITH THE RULES SET OUT IN THE TREATY, ARE STILL OUTSTANDING (IN EUROS, NET OF INTEREST)

1. Fines imposed between 1982 and 1984 for infringements of the system of prices and quotas

	Amount (capital) due at	
	23 July 2002	31 December 2002
3 Italian companies	1 034 270	1 034 270

The three companies are in liquidation. A value adjustment of 100 % has been entered in our books.

2. Fines imposed on 16 February 1994 (Decision 94/215/ECSC) for failure to respect the competition rules in the field of steel beams

		Amount (capital) due at	
		23 July 2002	31 December 2002
1 Italian company (in liquidation since 28.12.1993).		9 500 000	9 500 000
2 German companies (Commission decision)	6 513 000		
Fines reduced by the Court of First instance to	4 409 000	4 409 000	4 409 000
2 Spanish companies (Commission decision)	14 600 000		
Fines reduced by the Court of First instance to	10 450 000	10 450 000	10 450 000

Four companies have appealed against the judgment of the Court of First Instance. A value adjustment of 100 % has been entered in our books.

3. Fines imposed on 21 January 1998 (Decision 98/247/ECSC) for collusion on the formula for calculating the alloy surcharge

		Amount (capital) due at	
		23 July 2002	31 December 2002
2 companies (German/Italian) (Commission decision)	12 640 000		
Fines reduced by the Court of First instance to	8 064 000	8 064 000	8 064 000

The two companies have appealed against the judgment of the Court of First Instance. A value adjustment of 100 % has been entered in our books.

- B. THE FOLLOWING FINES HAVE BEEN PAID, BUT THE COMPANIES HAVE APPEALED AGAINST THE JUDGMENT OF THE COURT OF FIRST INSTANCE. THE ECSC HAD CONSTITUTED A PROVISION FOR LIABILITIES AND CHARGES (AMOUNT IN EUROS, NET OF INTEREST)

1. Fines imposed on 16 February 1994 (Decision 94/215/ECSC) for failure to respect the competition rules in the field of steel beams

	Amount (capital) in provision at	
	23 July 2002	31 December 2002
British, Luxembourgish and German companies	41 947 108	41 947 108

2. Fines imposed on 21 January 1998 (Decision 98/247/ECSC) for collusion on the formula for calculating the alloy surcharge

	Amount (capital) in provision at	
	23 July 2002	31 December 2002
Spanish company	3 136 000	3 136 000

Outstanding commitments under ECSC operating budgets

During the period from 24 July to 31 December 2002, payments were made totalling EUR 47 million and cancellations totalled EUR 11 million. The changes in the commitments relating to the ECSC operating budgets from 24 July to 31 December 2002 were as follows:

	Amount at 23.7.2002	Payments from 24.7. to 31.12.2002	Cancellations from 24.7. to 31.12.2002	Amount at 31.12.2002
Conversion	132 607 711	- 10 965 456	- 403 430	121 238 825
Research	180 829 395	- 14 701 909	- 7 415 617	158 711 869
Subsidies (article 56)	16 844 154	- 799 575	0	16 044 579
Social measures coal (RECHAR)	70 635 452	- 20 623 000	- 3 450 000	46 562 452
Total	400 916 712	- 47 089 940	- 11 269 047	342 557 725

Management of assets

The net worth of the ECSC's assets and liabilities at the moment of the expiry of the ECSC Treaty is regarded as assets to be used for research in the sectors associated with the coal and steel industries. These assets are managed by the Commission so as to ensure their long-term profitability, the objective being to obtain the highest possible yield under secure conditions. During the liquidation phase, treasury investments take account of the constraints regarding maturity dates and liquidity.

The total cash holdings of the ECSC in liquidation at 23 July 2002 amounted to EUR 1 592 million. At that date, commitments in respect of the operating budget amounted to EUR 401 million, the Guarantee Fund stood at EUR 529 million and the provisions for financing coal and steel research from 2003 onwards amounted to EUR 240 million. The free reserves after allocation of the surplus amounted at the same date to EUR 268 million. Thanks to the surplus for the period from 24 July to 31 December 2002 (see note C17 in the notes to the Financial Statements) and the reclassification of part of the Special Reserve and the former pension fund (see note C16), after allocation of the surplus these reserves amounted at 31 December 2002 to EUR 349 million.

The return on investment, including the variation in the market value of bonds (calculated by the Modified Dietz Method) was 6,25 % for 2002.

Financing of coal and steel research

The net revenue generated by the assets of the ECSC in liquidation, constituting the Coal and Steel Research Fund, is used exclusively for research carried out in the sectors associated with the coal and steel industries. The net revenue for year n is exclusively made available to the budget of the European Community for research in year n+2. In order to reduce as far as possible the fluctuations that movements in the financial markets could cause in the financing of research, a smoothing arrangement is applied. This financing mechanism takes effect in 2003. The revenue for 2003 will be used for research in 2005.

To prime the mechanism and make provision for financing coal and steel research in 2003 and 2004, a smoothing provision (EUR 120 million) and financing provisions of EUR 60 million for each of the years 2003 and 2004 were already constituted in the balance sheet at 31 December 2001. The net revenue from investments over the period from 24 July to 31 December 2002 (EUR 27 million) will increase the capital of the Coal and Steel Research Fund.

FINANCIAL STATEMENTS OF THE ECSC IN LIQUIDATION

This is the first report on the ECSC in liquidation, covering the period from 24 July to 31 December 2002.

The ECSC's balance sheet, profit-and-loss account and statement of the allocation of the surplus for the year ending 31 December 2002 were submitted to the Commission for approval under written procedure No E/... of ... 2003 and are shown in this financial report as approved by the Commission.

For ease of comparison, the corresponding figures from the ECSC financial statements at 31 December 2001 and 23 July 2002 are shown alongside the financial statements of the ECSC in liquidation at 31 December 2002.

Auditors' report on the financial statements

Following our appointment, we have audited the financial statements of the European Community of Steel and Coal in liquidation ('ECSC in liquidation') for the period from 24 July 2002 to 31 December 2002.

The financial statements are the responsibility of the European Commission. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles and methods used and any significant estimates made by management, as well as evaluating the overall presentation of the financial statements.

The following audit procedures, amongst other, have been performed:

1. Review of the administrative and accounting procedures and the control system in operation within the ECFIN — L Directorate relating to the different financial instruments administered and testing, on a sample basis, that these procedures have been complied with.
2. Verification of supporting documents for transactions recorded in the accounting records.
3. Verification of documentation in relation to credits granted and borrowings (content, preservation of documents, monitoring of repayments, validity of guarantees).
4. Analysis of the accounts, verification of computation.
5. Tests in the treasury department (including examination of positions, verification of swap transactions).

We believe that our audit provides a reasonable basis for our opinion.

Our tests included the examinations of global confirmations received from the DG Budget. Our audit did not extend to verifying the nature and supporting documents for payments and commitments made under the ECSC Operating Budget in liquidation as these operations are recorded by DG Budget. We understand that these operations are audited by the European Court of Auditors and published in the Official Journal.

With the exception of any potential impact which could result from the matter described in the previous paragraph, in our view the attached financial statements give, in conformity with generally accepted accounting principles in the European Union and the specific accounting principles described in Note B.1 of the financial statements of the ECSC in liquidation, a true and fair view of the assets and financial position of the ECSC in liquidation for the period from 24 July 2002 to 31 December 2002 and of the results of its operations for the period then ended.

Luxembourg, 30 June 2003

KPMG Audit

Réviseurs d'Entreprises

Balance sheet at 31 December 2002

(Amounts in EUR) — Before allocation of surplus

ASSETS

	31 December 2002	23 July 2002	31 December 2001
Loans and advances to credit institutions			
— repayable on demand	6 625 169	1 868 668	8 617 067
— with agreed maturity dates or periods of notice (Note C1.1)	6 905 570	33 539 360	133 272 729
— loans (Note C1.2)	100 034 710	120 215 715	355 368 358
Total	113 565 449	155 623 743	497 258 154
Loans and advances to customers			
— loans (Note C2.1)	628 718 200	682 080 134	1 045 139 605
— levy (Note C2.2)	—	—	66 213
— fines (Note C2.3)	—	—	39 806 715
— interest subsidies repayable (Note C2.4)	211 672	337 736	2 579 066
— repayment, research	20 764	—	—
Total	628 950 636	682 417 870	1 087 591 599
Bonds and other fixed-income securities (Note C3)			
— issued by public bodies	1 026 326 228	1 129 370 124	1 090 184 127
— issued by other borrowers	525 130 526	399 531 331	478 711 875
Shares and other variable-income securities (Note C4)	18 768 046	27 998 410	44 205 202
Total	1 570 224 800	1 556 899 865	1 613 101 204
Intangible assets (Note C5)	2 850	—	—
Tangible assets (Note C6)	14 094	—	—
Other assets (Note C7)	3 298 920	6 023 377	7 092 794
Prepayments and accrued income (Note C8)	73 044 693	47 568 362	82 534 005
TOTAL ASSETS	2 389 101 442	2 448 533 217	3 287 577 756
Off-balance-sheet commitments (Note C22)	279 829 637	290 511 586	310 674 984

Balance sheet at 31 December 2002

(Amounts in EUR) — Before allocation of surplus

LIABILITIES

	31 December 2002	23 July 2002	31 December 2001
Amounts owed to credit institutions (Note C9)			
— with agreed maturity dates or periods of notice	21 140 965	36 202 081	604 294 572
Debts evidenced by certificates (Note C10)	691 795 132	706 302 342	836 250 262
Other liabilities (Note C11)	1 429 545	36 616 446	301 104
Accruals and deferred income (Note C12)	49 766 058	22 564 190	78 061 265
OUTSTANDING COMMITMENTS ECSC OPERATING BUDGET (NOTE C13)	342 557 725	400 916 712	530 720 948
PROVISIONS FOR LIABILITIES AND CHARGES			
Guarantee Fund (Note C14.1)	497 000 000	529 000 000	580 000 000
Provisions for major exposures	—	—	6 000 000
Other provisions (Note C14.2)	57 741 255	57 012 724	150 699 271
Total provisions	554 741 255	586 012 724	736 699 271
BUDGET FOR FINANCING COAL AND STEEL RESEARCH (NOTE C15)	240 000 000	240 000 000	240 000 000
RESERVES AND SURPLUS (Note C16)			
Special reserve	103 800 000	112 300 000	118 000 000
Former pension fund	34 000 000	36 000 000	40 000 000
Assets of the Coal and Steel Research Fund	120 200 000	109 700 000	92 632 605
Surplus brought forward	161 918 722	3 250 334	2 029 066
Surplus for the period (Note C17)	67 752 040	158 668 388	8 588 663
Total reserves and surplus	487 670 762	419 918 722	261 250 334
TOTAL LIABILITIES	2 389 101 442	2 448 533 217	3 287 577 756
Off-balance-sheet commitments entered into (Note C22)	276 607 536	286 966 510	300 407 841

Profit-and-loss account for the period ending 31 December 2002

(Amounts in EUR)

CHARGES

	From 24 July to 31 December 2002	From 1 January to 23 July 2002	From 1 January to 31 December 2001
Interest payable and similar charges (Note C18)	32 986 478	53 081 195	141 299 615
Commission paid	89 173	314 770	379 849
Net losses on financial operations			
— exchange difference	246 938	—	268 248
— losses on bonds and other fixed-income securities	862 608	4 427 896	2 248 893
— value adjustments for bonds and other fixed-income securities (Note C3)	654 707	63 570 916	6 760 668
— value adjustments for shares and other variable-income securities (Note C4)	9 150 238	1 405 587	3 072 877
Total	10 914 491	69 404 399	12 350 686
Administrative overheads (Note C17 3)	1 455 616	2 794 520	5 000 000
Value adjustments on tangible and intangible assets (Notes C5 and C6)	5 649	—	—
Other operating charges (Note C19)	188 424	715 908	1 711 089
Value adjustments for loans and advances and provisions for liabilities and commitments			
— value adjustment for loans and advances	4 936 775	916 445	4 743 980
— allocation to the Guarantee Fund (Note C14.1)	—	—	15 000 000
— allocation to other provisions for liabilities and charges (Note C14.2)	728 531	3 215 253	2 057 973
Total	5 665 306	4 131 698	21 801 953
Extraordinary charges	74 154	39 771	31 139
Legal commitments for the period (Note B5)	—	127 988 619	184 554 560
Allocation to the budget for financing coal and steel research (Note C15)	—	—	240 000 000
Total charges	51 379 291	258 470 880	607 128 891
Surplus for the period (Note C17)	67 752 040	158 668 388	8 588 663
TOTAL	119 131 331	417 139 268	615 717 554

Profit-and-loss account for the period ending 31 December 2002

(Amounts in EUR)

INCOME

	From 24 July to 31 December 2002	From 1 January to 23 July 2002	From 1 January to 31 December 2001
Interest receivable and similar income (Note C20)	62 114 830	91 425 315	214 741 377
Commission received	—	141 300	253 300
Net profit on financial operations			
— exchange difference	—	381 759	—
— profit on bonds and other fixed-income securities	2 604 116	5 253 120	696 145
— profit on shares and other variable-income securities	—	3 491 224	—
— withdrawal of value adjustments for bonds and other fixed-income securities (Note C3)	7 842 639	7 580 807	17 200 348
— withdrawal of value adjustments for shares and other variable-income securities (Note C4)	—	—	1 179 177
Total	10 446 755	16 706 910	19 075 670
Withdrawals of value adjustments for loans and advances and from the provisions for liabilities and commitments:			
— withdrawal of value adjustments for loans and advances	1 907 062	22 011 553	49 478 703
— withdrawal of provision for major exposures	—	6 000 000	11 000 000
— withdrawal from other provisions for liabilities and charges (Note C14.2)	—	51 371 610	3 477 090
Total	1 907 062	79 383 163	63 955 793
Other operating income (Note C21)	12 662 684	8 022 885	83 387
Extraordinary income	—	—	1 879 316
Income relating to the ECSC operating budget (Note B5)	—	20 665 175	64 523 231
Withdrawal from the provision for budgetary contingencies	—	31 000 000	—
Withdrawal from the provision for financing the ECSC operating budget (Note B5)	—	118 794 520	251 205 480
Withdrawal from the Guarantee Fund (Note C14.1)	32 000 000	51 000 000	—
TOTAL INCOME	119 131 331	417 139 268	615 717 554

Allocation of the surplus for the period ending 31 December 2002

(Amounts in EUR)

	From 24 July to 31 December 2002	From 1 January to 23 July 2002	From 1 January to 31 December 2001
Surplus brought forward at start of period	3 618 722	3 250 334	2 029 066
Surplus for the period to be allocated	67 752 040	158 668 388	8 588 663
Total	71 370 762	161 918 722	10 617 729
Allocation to the assets of the Coal and Steel Research Fund (Note C15)	71 370 762 ⁽¹⁾	158 300 000 ⁽²⁾	7 367 395
Surplus carried forward at the end of the period	—	3 618 722	3 250 334

⁽¹⁾ Proposal.

⁽²⁾ Allocation decision taken on 7 January 2003.

Notes to the financial statements at 31 December 2002

(Amounts in EUR)

A. THE ECSC IN LIQUIDATION

The European Coal and Steel Community (ECSC), established by the Treaty signed in Paris on 18 April 1951, expired on 23 July 2002. The Nice European Council decided to annex to the Treaty of Nice of 26 February 2001 ⁽¹⁾ a protocol on the financial consequences of the expiry of the ECSC Treaty and on the creation and management of the Coal and Steel Research Fund. It was decided that all ECSC assets at the time of the expiry of the Treaty would be transferred to the European Community with effect from 24 July 2002.

Pending the entry into force of the Treaty of Nice (1 February 2003), the Member States entrusted to the European Commission the task of managing the assets of the ECSC in liquidation by applying the same principles ⁽²⁾, as provided for in the Protocol to the Treaty of Nice.

Subject to any increase or decrease resulting from the liquidation operations, the net worth of all the ECSC's assets and liabilities, as they appear in the ECSC balance sheet at 23 July 2002, is regarded as assets earmarked for research in the sectors associated with the coal and steel industries. These assets, termed the 'ECSC in liquidation', will be known after the end of the liquidation process as the 'Assets of the Coal and Steel Research Fund'.

The Commission is responsible for winding up the financial operations of the ECSC that were still in progress at the moment of the expiry of the ECSC Treaty. The winding-up is 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 the secondary legislation in force on 23 July 2002. The assets of the ECSC in liquidation, including its loans portfolio and its investments, are used as necessary to meet the ECSC's remaining obligations in terms of outstanding borrowings resulting from previous operating budgets and other contingencies.

⁽¹⁾ OJ C 80, 10.3.2001.

⁽²⁾ Decision of the Representatives of the Governments of the ECSC Member States, meeting within the Council, of 27 February 2002 (OJ L 79, 22.3.2002).

Where the ECSC's assets are not needed to meet these obligations, they are invested so as to ensure long-term profitability. The objective in placing the available assets must be to obtain the highest possible yield that is securely attainable. The net revenue from these investments, known as the 'Coal and Steel Research Fund', constitutes revenue in the general budget of the European Union and will be used exclusively for research in the sectors associated with the coal and steel industry, in accordance with the Decision of 27 February 2002 of the representatives of the governments of the Member States and the instruments adopted on the basis of that Decision.

The net revenue available for financing research projects in year $n+2$ appears in the balance sheet of the ECSC in liquidation for year n , and after the liquidation process has been completed will appear as assets in the balance sheet of the Coal and Steel Research Fund. In order to reduce as far as possible the fluctuations that movements in the financial markets could cause in the financing of research, a smoothing arrangement is applied and a provision for contingencies has been created. The algorithms for smoothing and for determining the size of the provision for contingencies are set out in the appendix to Annex 1 to the Decision of the representatives of the governments of the Member States of 27 February 2002. The revenue identified is apportioned between research relating to coal and that relating to steel in proportions of 27,2 % et 72,8 % respectively.

B. ACCOUNTING PRINCIPLES AND METHODS

1. Presentation of the financial statements

The financial statements are drawn up in accordance with generally recognised accounting principles.

The accounting principles and evaluation methods used for the items in the financial statements take account of the constraints and resolutions applicable to the ECSC in liquidation under the Treaties and other decisions adopted by the institutions of the European Communities.

The accounting methods used also take account of the absence of continuity after 23 July 2002, when the ECSC Treaty expired.

They are presented in accordance with Council Directives 78/660/EEC and 86/635/EEC ⁽¹⁾ on the annual accounts and consolidated accounts of banks and other financial institutions wherever these are applicable and subject to the above-mentioned necessary adjustments. Directive 2001/65/EC ⁽²⁾ amending the above-mentioned Directives concerning the valuation rules and in particular fair value is not yet applicable to the financial statements of the ECSC in liquidation. This Directive must be applied by 31 December 2003.

Where appropriate, the necessary presentational adjustments have been made to the figures for the corresponding items in previous periods so as to ensure comparability.

2. Conversion of items expressed in foreign currency

The currency used for the financial statements of the ECSC in liquidation is the euro ('EUR').

All foreign-currency transactions carried out by the ECSC in liquidation are converted into euros at the monthly rate communicated by the European Central Bank.

The value of non-financial assets/liabilities is converted into euros at the monthly rate applicable on the date on which they were acquired or on which their value was last adjusted.

At the balance-sheet date, financial assets/liabilities are converted into euros at the monthly rate applicable on that date. Negative differences are entered under 'charges' in the profit-and-loss account, while positive differences are deferred and entered under 'accruals and deferred income' on the liabilities side.

⁽¹⁾ OJ L 222, 14.8.1978, and OJ L 372, 31.12.1986.

⁽²⁾ OJ L 283, 27.10.2001.

2.1. Conversion rates

The following rates have been used for converting balance-sheet amounts expressed in national currency into euros:

	31 December 2002	23 July 2002	31 December 2001
Danish krone	7,4288	7,43310	7,43650
Swedish krone	9,1528	9,46450	9,30120
Pound sterling	0,65050	0,63290	0,60850
Swiss franc	1,4524	1,45490	1,48290
United States dollar	1,0487	0,99100	0,88130
Japanese yen	124,39	116,370	115,330

2.2. At 31 December 2002 the various currencies listed above, together with the euro, made up the balance sheet of the ECSC in liquidation as follows (EUR):

Currency	Assets	Liabilities
Euro	1 879 703 516	1 936 095 126
Danish krone	792 397	—
Swedish krone	312 554	—
Pound sterling	399 336 097	344 192 822
Swiss franc	5	—
United States dollar	108 956 873	108 813 494
Total	2 389 101 442	2 389 101 442

3. Treasury investment and valuation of bonds and other securities

The internal prudential rules of the ECSC in liquidation stipulate that portfolio investments are to be confined to securities issued by first-ranking entities. However in 1998, under an agreement to restructure the debt of a defaulting debtor, the ECSC exceptionally acquired shares and other variable-income securities from a private-sector company.

Bonds and other fixed-income securities and shares and other variable-income securities are valued at the average purchase price or the market value obtaining at the end of the financial year, whichever is the lower.

This principle is not applied in the case of securities considered as financial fixed assets, which are valued at the average purchase price or the redemption value, whichever is the lower.

4. Intangible and tangible fixed assets

Amortisation is calculated on the basis of Commission Regulation (EC) No 2909/2000 of 29 December 2000 ⁽¹⁾. Computer software is written off over a period of four years, as is hardware.

⁽¹⁾ OJ L 336, 30.12.2000, p. 75.

5. Special features of the ECSC financial statements

a) ECSC operating budget

Part of the funds of the ECSC in liquidation were made available to the ECSC operating budget, which was adopted annually by the Commission after informing the Council and consulting the European Parliament. The last budget was drawn up for the period from 1 January to 23 July 2002.

From 24 July 2002 onwards, the income and charges relating to the operating budget are shown in the accounts as 'other liquidation income/charges'.

The changes between 24 July and 31 December 2002 in commitments vis-à-vis third parties entered into under the operating budget are shown under the heading 'Outstanding commitments under the ECSC operating budget' (see Note C13).

b) Budget for financing coal and steel research

The Member States of the European Union have decided that the income from the management of ECSC assets after 23 July 2002 should be allocated to the general budget of the European Communities ⁽¹⁾. This income is earmarked for a research programme relating to the coal and steel industries, as stated in Note A to this report.

The ECSC has already constituted provisions in order to prepare the ground for this mechanism for financing coal and steel research. These provisions are entered under the heading 'Budget for financing coal and steel research' (see Note C15).

C. EXPLANATORY NOTES TO THE HEADINGS IN THE BALANCE SHEET AND THE PROFIT-AND-LOSS ACCOUNT

1. Loans and advances to credit institutions

1.1. With agreed maturity dates or periods of notice

The breakdown of the remaining time to maturity of these operations is as follows:

	(in EUR)		
	31 December 2002	23 July 2002	31 December 2001
Up to three months	6 905 570	33 539 360	133 272 729
Total	6 905 570	33 539 360	133 272 729

1.2. Loans

The breakdown of the remaining time to maturity of these operations is as follows:

	(in EUR)		
	31 December 2002	23 July 2002	31 December 2001
Up to three months	4 000 015	3 312 991	33 692 382
Three months to one year	13 553 271	27 844 126	218 222 375
One to five years	27 905 538	29 060 876	39 999 682
Over five years	54 575 886	59 997 722	63 453 919
Total	100 034 710	120 215 715	355 368 358

⁽¹⁾ Decision of the Representatives of the Governments of the ECSC Member States, meeting within the Council, of 27 February 2002 (OJ L 79, 22.3.2002).

2. Loans and advances to customers

2.1. Loans

The loans granted to credit institutions are shown under 'Loans and advances to credit institutions' (see Note C1.2).

The other loans break down as follows:

(in EUR)			
	31 December 2002	23 July 2002	31 December 2001
1. Loans disbursed from borrowed funds			
— amounts outstanding	604 761 954	678 726 833	1 091 388 811
— value adjustments	- 24 539 291	- 47 388 569	- 99 348 028
Sub-total	580 222 663	631 338 264	992 040 783
2. Loans from the special reserve for financing subsidised housing	15 400 184	17 214 002	17 483 206
Interim total	595 622 847	648 552 266	1 009 523 989
The breakdown of these loans (net of value adjustments) by time remaining to maturity was as follows at			
	31 December 2002	23 July 2002	31 December 2001
— Up to three months	1 374 317	50 752 207	170 535 047
— Three months to one year	230 721 357	232 969 144	166 153 710
— One to five years	11 563 579	11 968 366	240 749 165
— Over five years	376 502 885	400 251 118	531 434 095
	620 162 138	695 940 835	1 108 872 017
3. Loans disbursed from the former Pension Fund to officials of the European Communities for housing construction	32 809 702	33 527 868	34 817 280
4. Other loans	285 651	—	798 336
Grand total	628 718 200	682 080 134	1 045 139 605

N.B.: Loans are generally guaranteed by Member States, banks or businesses or by mortgages.

2.2. Levy

The levy rate for 1998-2002 was 0 %, so the claims at 31 December 2002 relate to previous years.

This item breaks down as follows:

(in EUR)			
	31 December 2002	23 July 2002	31 December 2001
Gross amount	4 858 425	4 975 874	5 455 706
Value adjustments	- 4 858 425	- 4 975 874	- 5 389 493
Net amount	—	—	66 213

2.3. Fines

This item contains the Commission's claims on companies fined in accordance with the rules set out in the Treaty.

This item breaks down as follows:

	(in EUR)		
	31 December 2002	23 July 2002	31 December 2001
Fines due under the 'quota system'			
— Capital	1 034 270	1 034 270	1 034 270
— Surcharges for late payment	340 962	340 962	340 962
Fines due under Decision 94/215/ECSC ⁽¹⁾			
— Capital	24 359 000	24 359 000	28 959 000
— Surcharges for late payment	11 615 343	11 162 914	10 587 790
Fines due under Decision 98/247/ECSC ⁽²⁾			
— Capital	8 064 000	8 064 000	8 064 000
— Surcharges for late payment	2 159 605	1 955 078	1 695 926
Total	47 573 180	46 916 224	50 681 948
Value adjustments	- 47 573 180	- 46 916 224	- 10 875 233
Net amount	—	—	39 806 715

⁽¹⁾ Seven companies have lodged appeals against the judgement of the Court of First Instance. Pending the decision of the European Court of Justice, a total (without interest) of EUR 24 359 000 remained outstanding at 31 December 2002.

⁽²⁾ Three companies have lodged appeals against the judgement of the Court of First Instance. Pending the decision of the European Court of Justice, a total (without interest) of EUR 8 064 000 remained outstanding at 31 December 2002.

2.4. Interest subsidies to be recovered

This item comprises claims on companies in receipt of subsidised loans from which the Commission has been obliged to ask for reimbursement of all or part of the interest subsidy already paid.

	(in EUR)		
	31 December 2002	23 July 2002	31 December 2001
Subsidies to be repaid	2 666 527	3 162 873	4 926 324
Value adjustments	- 2 454 855	- 2 825 137	- 2 347 258
Net amount	211 672	337 736	2 579 066

3. Bonds and other fixed-income securities

3.1. Composition

The bonds and other fixed-income securities break down as follows:

(in EUR)				
	Net change in value adjustments	31 December 2002	23 July 2002	31 December 2001
Issued by public bodies:				
Gross value		1 089 374 949	1 199 224 006	1 102 728 104
Value adjustments	- 6 805 161	- 63 048 721	- 69 853 882	- 12 543 977
Net value		1 026 326 228	1 129 370 124	1 090 184 127
Issued by other borrowers:				
Gross value		526 241 560	401 025 136	481 525 476
Value adjustments	- 382 771	- 1 111 034	- 1 493 805	- 2 813 601
Net value		525 130 526	399 531 331	478 711 875
Total bonds and other fixed-income securities:				
Gross value		1 615 616 509	1 600 249 142	1 584 253 580
Value adjustments	- 7 187 932	- 64 159 755	- 71 347 687	- 15 357 578
Net value		1 551 456 754	1 528 901 455	1 568 896 002

The net change of EUR - 7 187 932 in value adjustments between 23 July and 31 December 2002 breaks down as follows:

— allocation to value adjustments:	654 707
— withdrawal from value adjustments:	- 7 842 639
	<u>- 7 187 932</u>

3.2. Maturities in 2003

Securities in the portfolio reaching final maturity in the course of 2003 represent the following amounts (EUR):

— Issued by public bodies:	323 025 682
— Issued by other borrowers:	90 709 370
Total	413 735 052

3.3. Financial fixed assets (See Note B.3)

Financial fixed assets are defined as securities that will remain in the portfolio until their final maturity. They comprise long-term paper for servicing ECSC borrowings.

At 31 December 2002, financial fixed assets totalled EUR 157 541 891 in nominal terms, which was less than the average acquisition price. The value adjustments at 31 December 2002 amounted to EUR 60 709 724 (EUR 62 397 971 at 23 July 2002).

3.4. Return on investment

Treasury investments take account of the maturity dates and liquidity requirements applicable to ECSC financial operations. They are subject to strict criteria with regard to the financial standing of the counterparty ⁽¹⁾.

The return on investment, including the variation in the market value of bonds (calculated by the Modified Dietz Method) was 6,25 % ⁽²⁾ for the year 2002.

3.5. Structure of the portfolio by maturity date and rating ⁽³⁾

a) Time to maturity less than 1 year

(EUR million)

Rating	31 December 2002	23 July 2002	31 December 2001
AAA	302,5	209,0	324,5
AA1	0,0	39,4	73,8
AA2	60,6	91,9	10,1
AA3	33,0	32,0	53,7
A1	15,0	0,0	0,0
A2	0,0	0,0	0,0
Total	411,1	372,3	462,1

b) Time to maturity between 1 year and 3 years

Rating	31 December 2002	23 July 2002	31 December 2001
AAA	250,0	229,3	230,8
AA1	39,2	105,1	105,2
AA2	82,0	29,8	51,0
AA3	38,8	122,4	225,9
A1	0,0	0,0	0,0
A2	53,7	18,2	17,7
Total	463,7	504,8	630,6

c) Time to maturity between 3 and 5 years

Rating	31 December 2002	23 July 2002	31 December 2001
AAA	163,3	172,4	104,6
AA1	32,9	25,2	0,0
AA2	45,1	0,0	18,5
AA3	38,4	47,0	34,9
A1	0,0	0,0	0,0
A2	0,0	0,0	0,0
Total	279,7	244,6	158,0

⁽¹⁾ See paragraph 3 of the appendix to Annex II to the Decision of 27 February 2002 of the Representatives of the Governments of the ECSC Member States.

⁽²⁾ Compare with the ECSC in liquidation benchmark return of 6,11 % (unaudited figure).

⁽³⁾ Valued at average acquisition price or market value, whichever is lower (EUR million).

d) *Time to maturity between 5 and 7 years*

Rating	31 December 2002	23 July 2002	31 December 2001
AAA	99,0	34,6	100,3
AA1	15,5	0,0	0,0
AA2	35,1	0,0	0,0
AA3	15,2	0,0	8,3
A1	0,0	0,0	0,0
A2	0,0	0,0	0,0
Total	164,7	34,6	108,6

e) *Time to maturity more than 7 years*

Rating	31 December 2002	23 July 2002	31 December 2001
AAA	232,3	367,4	209,6
AA1	0,0	0,0	0,0
AA2	0,0	0,0	0,0
AA3	0,0	5,2	0,0
A1	0,0	0,0	0,0
A2	0,0	0,0	0,0
Total	232,3	372,6	209,6
GRAND TOTAL	1 551,5	1 528,9	1 568,9

4. **Shares and other variable-income securities**

Developments with regard to shares and other variable-income securities were as follows:

(in EUR)

	31 December 2002	23 July 2002	31 December 2001
Gross value	40 950 784	41 030 909	100 198 015
Value adjustments	- 22 182 738	- 13 032 499	- 55 992 813
Net value	18 768 046	27 998 410	44 205 202

These shares and other variable-income securities were received by the ECSC as part of the restructuring plan of a defaulting debtor.

5. **Intangible fixed assets**

Developments with regard to intangible fixed assets were as follows:

(in EUR)

	Balance at 23 July 2002	Purchase during the period	Amortisation during the period	Balance at 31 December 2002
Intangible fixed assets	—	3 800	- 950	2 850

These assets consist of computer software (see also Note B.4)

6. Tangible fixed assets

Developments with regard to tangible fixed assets were as follows:

(in EUR)				
	Balance at 23 July 2002	Purchase during the period	Amortisation during the period	Balance at 31 December 2002
Tangible fixed assets	—	18 793	- 4 699	14 094

These assets consist of computer hardware (see also Note B.4)

7. Other assets

The other assets break down as follows:

(in EUR)			
	31 December 2002	23 July 2002	31 December 2001
Current account, ECSC operating budget (see Note 11)	—	—	724 633
Withholding taxes and VAT to be reclaimed	117 017	72 774	2 446 873
Loans to officials	3 251 715	5 854 637	3 900 732
Miscellaneous	86 415	95 966	20 556
Sub-total	3 455 147	6 023 377	7 092 794
Value adjustments	- 156 227	—	—
Total	3 298 920	6 023 377	7 092 794

8. Prepayments and accrued income

The prepayments and accrued income break down as follows:

(in EUR)			
	31 December 2002	23 July 2002	31 December 2001
Interest on loans and swaps	38 425 745	25 811 079	65 111 062
Interest on deposits and securities portfolio	39 949 750	28 881 766	25 205 627
Miscellaneous	5 475	—	—
Issuing costs and redemption premiums	—	—	868 748
Sub-total	78 380 970	54 692 845	91 185 437
Cumulative value adjustments	- 5 336 277	- 7 124 483	- 8 651 432
Total	73 044 693	47 568 362	82 534 005

9. Amounts owed to credit institutions

The remaining time to maturity on these operations is as follows:

	(in EUR)		
	31 December 2002	23 July 2002	31 December 2001
With agreed maturity dates or periods of notice:			
— Borrowings			
Up to three months	4 622 846	2 651 400	211 944 169
Three months to one year	7 753 878	23 866 625	371 209 437
One to five years	8 493 768	8 631 817	18 846 752
Over five years	270 473	1 052 239	2 294 214
Total	21 140 965	36 202 081	604 294 572

10. Debts evidenced by certificates

This item comprises loan securities issued by the ECSC.

An amount of EUR 228 673 526 is accounted for by borrowings with less than one year to maturity (EUR 228 673 526 at 23 July 2002).

11. Other liabilities

The other liabilities break down as follows:

	(in EUR)		
	31 December 2002	23 July 2002	31 December 2001
Current account, ECSC operating budget (see Note 7)	11 356	31 271 294	—
Early loan repayment	720 649	4 638 935	—
Other	697 540	706 217	301 104
Total	1 429 545	36 616 446	301 104

12. Accruals and deferred income

The accruals and deferred income break down as follows:

	(in EUR)		
	31 December 2002	23 July 2002	31 December 2001
Interest on borrowings and credit lines	45 574 490	18 294 251	65 877 350
Commissions on loans	2 982	3 111	86 307
Miscellaneous	5 536		
Issuing premiums	—	—	1 700 611
Deferred positive exchange differences	4 183 050	4 266 828	10 396 997
Total	49 766 058	22 564 190	78 061 265

13. Outstanding commitments under the ECSC operating budget

From 24 July 2002 this item comprises the commitments still outstanding in respect of ECSC operating budgets (see Note B5a). The provisions for financing the operating budget and for budgetary contingencies were withdrawn on 23 July 2002.

During the period from 1 January to 31 December 2002, the changes in the item for the ECSC operating budget were as follows:

(in EUR)					
	Amounts at 31 December 2001	Amounts at 23 July 2002	Payments	Cancellations	Amounts at 31 December 2002
Commitments					
Redeployment	128 960 809	132 607 711	- 10 965 456	- 403 430	121 238 825
Research	174 023 995	180 829 395	- 14 701 909	- 7 415 617	158 711 869
Interest subsidies Article 56	25 008 679	16 844 154	- 799 575	—	16 044 579
Social measures (coal) (RECHAR)	52 932 945	70 635 452	- 20 623 000	- 3 450 000	46 562 452
Provisions for					
— financing the operating budget	118 794 520	—	—	—	—
— budgetary contingencies	31 000 000	—	—	—	—
Total	530 720 948	400 916 712	- 47 089 940	- 11 269 047	342 557 725

14. Provision for liabilities and charges

14.1. Guarantee Fund

The Guarantee Fund is intended to cover lending and borrowing operations. After a withdrawal of EUR 32 million, the Guarantee Fund stood at EUR 497 million at 31 December 2002.

On 11 September 1996 the Commission confirmed its intention of maintaining reserves to cover 100 % of those loans outstanding after 23 July 2002 which are not guaranteed by the government of a Member State. Following loan repayments over the period from 24 July to 31 December 2002, it was possible to reduce the Guarantee Fund.

The changes in the Guarantee Fund were as follows:

(in EUR)				
31 December 2001	Withdrawal	23 July 2002	Withdrawal	31 December 2002
580 000 000	51 000 000	529 000 000	32 000 000	497 000 000

14.2. Other provisions

From 24 July 2002 onwards, this item includes the provisions for liabilities and charges. Following the final discontinuation of the ECSC operating budgets, the provisions for fines and for interest subsidies repayable were withdrawn on 23 July 2002.

The changes in other provisions were as follows:

(in EUR)

	31 December 2001	23 July 2002	Change over the period from 24 July to 31 December 2002			31 December 2002
			Allocation	Withdrawal	Exchange-rate variations and balance-sheet movements	
Provision for interest-rate risk	51 958 153	—	—	—	—	—
Provision for special costs relating to banking activities ⁽¹⁾	200 000	300 000	—	—	—	300 000
Provision for appeal against Decision 94/215/ECSC ⁽²⁾	52 107 499	53 047 937	680 712	—	—	53 728 649
Provision for appeal against Decision 98/247/ECSC ⁽³⁾	4 047 838	3 664 787	47 819	—	—	3 712 606
Provisions for						
— fines and surcharges for late payment to be paid	39 806 715	—	—	—	—	—
— interest subsidies repayable	2 579 066	—	—	—	—	—
Total	150 699 271	57 012 724	728 531	—	—	57 741 255

⁽¹⁾ This provision was created to cover any legal costs and other unforeseen expenditure. The risk in question is primarily in the legal field because the ECSC in liquidation has less recourse, for its operations, to national agents who bear all expenditure relating to loan operations.

⁽²⁾ This provision was created from the fines paid and the interest accrued since these payments under Decision 94/215/ECSC of 16 February 1994 to cover the possible reimbursement of the amounts received should the Court of Justice rule in favour of the companies which have appealed against the judgement of the Court of First Instance of 11 March 1999.

⁽³⁾ This provision was created from the fines paid and the interest accrued since these payments under Decision 98/247/ECSC of 21 January 1998 to cover the possible reimbursement of the amounts received should the Court of First Instance rule in favour of the companies which have appealed against the judgment of the Court of First Instance of 13 December 2001.

15. Budget for financing coal and steel research

This item breaks down as follows:

(in EUR)

	31 December 2002	23 July 2002	31 December 2001
Provision for research in 2003	60 000 000	60 000 000	60 000 000
Provision for research in 2004	60 000 000	60 000 000	60 000 000
Provision for smoothing	120 000 000	120 000 000	120 000 000
Total	240 000 000	240 000 000	240 000 000

In view of the expiry of the ECSC Treaty on 23 July 2002 and the winding-up of the ECSC, it has been decided that all ECSC assets at the time of the expiry of the Treaty will be managed by the European Commission with effect from 24 July 2002 ⁽¹⁾. The net worth of these assets is considered to be earmarked for research in the sectors associated with the coal and steel industries. The income generated by these assets will be allocated exclusively to research in these sectors.

In practice, the net profit from the management of the assets (invested mainly in the securities portfolio and term deposits) in year n will be transferred to the general budget of the European Community and will be used for research in year n+2. On the basis of simulations of the net profit from the management of the assets, it was decided to set the initial funding at EUR 60 million.

⁽¹⁾ Decision of the Representatives of the Governments of the ECSC Member States, meeting within the Council, of 27 February 2002 (OJ L 79, 22.3.2002).

In order to reduce fluctuations in research funding resulting from movements on the financial markets, a smoothing formula will be applied in accordance with the procedures approved by the Member States. This smoothing formula will be applied for the first time to the results for the 2003 financial year and will be used to determine the allocation for research in 2005. In order to launch this mechanism, the ECSC in liquidation has created a provision for smoothing.

16. Reserves and surpluses

(in EUR)

	Situation at 31 December 2001 after allocation	Movements at 23 July 2002	Movements at 31 December 2002	Situation at 31 December 2002 before allocation	Allocation at 23 July 2002 ⁽¹⁾	Allocation at 31 December 2002 ⁽²⁾	Situation at 31 December 2002 after allocation
Special reserve	118 000 000	- 5 700 000	- 8 500 000	103 800 000	—	—	103 800 000
Former Pension Fund	40 000 000	- 4 000 000	- 2 000 000	34 000 000	—	—	34 000 000
Assets of the Coal and Steel Research Fund	100 000 000	9 700 000	10 500 000	120 200 000	158 300 000	71 370 762	349 870 762
Surplus brought forward	3 250 334	—	158 668 388	161 918 722	- 158 300 000	- 3 618 722	—
Surplus for the period from 1 January to 23 July 2002	—	158 668 388	- 158 668 388	—	—	—	—
Surplus for the period from 24 July to 31 December 2002	—	—	67 752 040	67 752 040	—	- 67 752 040	—
Total	261 250 334	158 668 388	67 752 040	487 670 762	—	—	487 670 762

⁽¹⁾ Decision of 7 January 2003 (Written procedure E/2698/2002).

⁽²⁾ Proposal.

The Special Reserve is used to grant loans from ECSC own funds to finance subsidised housing. At 31 December 2002, the amount outstanding corresponding to the loans granted was of the order of EUR 103,8 million (EUR 112,3 million at 23 July 2002 and EUR 118 million at 31 December 2001). Consequently, it was possible to release EUR 8,5 million, which was transferred to the free reserves.

The former Pension Fund originally represented the ECSC's total pension obligations prior to 5 March 1968. Since that date, the Member States have assumed responsibility, via the general budget, for the payment of staff pensions. This fund is used to finance housing loans for officials of the European Communities. At 31 December 2002, the amount outstanding corresponding to the loans granted was of the order of EUR 34 million (EUR 36 million at 23 July 2002 and EUR 40 million at 31 December 2001). Consequently, it was possible to release EUR 2 million, which was transferred to the free reserves.

The 'Assets of the Coal and Steel Research Fund' reserve, created in the context of the winding-up of the ECSC (see Note C15), comprises the free reserves.

17. Analysis of the result for the period

The overall performance of the ECSC in liquidation is affected by the result of winding up the ECSC's financial operations, the net return on investments and administrative costs.

(in EUR)

	24 July to 31 December 2002
Winding up financial operations (see 17.1)	42 051 133
Net investment income (see 17.2)	27 156 523
Administrative overheads (see 17.3)	- 1 455 616
Total	67 752 040

17.1. *Winding up the financial operations of the ECSC in liquidation*

(in EUR)

Result	24 July to 31 December 2002
a) Lending/borrowing activities	
Net interest	3 627 099
Miscellaneous charges/income	- 66 523
Net change in value adjustments	- 2 355 829
Withdrawal from Guarantee Fund	32 000 000
Total	33 204 747
b) Winding up commitments under operating budget (cancellations)	11 269 047
c) Winding-up — other activities	
Levy, fines, interest subsidies	437 104
Research	119 190
Other	- 764 061
Total	- 207 767
d) Exchange-rate differences and changes in market value	
Exchange-rate differences	- 246 938
Securities market	- 1 962 307
Other	- 5 649
Total	- 2 214 894
GRAND TOTAL	42 051 133

17.2. *Net investment income*

(in EUR)

	24 July to 31 December 2002
Income	
Interest on nostro account	65 573
Interest on deposit account	581 393
Interest on securities portfolio (excluding dedicated portfolio)	24 857 191
Profit on sales of portfolio	2 604 116
Total income	28 108 273
Charges	
Debit interest on nostro account	2 903
Interest on credit lines	—
Losses on sales of portfolio	862 608
Bank and portfolio transaction charges	86 239
Total charges	951 750
Difference = net income	27 156 523
From 2003 onwards, net income will be made available to the general budget of the European Union for financing research projects (see Notes A et C15)	

17.3. *Administrative overheads*

Each year the ECSC paid a lump sum of EUR 5 million (EUR 2 794 520 for the period from 1 January to 23 July 2002) to cover administrative expenditure.

According to Decision 2002/234/ECSC of 27 February 2002 (Annex 1, point 6) of the Representatives of the Governments of the Member States meeting within the Council (see Note A), the administrative expenditure of the ECSC in liquidation was to be met by the Commission, and the ECSC in liquidation was to transfer prorata temporis EUR 3,3 million to the budget of the European Union. The corresponding amount for the period from 24 July 2002 to 31 December 2002 is EUR 1 455 616.

With the entry into force of the Treaty of Nice on 1 February 2003, all the ECSC's assets have been transferred to the European Community, and the obligation to pay a lump sum to the budget of the European Union lapses.

18. Interest and similar charges

	(in EUR)		
	31 December 2002	23 July 2002	31 December 2001
Interest on loans and swaps	32 983 575	52 182 248	139 407 674
Bank interest	2 903	30 200	9 895
Issuing costs and redemption premiums	—	868 747	1 882 046
Total	32 986 478	53 081 195	141 299 615

19. Other operating charges

	(in EUR)		
	31 December 2002	23 July 2002	31 December 2001
Borrowing costs	27 904	78 123	133 559
SWIFT/Reuters charges	76 766	132 483	192 668
Loss on loans and advances	82 870	441 587	1 376 363
Other	884	63 715	8 499
Total	188 424	715 908	1 711 089

The loss on loans and advances is offset by a withdrawal from the corresponding value adjustment.

20. Interest received and other income

	(in EUR)		
	31 December 2002	23 July 2002	31 December 2001
Interest on loans and swaps	30 364 393	50 010 165	138 793 019
Payment and redemption premiums	—	867 660	2 339 954
Bank interest	646 966	2 796 887	2 196 563
Interest on bonds and other fixed-income securities	31 103 471	37 750 603	69 658 619
Income from shares and other variable-income securities	—	—	1 753 222
Total	62 114 830	91 425 315	214 741 377

21. Other operating/liquidation income

	(in EUR)		
	31 December 2002	23 July 2002	31 December 2001
Other income from lending and treasury activities	41 961	7 678 149	—
Lapsed coupons and bonds	38 442	1 404	39 383
Other liquidation income	12 582 095	—	—
Miscellaneous	186	343 332	44 004
Total	12 662 684	8 022 885	83 387

The other liquidation income represents mainly cancellations of outstanding commitments under the ECSC operating budget (See Note C13.).

22. Off-balance-sheet commitments

22.1. Commitments received

	(in EUR)		
	31 December 2002	23 July 2002	31 December 2001
Commitments arising from swaps			
— Notional capital commitments relating to interest-rate swaps	187 592 896	195 709 880	212 071 862
— Capital commitments relating to interest-rate and currency swaps	92 236 741	94 801 706	98 603 122
Total	279 829 637	290 511 586	310 674 984

22.2. Commitments entered into

	(in EUR)		
	31 December 2002	23 July 2002	31 December 2001
a) Commitments arising from swaps			
— Notional capital commitments relating to interest-rate swaps	187 592 896	195 709 880	212 071 862
— Capital commitments relating to interest-rate and currency swaps	88 085 042	88 085 042	88 085 042
b) Loans granted to EC officials but not yet disbursed	649 324	1 715 972	211 554
c) Administrative overheads ⁽¹⁾	280 274	1 455 616	—
d) Receipts from lapsed coupons and bonds ⁽²⁾	—	—	39 383
Total	276 607 536	286 966 510	300 407 841

⁽¹⁾ According to Decision No 2002/234/ECSC of 27 February 2002 (Annex 1, point 6) of the Representatives of the Governments of the Member States meeting within the Council (see Note A), the administrative expenditure of the ECSC in liquidation is to be met by the Commission and the ECSC is to transfer prorata temporis EUR 3,3 million to the budget of the European Union.

With the entry into force of the Treaty of Nice on 1 February 2003, all the ECSC's assets have been transferred to the European Community, and the obligation to pay a lump sum to the budget of the European Union lapses.

The amount corresponding to administrative overheads for the period from 1 January 2003 to 31 January 2003, i.e. EUR 280 274, is entered as a commitment entered into.

⁽²⁾ The ECSC was always keen to meet the commitments it had entered into and therefore traditionally honoured coupons even after they had lapsed. The winding-up of the ECSC has meant the end of this practice.

23. Financial situation for the period ending 31 December 2002

	(EUR million)		
	Period from 24 July to 31 December 2002	Period from 1 January to 23 July 2002	Period from 1 January to 23 July 2002
Origin of funds			
Balance of profit-and-loss account	67,8	158,7	8,5
Items not involving movements of funds			
— Amortisation of issuing costs and redemption premiums	—	0,9	1,9
— Value adjustments in respect of financial assets (withdrawals)	2,0	13,0	- 8,5
— Value adjustments in respect of loans and advances, net	- 24,6	- 62,3	- 40,2
— Decrease in 'ECSC operating budget'	- 58,4	- 172,2	- 304,7
— Increase (decrease) in 'Budget for financing coal and steel research'	—	—	240,0
— Increase (decrease) in accruals and deferred payments	27,2	- 59,3	- 7,6
— Decrease in accruals and deferred income and issuing costs/redemption premiums	- 23,7	42,7	9,8
— Increase (decrease) in other liabilities	- 35,2	32,1	- 28,5
— Increase in other assets	2,5	47,8	12,8
— Allocation to (withdrawal from) the provisions for liabilities and charges	0,7	- 51,3	- 8,1
— Allocation to (withdrawal from) the provision for major exposures	—	- 6,0	- 11,0
— Exchange-rate adjustments in respect of borrowings and loans	- 3,2	2,4	- 12,4
— Allocation to (withdrawal from) the Guarantee Fund/Special Reserve	- 32,0	- 51,0	15,0
Total funds	- 76,9	- 104,5	- 133,0
Other resources			
— Proceeds from borrowings	—	—	—
— Loan repayments	86,6	619,4	745,8
— Decreases in bank balances and securities portfolio	6,6	149,7	10,8
Total resources	16,3	664,6	623,6
Use of funds			
— Loan disbursements/increase in loans and advances	1,2	0,7	5,4
— Redemption of borrowings	15,1	663,9	618,2
Total uses	16,3	664,6	623,6

Prior notification of a concentration**(Case COMP/M.3278 — CVC/TPG/Debenhams)****Candidate case for simplified procedure**

(2003/C 245/04)

(Text with EEA relevance)

1. On 3 October 2003 the Commission received notification of a proposed concentration pursuant to Article 4 of Council Regulation (EEC) No 4064/89 ⁽¹⁾, as last amended by Regulation (EC) No 1310/97 ⁽²⁾, by which the undertakings CVC Capital Partners Group Limited, Capital Partners (Luxembourg) SA ('CVC', the United Kingdom) and TPG Advisors III, Inc. ('TPG', USA) acquire within the meaning of Article 3(1)(b) of the Regulation joint control of Debenhams plc ('Debenhams', the United Kingdom) by way of a court procedure under UK company law.

2. The business activities of the undertakings concerned are:

— CVC: investment company,

— TPG: investment company,

— Debenhams: retailing a range of consumer, household and other non-food goods.

3. On preliminary examination, the Commission finds that the notified concentration could fall within the scope of Regulation (EEC) No 4064/89. However, the final decision on this point is reserved. Pursuant to the Commission Notice on a simplified procedure for treatment of certain concentrations under Regulation (EEC) No 4064/89 ⁽³⁾, it should be noted that this case is a candidate for treatment under the procedure set out in the notice.

4. The Commission invites interested third parties to submit their possible observations on the proposed operation.

Observations must reach the Commission not later than 10 days following the date of this publication. Observations can be sent by fax (No (32-2) 296 43 01 or 296 72 44) or by post, under reference COMP/M.3278 — CVC/TPG/Debenhams, to:

European Commission,
Directorate-General for Competition,
Merger Registry,
J-70,
B-1049 Brussels.

⁽¹⁾ OJ L 395, 30.12.1989, p. 1; corrigendum: OJ L 257, 21.9.1990, p. 13.

⁽²⁾ OJ L 180, 9.7.1997, p. 1; corrigendum: OJ L 40, 13.2.1998, p. 17.

⁽³⁾ OJ C 217, 29.7.2000, p. 32.

Non-opposition to a notified concentration
(Case COMP/M.3217 — Carlyle/Finmeccanica/Avio)
(2003/C 245/05)

(Text with EEA relevance)

On 18 August 2003, the Commission decided not to oppose the above notified concentration and to declare it compatible with the common market. This decision is based on Article 6(1)(b) of Council Regulation (EEC) No 4064/89. The full text of the decision is only available in English and will be made public after it is cleared of any business secrets it may contain. It will be available:

- as a paper version through the sales offices of the Office for Official Publications of the European Communities (see list on the last page),
- in electronic form in the 'CEN' version of the CELEX database, under document No 303M3217. CELEX is the computerised documentation system of European Community law.

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III

(Notices)

COMMISSION

CALL FOR PROPOSALS FOR MODAL SHIFT, CATALYST AND COMMON LEARNING ACTIONS
UNDER THE MARCO POLO PROGRAMME ⁽¹⁾

(2003/C 245/06)

1. PURPOSE AND GENERAL DESCRIPTION

The European Council held at Gothenburg on 15 and 16 June 2001 has declared that shifting the balance between the transport modes is at the heart of the sustainable development strategy. If no decisive action is taken, total road freight transport in Europe is set to grow by about 50 % by 2010. The effect would be a growth of international road freight of about 12 billion tonne-kilometres per year.

In its White Paper — European Transport Policy for 2010: time to decide ⁽²⁾, the Commission proposed to take measures which should make the market shares of the modes of transport return, by 2010, to their 1998 levels. This will prepare the ground for a shift of balance from 2010 onwards.

It was necessary to establish a programme, hereinafter referred to as the 'Marco Polo Programme', or 'the Programme', to reduce road congestion and to improve the environmental performance of the freight transport system within the Community and to enhance intermodality, thereby contributing to an efficient and sustainable transport system. To achieve this objective, the Programme should support actions in the freight transport, logistics and other relevant markets. These actions should contribute to maintain the distribution of freight between the various modes of transport at 1998 levels by helping to shift the expected aggregate increase in international road freight traffic to short sea shipping, rail and inland waterways or to a combination of modes of transport in which road journeys are as short as possible.

All segments of the international freight transport market are within the scope of the Programme.

The Marco Polo Programme features three types of action:

1. **Modal shift actions**, which should focus on shifting as much freight as possible under current market conditions from road to short sea shipping, rail and inland waterways.

Under this type of action aid is given to start-up new services, but also to significantly enhance existing services. They shall be robust, but not necessarily innovative: — *just shift freight off the road*; and as much as possible measured in tonne-kilometres.

2. **Catalyst actions**, which should change the way non-road freight transport is conducted in the Community. Under this type of action, structural market barriers in European freight transport should be overcome through a highly innovative concept: — *causing a real break-through*. This is essentially done in three steps by applicants: first the barrier must be clearly defined, then a highly innovative solution should be presented, and finally a modal shift service of great growth potential for freight transport is to be proposed for timely implementation. Dissemination of results should be foreseen within the duration of the EC subsidy.

3. **Common learning actions**, which should enhance knowledge in the freight logistics sector and foster advanced methods and procedures of co-operation in the freight market. Under this type of action improvement of co-operation and sharing of know-how is subsidised: mutual training — *coping with an increasingly complex transport and logistics market*.

Therefore, the Commission invites interested parties to submit proposals for modal shift, catalyst and common learning actions for the freight transport services market. The available budget under the call is specified in chapter 3.

For the purpose of this call the definitions in Appendix 1 apply.

2. SOURCE OF FUNDING

The actions selected will be financed from budget headings 060207 Marco Polo Programme (B2-707).

3. ESTIMATED TOTAL AMOUNT FOR THIS CALL

The estimated total amount for 2003 is EUR 15 million. See also chapter 7 'Work Programme 2003'.

⁽¹⁾ Regulation (EC) No 1382/2003 of the European Parliament and of the Council of 22 July 2003 on granting of Community financial assistance to improve the environmental performance of the freight transport system ('Marco Polo Programme') (OJ L 196, 2.8.2003, p. 1).

⁽²⁾ COM(2001) 370 final.

4. FINANCIAL CONDITIONS

Community financial assistance shall be limited for

- Modal shift actions to a maximum subsidy rate of 30 %,
- Catalyst actions to a maximum subsidy rate of 35 %,
 - Common learning actions to a maximum subsidy rate of 50 %,

for the total eligible expenditure necessary to achieve the objectives of the action and incurred as a result of the action. Such expenditure shall be eligible for Community financial assistance to the extent to which it relates directly to the implementation of the action ('Action type specific maximum subsidy rate').

Additionally, for modal shift actions only, the maximum Community financial assistance is determined by the Commission on the basis of the tonne-kilometres shifted from road to short sea shipping, rail, inland waterways or a combination of modes of transport in which road journeys are as short as possible. It shall initially be set at EUR 1 for each shift of 500 tonne-kilometres of road freight.

Ancillary infrastructure expenditure shall also be eligible for Community financial assistance only for modal shift and catalyst actions, as long as it remains marginal, up to the action type specific subsidy rates given for the total expenditure (see above). Infrastructure measures are 'ancillary', if they are necessary, but sub-ordinate, to achieve the goals of the action. 'Marginal' shall be defined as up to 20 % of the total subsidy requested for an action.

A contribution towards the costs of movable assets ⁽³⁾ shall be contingent on the obligation to use such assets for the duration of the assistance, principally for the action, as defined by the subvention contract ('grant agreement').

All requests for Community financial assistance shall be made in Euros. Such assistance for actions under the Marco Polo Programme shall be given on the basis of grant agreements, based on the standard model to be approved by the Commission. This standard grant agreement will define inter alia eligible costs and payment modalities. Furthermore, a financial guarantee will be requested as part of contract negotiations to cover the pre-financing (i.e. the advance payment) to be made by the Commission.

⁽³⁾ Movable assets are for example ships, barges, locomotives, train wagons and loading units.

The indicative minimum subsidy thresholds per funded action are specified under chapter 6 'Specific Eligibility Criteria'. They are different for each type of action.

The Commission reserves the right to award an EC subsidy of less than the amount requested by the applicant. Subsidies will not be awarded for more than the amount requested.

Important note: Expenditure incurred on or after the date of the submission of an application under the selection procedure shall be eligible for Community financial assistance, provided that final approval for Community funding is given (see Art. 5(2), 6(4) and 7(3) of the Marco Polo Regulation).

Important note: In order to achieve a sustained modal shift of freight, proposed modal shift and catalyst actions are expected to become viable after the subsidy ends. For common learning actions such viability is not an essential requirement, but would be an advantage (see chapter 10 'Award Criteria').

Important note: The action shall under no circumstances have the purpose or the effect of producing a profit for the beneficiary during the duration of the EC subsidy.

5. ELIGIBILITY CRITERIA

The following eligibility criteria define the scope of the call and apply to all three types of actions – modal shift, catalyst and common learning.

5.1. General Eligibility Criteria

- G1. Uniqueness: the type of action for which a project is proposed must be clearly specified by the applicant; mixing of action types in a proposal is not permitted.
- G2. Transport Services: the proposal must dominantly concern transport services in the market place, i.e. infrastructure, research or study projects are not eligible.
- G3. European Dimension — Undertakings: an action must be submitted by at least two independent ⁽⁴⁾ undertakings established on the territories of two different Member States, or on the territories of one Member State and a close third country.

⁽⁴⁾ Definition of independent: In case of two undertakings A and B; A may control not more than 50 % of B, and vice versa; A and B may be controlled not more than 50 % by a third undertaking C.

G4. European Dimension — Expenditure: the budget will not finance costs and expenditure arising outside the territories of the Community or fully participating close third countries ⁽⁵⁾. Nor can legal or natural persons established outside these countries be beneficiaries of funds under this call.

G5. Type of Legal Entity: all project participants must be legal persons. They must be privately or publicly owned undertakings, i.e. public entities are not allowed to take part directly; however, administrations may be up to 100 % owners of a participating undertaking. Natural persons are not eligible.

G6. Modal Shift of freight: an action must have the objective to shift freight from the road to short sea shipping, inland waterway or rail, or a combination of these non-road modes of transport ⁽⁶⁾.

G7. Start-up of action: the action must start operations between entry into force of the Programme on 3 August 2003 and 31 October 2004.

Pure infrastructure projects will not be funded. However, ancillary infrastructure measures are eligible to a maximum aid intensity of not more than 20 % of the total subsidy requested under this call. Infrastructure measures are 'ancillary', if they are necessary, but sub-ordinate, to achieve the goals of modal shift or catalyst actions.

5.2. *Grounds for Exclusion*

Applications will not be considered for an EC subsidy if the applicants are in any of the following situations:

- (a) they are bankrupt or being wound up, are having their affairs administered by the courts, have entered into an arrangement with creditors, have suspended business activities, are the subject of proceedings concerning those matters, or are in any analogous situation arising from a similar procedure provided for in national legislation or regulations;
- (b) they have been convicted of an offence concerning professional conduct by a judgement which has the force of res judicata;
- (c) they have been guilty of grave professional misconduct proven by any means which the contracting authority can justify;

⁽⁵⁾ Under this call these countries are the 15 EU Member States only. I.e. no close third country is fully participating under this call.

⁽⁶⁾ Common learning actions should at least help or promote the achievement of the modal shift objective of the Marco Polo Programme.

(d) they have not fulfilled obligations relating to the payment of social security contributions or the payment of taxes in accordance with the legal provisions of the country in which they are established or with those of the country of the contracting authority or those of the country where the contract is to be performed;

(e) they have been the subject of a judgement which has the force of res judicata for fraud, corruption, involvement in a criminal organisation or any other illegal activity detrimental to the Communities' financial interests;

(f) following another procurement procedure or grant procedure financed by the Community budget, they have been declared to be in serious breach of contract for failure to comply with their contractual obligations;

(g) they are faced with a conflict of interest;

(h) they have been guilty of misrepresentation in supplying the information required or have failed to supply this information.

Applicants must certify that they are not in one of the situations listed in this sub-chapter. The applicant declaration form is provided as Appendix 5 of this call.

5.3. *Administrative and Financial Penalties*

- (i) Without prejudice to the application of penalties laid down in the contract, candidates and contractors who have been guilty of making false declarations or have been found to have seriously failed to meet their contractual obligations in an earlier procedure shall be excluded from all contracts and grants financed by the Community budget for a maximum of two years from the time when the infringement is established, as confirmed after an adversarial procedure with the contractor. That period may be extended to three years in the event of a repeat offence within five years of the first infringement. Candidates who have been guilty of making false declarations shall also receive financial penalties representing 10 % of the total value of the grant being awarded. Contractors who have been found to have seriously failed to meet their contractual obligations shall receive financial penalties representing 10 % of the value of the subvention in question. That rate may be increased to 20 % in the event of a repeat offence within five years of the first infringement.
- (ii) In the cases referred to in chapters 5.2 (a), (c), (d) and (f), the candidates shall be excluded from all contracts and grants for a maximum of two years from the time when the infringement is established, as confirmed after an adversarial procedure with the contractor. In the cases referred to in chapters 5.2 (b) and (e), the candidates shall be excluded from all contracts and grants for a minimum of one year and a maximum of four years from the date of notification of the judgement. Those periods may be extended to five years in the event of a repeat offence within five years of the first infringement or the first judgement.

(iii) The cases referred to in chapters 5.2 (e) cover:

- (a) cases of fraud as referred to in Article 1 of the Convention on the protection of the European Communities' financial interests, drawn up by the Council Act of 26 July 1995 ⁽⁷⁾;
- (b) cases of corruption as referred to in Article 3 of the Convention on the fight against corruption involving officials of the European Communities or officials of Member States of the European Union, drawn up by the Council Act of 26 May 1997 ⁽⁸⁾;
- (c) cases of participation in a criminal organisation, as defined in Article 2(1) of Joint Action 98/733/JHA of the Council ⁽⁹⁾;
- (d) cases of money laundering as defined in Article 1 of Council Directive 91/308/EEC ⁽¹⁰⁾.

6. SPECIFIC ELIGIBILITY CRITERIA

An action submitted to this call will further to all general criteria have to comply simultaneously with the appropriate set of specific eligibility criteria mentioned below.

6.1. Modal Shift Actions

- M1. Route: The envisaged road route from which freight is shifted by the action is situated on the territory of at least two EU Member States or on the territory of at least one EU Member State and a close third country.
- M2. Duration: The action achieves its objectives within a period of a maximum of 36 months.
- M3. Threshold: The minimum indicative subsidy threshold per action is EUR 500 000 which translates into a modal shift of 250 million tonne-kilometres, effected over the entire duration of the action.

6.2. Catalyst Actions

- C1. Route: The envisaged road route from which freight is shifted by the action is situated on the territory of at least two EU Member States or on the territory of at least one EU Member State and a close third country.
- C2. Duration: The action achieves its objectives within a period of a maximum of 48 months.
- C3. Threshold: The minimum indicative subsidy threshold per action is EUR 1 500 000.

⁽⁷⁾ OJ C 316, 27.11.1995, p. 48.

⁽⁸⁾ OJ C 195, 25.6.1997, p. 1.

⁽⁹⁾ OJ L 351, 29.12.1998, p. 1. Joint action of 21 December 1998 on making it a criminal offence to participate in a criminal organisation in the Member States of the European Union.

⁽¹⁰⁾ OJ L 166, 28.6.1991, p. 77. Directive of 10 June 1991, as amended by Directive 2001/97/EC of the European Parliament and of the Council of 4 December 2001 (OJ L 344, 28.12.2001, p. 76).

6.3. Common Learning Actions

- L1. Duration: The action achieves its objectives within a period of a maximum of 24 months.
- L2. Threshold: The minimum indicative subsidy threshold per action is EUR 250 000.

7. WORK PROGRAMME 2003

The work programme for 2003 consists of two parts:

- a multi-annual part as laid down in the Marco Polo regulation text itself, and
- a specific part for 2003 defining the political priorities and the budget for this call.

Details are described in Appendix 2.

8. ROUTE OF TRANSPORT SERVICE ⁽¹¹⁾

A clear definition and presentation of both the old 'road'-route and the new 'modally shifted'-route is obligatory for modal shift and catalyst actions.

8.1. Concept

The overall objectives of the Marco Polo Programme are to reduce road congestion, to improve the environmental performance of the freight transport system and to enhance intermodal transport, thereby contributing to an efficient and sustainable transport system. A freight traffic shift from road to short sea shipping, rail and inland waterways, or to a combination of modes of transport in which road journeys are as short as possible must be effected.

In an action, first the entire route should be described (preferably door-to-door), i.e. including the initial freight collection and final distribution leg by truck, if any. In a second step it should be shown, which parts of the transport/logistics chain are to be shifted from road to short sea shipping, rail and inland waterways.

8.2. Modal Shift

The effected modal shift is to be measured in tonne-kilometres (see definitions in Appendix 1) and principally based on the route the freight would have taken on the road, if not being shifted to the allowed alternative modes of transport, i.e. **the modal shift calculation is based on the old 'road'-route only.**

Details are described in Appendix 3.

⁽¹¹⁾ In first instance, common learning actions are not required to be concerned with a transport route. However, there are elements discussed in this chapter, such as environmental benefits, which could be also of relevance to this type of action.

8.3. *Environmental Benefits*

Environmental benefits may have quantitative and qualitative elements.

- The qualitative environmental benefits from the proposed action could be for instance, that the new 'modally-shifted' route avoids heavily populated areas and/or natural resorts.
- The quantitative environmental benefits calculation is based on a **comparison of the relevant external costs for old 'road'-route with the new 'modally shifted'-route**. In similarity to modal shift (chapter 8.2), also only benefits achieved on the territory of countries fully participating in the Marco Polo Programme may be used for this calculation.

Details on how to calculate and present environmental benefits are given in Appendix 3.

Note, that these calculations are an essential element for a proposal submitted to this call.

9. *SELECTION CONDITIONS*

The applicants must have stable and sufficient sources of funding to maintain their activities throughout the period during which the action is being carried out or the years for which the EC subsidy is awarded and to participate in its funding. They must have the professional competence and qualifications required to complete the proposed action.

9.1. *Financial Capacity of Applicants*

Corporate bodies must be legally constituted and registered.

Applicants must have the financial capacity to complete the action to be supported and will provide their annual accounts for the last financial year or, in the case of public-sector bodies, their annual budget.

Important note: Before awarding an EC subsidy contract, the financial data presented for the implementation of the proposed action will be verified by the Commission with the help of an external auditor.

9.2. *Technical Capacity of Applicants*

Applicants must have the technical and operational capacity to complete the action to be supported and should provide appropriate supporting documents (e.g. CVs of those responsible for carrying out the action).

An action must not lead to distortions of competition in the relevant markets, in particular between alternative modes of transport or within an alternative mode of transport, to an extent, which damages the common interest.

When the action requires reliance on services provided by third parties not part of the consortium, the applicant submits proof of a transparent, objective and non-discriminatory procedure for selection of the relevant services. Publicly owned entities, which are subject to the EC Procurement Directives should conform to the provisions established by these directives.

10. *AWARD CRITERIA*

The Commission will base its selection of actions and the rate of Community co-financing on the basis of a written presentation. Among the proposals being eligible for funding, proposals achieving the highest total score shall be considered for funding, within the limit of the available budget. EC subsidies will be awarded within the limits of the budgetary resources available.

Proposals will be evaluated according to the type of action proposed in an internal evaluation by Commission staff.

10.1. *Modal Shift Actions*

The following evaluation criteria apply to modal shift actions:

A maximum of 100 points will be given to each proposal in the evaluation, distributed as follows:

- | | |
|---|----------------|
| (a1) European Added Value — Quantity of freight shifted off the road: | 0 to 40 points |
| (b1) Credibility and viability of action: | 0 to 30 points |
| (c1) Environmental benefits: | 0 to 30 points |

Additionally, the following conditions are scrutinised:

- | | |
|--|----------|
| (d1) Avoidance of unacceptable distortions of competition: | Yes / No |
| (e1) Financial request justified: | Yes / No |

Proposals must achieve a total score of at least 60 points and simultaneously must have reached a threshold of 24 points for criterion (a1), 18 points for each of the criteria (b1) and (c1), as well as a 'Yes' for (d1) and (e1), to be eligible for funding.

10.2. *Catalyst Actions*

The following evaluation criteria apply to catalyst actions:

A maximum of 100 points will be given to each proposal in the evaluation, distributed as follows:

(a2) European Added Value — Innovative approach to overcome structural market barriers:	0 to 40 points
(b2) Credibility and viability of action:	0 to 30 points
(c2) Environmental benefits:	0 to 20 points
(d2) Dissemination plan:	0 to 10 points

Additionally, the following conditions are scrutinised:

(e2) Avoidance of unacceptable distortions of competition:	Yes / No
(f2) Financial request justified:	Yes / No

Proposals must achieve a total score of at least 60 points and simultaneously must have reached a threshold of 24 points for criterion (a2), 18 points for criterion (b2) and 12 points for criterion (c2), as well as a 'Yes' for (e2) and (f2), to be eligible for funding.

10.3. *Common Learning Actions*

The following evaluation criteria apply to common learning actions:

(a3) European Added Value — Improvement of co-operation and sharing of know-how:	0 to 30 points
(b3) Credibility and methodology of action:	0 to 30 points
(c3) Innovative approach:	0 to 30 points
(d3) Environmental benefits:	0 to 10 points

Additionally, the following conditions are scrutinised:

(e3) Avoidance of unacceptable distortions of competition:	Yes / No
(f3) Financial request justified:	Yes / No

Proposals must achieve a total score of at least 60 points and simultaneously must have reached a threshold of 18 points for

each of the criteria (a3), (b3) and (c3), as well as a 'Yes' for (e3) and (f3), to be eligible for funding.

Though sustainability of operation beyond duration of EC subsidy, i.e. viability is not an essential requirement for common learning actions, it will be taken as a positive element under evaluation criterion (b3).

11. HOW TO PREPARE A PROPOSAL

The objective of this and the following chapters is to guide proposers through the application process.

The principal objective of a **proposal** is to achieve funding and therefore should be written in a way to enable the evaluation panel to judge all eligibility criteria as well as the quality of the type of action presented with regards to all relevant evaluation criteria. It should be sized and structured according to the following guidelines:

A complete proposal consists of:

- I. A one-page project overview form (A4), followed by a declaration by the applicant form (A4),
- II. Then, up to ten single-sided A4 pages of main text (in font size 12),
- III. Finally, the annexes to support the claims made in the main text.

Note that the annexes (part III) will always be treated in strict confidence by Commission staff. During the selection process the project overview form (part I) will be used to provide other parties outside the Commission, which are involved in the selection process such as the Programme Committee and the European Parliament, with timely information. After the selection process has terminated the Commission reserves the right to publish the project overview forms.

Moreover, the main text (part II) will be sent in confidence to the members of the Programme Committee for information. Specific items to be treated confidentially within the main text may be placed in a special annex under part III.

Proposals may be submitted in all official languages of the Community, however, to facilitate the evaluation English is preferred.

11.0. *All Types of Action*

This sub-chapter applies to all types of action: modal shift, catalyst and common learning ⁽¹²⁾.

⁽¹²⁾ Some of the key elements may not be applicable to common learning actions. In these cases 'NA' should be entered.

11.0.1. Project Overview Form

The **one-page project overview form** must be completed to present the key elements **I.1 to I.14** of a proposed action. The form is given as appendix 4 to this call and is also available for downloading from the Marco Polo web site (see chapter 13 for the Internet address).

The key elements are:

- I.1. Title of proposal ⁽¹³⁾
- I.2. Acronym for proposal ⁽¹⁴⁾
- I.3. Type of action applied for (G1 eligibility criterion)
- I.4. Lead partner's full address
- I.5. Contact person's name (full address only if different from lead partner's address)
- I.6. Other partners' names and countries
- I.7. Project idea (max 2 000 characters)
- I.8. Entire transport/logistics route (max 500 characters)
- I.9. New 'modally-shifted' part of route (max 500 characters)
- I.10. Duration of EC subsidy
- I.11. Total modal shift generated over duration of EC subsidy
- I.12. Environmental benefits B (EUR)
- I.13. Total eligible cost of action C_{total} (EUR)
- I.14. EC subsidy requested S (EUR)

11.0.2. Declaration by the Applicant Form

Additionally, a declaration must be completed and signed by the lead partner. The declaration form is given as appendix 5 of this call and is also available for downloading from the Marco Polo web site (see chapter 13 for the Internet address).

⁽¹³⁾ Short, but meaningful name for the proposed action. This is important for document handling and comparative discussions in the evaluation panel. The title should be well chosen.

⁽¹⁴⁾ Acronym (max. 20 characters) for the proposal to provide a handy abbreviation of the title. This is important for document handling and comparative discussions in the evaluation panel. The acronym should be well chosen.

11.1. **Modal Shift Actions**

This sub-chapter applies to modal shift actions only.

II. Main Text of Proposal

II.1. Description of Action

Detailed description of concept for new/significantly enhanced service addressing in particular:

II.1.1. General eligibility criteria G2 to G7 (see chapter 5). For G3 the ownership relation between all undertakings of the consortium must be revealed.

II.1.2. Specific eligibility criteria M1 to M3 (see chapter 6.1), for M3 only a brief outline and visualisation of old 'road'-route (visualisation by proposal's annex 1).

II.1.3. Segment(s) of freight market.

II.1.4. Quantity of freight shifted (total and development over time of EC subsidy).

II.2. Credibility and Viability of Operation

Detailed description of consortium as well as operational and financial aspects addressing in particular:

II.2.1. Full co-ordinates ⁽¹⁵⁾ of lead partner, contact person ⁽¹⁶⁾, all other partners in the consortium and, if any, all subcontractors involved in the action.

II.2.2. Experience and track record of all partners and leading individuals (substantiated by proposal's annexes 4 and 5).

II.2.3. Development of service, based on business plan and market research, including **financial justification of subsidy request** (substantiated by proposal's annexes 2, 3 and 6) ⁽¹⁷⁾.

⁽¹⁵⁾ Full co-ordinates consist of all details to allow timely and unambiguous delivery of mail as well as telephone, fax number and email address.

⁽¹⁶⁾ **The name of the contact person (only one) is essential**, because he/she is the individual to whom correspondence concerning the selection procedure should be sent. This person is normally an individual working at the lead partner of the consortium.

⁽¹⁷⁾ **All Sources of funding:** Please state here how the total financing of the project is envisaged (own means, loans, or further public funding). **Important note:** the EC-subsidy may be given **in addition** to other public funding, as long as this does not constitute illegal state aid, and as long as the combined public subsidy does not surpass the maximum subsidy rate of eligible costs. This rate is action type dependent (see chapter 4 'financial conditions').

II.2.4. Avoidance of unacceptable distortion of competition demonstrated by clear delimitation of proposed service against other already **existing non-road** freight transport services ⁽¹⁸⁾.

II.3. Environmental Benefits

Detailed description of the benefits to the environment (see call appendix 3), addressing in particular:

II.3.1. Detailed presentation of old 'road'-route and new 'modally shifted' route.

II.3.2. Qualitative environmental (& social) benefits.

II.3.3. Quantitative environmental (& social) benefits. Presentation of detailed calculation of benefits allowing easy verification by evaluation panel (see worked example given in call appendix 3).

III. Annexes ⁽¹⁹⁾

III.1. Map visualising the old 'road'-route and the new 'modally-shifted'-route.

III.2. Figure(s) visualising the business development (e.g. tonne-kilometres and loss/profit versus time).

III.3. Business plan, including table with annual figures covering duration of EC subsidy plus at least one year afterwards.

III.4. Latest annual financial statement of lead partner, validated by an approved external auditor.

III.5. CVs of leading individual(s) of consortium.

III.6. Result summary of market research, including for instance letters of intent of potential customers.

11.2. Catalyst Actions

This sub-chapter applies to catalyst actions only.

Conceptually, a proposal for a catalyst action should be done in 3 steps: In step 1 the European structural market barrier for

freight transport in short sea shipping, rail or inland waterway should be clearly defined. Then in step 2 a highly innovative solution to overcome the barrier is presented, and finally in step 3 a modal shift service of growth and replication potential is proposed for timely implementation. Note that since costs arise normally only in step 3, the information to be provided in step 3 is nearly identical to a pure modal shift action proposal. However, the theoretical upper limit of 1 Euro per 500 tonnes-kilometres is not applicable here.

Important note: In case proposers are not able to clearly define the structural market barrier ⁽²⁰⁾, they are strongly advised **not** to apply for a catalyst action.

II. Main Text of Proposal

II.1. Description of Action

Detailed description of innovative approach to overcome a European structural market barrier of European dimension and timely implementation of modal shift service, addressing in particular:

II.1.1. Definition of structural market barrier for freight transport short sea shipping, rail or inland waterway (if possible, visualisation by proposal's annex 0).

II.1.2. Innovative solution to overcome the structural market barrier (if possible, visualisation by proposal's annex 0).

II.1.3. General eligibility criteria G2 to G7 (see chapter 5). For G3 the ownership relation between all undertakings of the consortium must be revealed.

II.1.4. Specific eligibility criteria C1 to C3 (see chapter 6.2), for C3 only brief outline and visualisation of old 'road'-route (visualisation by proposal's annex 1).

II.1.5. Segment(s) of freight market.

II.1.6. Quantity of freight shifted (total and development over time of EC subsidy).

⁽¹⁸⁾ Delimitation for instance possible by choosing a different old 'road'-route between two points A and B, a different segment of the freight market and/or a different list of potential customers. Whether the delimitation is sufficient, will be judged case by case by the Commission.

⁽¹⁹⁾ **Annexes 1 to 5 are obligatory.** Provision of annex 6 is highly recommended. The addition of further annexes is left to the discretion of the proposers.

⁽²⁰⁾ **Structural market barrier** shall mean any non-regulatory, factual and non-temporary impediment to the proper functioning of the freight transport chain (see also appendix 1 'Definitions').

II.2. Credibility and Viability of Operation

Detailed description of consortium as well as operational and financial aspects addressing in particular:

II.2.1. Full co-ordinates⁽²¹⁾ of lead partner, contact person⁽²²⁾, all other partners in the consortium and, if any, all subcontractors involved in the action.

II.2.2. Experience and track record of all partners and leading individuals (substantiated by proposal's annexes 4 and 5).

II.2.3. Development of service based on business plan and market research, including **financial justification of subsidy request** (substantiated by proposal's annexes 2, 3 and 6)⁽²³⁾.

II.2.4. Avoidance of unacceptable distortion of competition demonstrated by clear delimitation of proposed service against other already **existing non-road** freight transport services⁽²⁴⁾.

II.3. Environmental Benefits

Detailed description of the benefits to the environment (see call appendix 3), addressing in particular:

II.3.1. Detailed presentation of old 'road'-route and new 'modally shifted' route.

II.3.2. Qualitative environmental (& social) benefits.

II.3.3. Quantitative environmental (& social) benefits. Presentation of detailed calculation of benefits allowing easy verification by evaluation panel (see example given in call appendix 3).

II.4. Dissemination Plan

Since similar market barriers might exist on other European routes, proposers are required to foresee at one stage within the duration of the subsidy to disseminate their solution. Here a brief description of a plan on informing all parties concerned should be presented.

III. Annexes⁽²⁵⁾

III.0. Flow chart or other graphics visualising the structural market barrier and its solution.

III.1. Map visualising the old 'road'-route and the new 'modally-shifted'-route.

III.2. Figure(s) visualising the business development (e.g. tonne-kilometres and loss/profit versus time).

III.3. Business plan, including table with annual figures covering duration of EC subsidy plus at least one year afterwards.

III.4. Latest annual financial statement of lead partner, validated by an approved external auditor.

III.5. CVs of leading individual(s) of consortium.

III.6. Result summary of market research, including for instance letters of intent of potential customers.

11.3. *Common Learning Actions*

This sub-chapter applies to common learning actions only.

Conceptually, a proposal for a common learning action should at least promote or help in achieving modal shift of freight in Europe in order to be instrumental in reaching the overall objective of the Marco Polo Programme.

II. Main Text of Proposal

II.1. Description of Action

Detailed description of concept for improvement of co-operation and sharing of know-how, addressing in particular:

⁽²¹⁾ Full co-ordinates consist of all details to allow timely and unambiguous delivery of mail as well as telephone, fax number and email address.

⁽²²⁾ **The name of the contact person (only one) is essential**, because he/she is the individual to whom correspondence concerning the selection procedure should be sent. This person is normally an individual working at the lead partner of the consortium.

⁽²³⁾ **All Sources of funding:** Please state here how the total financing of the project is envisaged (own means, loans, or further public funding). **Important note:** the EC-subsidy may be given **in addition** to other public funding, as long as this does not constitute illegal state aid, and as long as the combined public subsidy does not surpass the maximum subsidy rate of eligible costs. This rate is action type dependent (see chapter 4 'Financial Conditions').

⁽²⁴⁾ Delimitation for instance possible by choosing a different old 'road'-route between two points A and B, a different segment of the freight market and/or a different list of potential customers. Whether the delimitation is sufficient, will be judged case by case by the Commission.

⁽²⁵⁾ **Annexes 1 to 5 are obligatory.** Provision of annexes 0 and 6 is highly recommended. The addition of further annexes is left to the discretion of the proposers.

II.1.1. General eligibility criteria G2 to G7 (see chapter 5). For G3 the ownership relation between all undertakings of the consortium must be revealed.

II.1.2. Specific eligibility criteria L1 and L2 (see chapter 6.3).

II.1.3. Description of co-operation improvements and/or description of know-how shared.

II.1.4. Presentation of training plan (if possible, visualisation by proposal's annex 1).

II.2. Credibility and Viability of Operation

Detailed description of consortium as well as operational and financial aspects addressing in particular:

II.2.1. Full co-ordinates ⁽²⁶⁾ of lead partner and contact person ⁽²⁷⁾, all other partners in the consortium and, if any, all subcontractors involved in the action.

II.2.2. Experience and track record of all partners and leading individuals (substantiated by proposal's annexes 4 and 5).

II.2.3. Development of service based on business plan and market research, including **financial justification of subsidy request** (substantiated by proposal's annexes 2, 3 and 6) ⁽²⁸⁾.

II.3. Innovative Approach

Detailed description of innovative approach on how to achieve maximum impact of the common learning action in Europe.

II.4. Environmental Benefits

Detailed description of the benefits to the environment (see call appendix 3). Since direct modal shift is normally not achieved by common learning actions,

⁽²⁶⁾ Full co-ordinates consist of all details to allow timely and unambiguous delivery of mail as well as telephone, fax number and email address.

⁽²⁷⁾ **The name of the contact person (only one) is essential**, because he/she is the individual to whom correspondence concerning the selection procedure should be sent. This person is normally an individual working at the lead partner of the consortium.

⁽²⁸⁾ **All Sources of funding:** Please state here how the total financing of the project is envisaged (own means, loans, or further public funding). **Important note:** the EC-subsidy may be given **in addition** to other public funding, as long as this does not constitute illegal state aid, and as long as the combined public subsidy does not surpass the maximum subsidy rate of eligible costs. This rate is action type dependent (see chapter 4 'Financial Conditions').

the proposer is free to present here any positive effect on the environment/society.

III. Annexes ⁽²⁹⁾

III.1. Flow chart or other graphics visualising the training plan.

III.2. Figure(s) visualising the business development (e.g. individuals trained and loss/profit versus time).

III.3. Business plan, including table with annual figures covering duration of EC subsidy plus at least one year afterwards.

III.4. Latest annual financial statement of lead partner, validated by an approved external auditor.

III.5. CVs of leading individual(s) of consortium.

III.6. Result summary of market research, including for instance letters of intent of potential customers.

It is **essential** for all proposals that the name, address, telephone, e-mail address and fax number of the contact person (one only) to whom correspondence concerning the selection procedure should be sent, is provided. This person is normally an individual working at the lead partner of the consortium.

12. HOW TO SUBMIT A PROPOSAL

Applications must be submitted according to the structure given separately for each type of action in chapter 11. A mixing of actions in a single proposal is not allowed (see chapter 5 'General Eligibility Criterion' G1). The proposal will need to be fully completed, including a proposed budget following the structure indicated. For each application, the applicant must supply **one signed original and five copies**.

A proposal should be given a short title or acronym and pages should be numbered throughout to minimise handling risks. It is the responsibility of the proposer that **original and copies are identical and complete**.

⁽²⁹⁾ **Annexes 1 to 5 are obligatory.** Provision of annex 6 is highly recommended. The addition of further annexes is left to the discretion of the proposers.

The proposal submitted will need to be signed and stamped by the lead partner, at the end of the main proposal text (before the annexes).

For any financial statements, originals will be needed in a later phase only. Photocopies can be forwarded at this stage of the procedure.

Applicants interested in these EC subsidies are invited to submit their application to the European Commission.

Applications may be submitted:

- (a) either **by registered letter** postmarked **no later than the closing date for submission** (see chapter 14 'Timetable'), addressed to:

European Commission
Directorate-General for Energy and Transport
DM 28, 0/91 Courier/archives
B-1049 Brussels

- (b) **or by delivery to the central mail service of the European Commission** (personal delivery or delivery by any authorised representative of the applicant, including private delivery services) at the following address:

European Commission
Courier Central
Rue de Genève 1
B-1140 Brussels

by 16.00 (Brussels time) **on the closing date for submission** (see chapter 14 'Timetable') at the latest. In this case, proof of submission will be by means of a dated and signed receipt issued by the receiving official in the above mentioned department.

Applications received by the Commission after the closing date will not be taken into consideration.

Applications may not be delivered to the Directorate-General for Energy and Transport (whether personal delivery or delivery by any authorised representative of the applicant, including private delivery services).

Proposals must be submitted inside two sealed envelopes. The inner envelope must bear the words:

Call for Proposals

TREN/G4/SUB/03-2003

Marco Polo Programme

NOT TO BE OPENED BY THE POSTAL SERVICE

DM 28, 0/91 Courier/archives

If self-adhesive envelopes are used, they must be sealed with adhesive tape and the sender must sign across that tape.

Additionally, for any means of submission, proposers are advised to send at the same time the completed Project Overview Form (part I of the full proposal) by fax or email to the secretariat given in chapter 13 to announce the submission. This fax is **not** obligatory.

13. SECRETARIAT FOR INFORMATION AND ASSISTANCE

Applications should **not** be delivered to this address (see previous chapter). This address is reserved for information and assistance services provided by the Marco Polo Help Desk.

European Commission — **Marco Polo Help Desk**
Directorate-General for Energy and Transport
Directorate G – Unit G4 'Intermodality and Logistics'
Ref.: Call for Proposals 2003
Rue de Mot/De Motstraat 28
B-1040 Brussels
Fax (32-2) 296 37 65
E-mail: tren-marco-polo@cec.eu.int
Internet: http://europa.eu.int/comm/transport/marcopolo/index_en.htm

14. TIMETABLE

Closing date for submission of application	10 December 2003
Date of opening of first batch of applications	12 December 2003
Estimated date of opening of second batch of applications	22 December 2003
Estimated date for completion of selection procedure	16 April 2004
Estimated date of notification of applicants	From 23 April 2004 onwards
Estimated date for signature of EC subsidy contracts	From 26 May 2004 onwards

*Appendix 1***Definitions**

For the purpose of this call the following definitions apply:

- (a) 'action' shall mean any project related to the logistics market, executed by undertakings, which contributes to reducing congestion in the road freight transport system and/or to improving the environmental performance of the transport system by optimising transport to and from intermodal transport chains, in the territories of the Member States;
 - (b) 'modal shift action' shall mean any action directly and immediately shifting freight from road to short sea shipping, rail, inland waterways or a combination of modes of transport in which road journeys are as short as possible, without being a catalyst action;
 - (c) 'catalyst action' shall mean any innovative action aimed at overcoming Community-relevant structural barriers in the market for freight transport which impede the efficient functioning of the markets, the competitiveness of short sea shipping, rail, or inland waterways, and/or the efficiency of transport chains making use of these modes; for the purpose of this definition, 'structural market barrier' shall mean any non-regulatory, factual and non-temporary impediment to the proper functioning of the freight transport chain;
 - (d) 'common learning action' shall mean any action aimed at improving co-operation for structurally optimising working methods and procedures in the freight transport chain, taking into account the requirements of logistics;
 - (e) 'accompanying measure' shall mean any measure which seeks to prepare for or to support current or future actions, inter alia dissemination activities and project monitoring and evaluation, and the collection and analysis of statistical data. Measures devoted to the commercialisation of products, processes or services, marketing activities and sales promotion are not 'accompanying measures';
 - (f) 'preparatory measure' shall mean any action in preparation for a catalyst action, such as technical, operational or financial feasibility studies and equipment tests;
 - (g) 'consortium' shall mean any arrangement by which at least two undertakings execute together and share the risk concerning an action;
 - (h) 'undertaking' shall mean any entity engaged in an economic activity, regardless of the legal status of the entity and the way in which it is financed;
 - (i) 'ancillary' shall mean necessary, but subordinate, to achieve the goals of 'modal shift actions' or 'catalyst actions';
 - (j) 'tonne-kilometre' shall mean the transport of a tonne of freight, or its volumetric equivalent, over a distance of one kilometre;
 - (k) 'close third country' shall mean any non-Member State of the European Union or candidate country for accession to the European Union with a common border with the European Union or with a coastline on a closed or semi-closed sea neighbouring on the European Union.
-

Appendix 2

Work Programme 2003

The work programme for 2003 of the Marco Polo Programme consists of two parts, a multi-annual and a specific part for 2003.

1. Multi-annual Part

The multi-annual part is laid down in the Marco Polo regulation text itself, and therefore remains unchanged as long as the current version of the regulation is valid ⁽¹⁾. This part is the basis of the other parts of this call text and fully integrated therein.

2. Specific Part for 2003

In the specific part for 2003 the following arrangements apply. They are therefore in addition to the multi-annual part valid for this call:

- (a) The available budget is EUR 15 million, with which the Commission envisages to fund a maximum of fifteen (15) projects (see also chapters 2 and 3).
- (b) The political priority targets are defined separately for each type of action.

2.1. Political Priority Targets for Modal Shift Actions

There are no political priority targets for modal shift actions

2.2. Political Priority Targets for Catalyst Actions

Intra-European maritime freight services, meeting at least one of the conditions below:

- Road-competitive quality of service;
- Central integrated control of the services and offer of a 'door-to-door' concept;
- High-quality in terms of punctuality, client information and transshipment concepts;
- Overcoming natural geographic barriers, such as the Alps and the Pyrenees, or involving the Baltic or Adriatic Sea.

Through-interoperable rail services, meeting at least one of the conditions below:

- Road-competitive quality of service;
- Central integrated control of the services and offer of a 'door-to-door' concept;
- Guaranteed departures and arrival times;
- Compensation system for quality deficiencies;
- Applied international interoperability of equipment, safety or information systems.

Inland waterway services integrated with rail or maritime shipping, meeting at least one of the conditions below:

- Road-competitive quality of service;
- Central integrated control of the services and offer of a 'door-to-door' concept;
- Optimisation of transshipment with other modes in terms of cost efficiency, handling speed and information technology;
- The inland waterway service must be linked with a rail or maritime shipping service.

⁽¹⁾ Regulation (EC) No 1382/2003 of the European Parliament and of the Council of 22 July 2003 on granting of Community financial assistance to improve the environmental performance of the freight transport system ('Marco Polo Programme') (OJ L 196, 2.8.2003, p. 1).

Transport services that shift road freight traffic to a combination of short sea shipping, rail and inland waterways modes of transport in which road journeys are as short as possible, meeting at least one of the conditions below:

- Road-competitive quality of service;
- Central integrated control of the services and offer of a 'door-to-door' concept;
- Optimisation of transshipment with other modes in terms of cost efficiency, handling speed and information technology.

2.3. *Political Priority Targets for Common Learning Actions*

Common learning actions including mutual training, addressing at least one of the following topics:

- Adapting procedures and methods in transport systems to meet today's logistics requirements;
- Improving procedures and methods in sea and inland ports;
- Co-operation between railways and inland waterway and/or short sea shipping and/or road;
- Integration of inland waterway transport in the logistics supply chain ('door-to-door' concept);
- New co-operation and capacity management models in rail;
- Improving pricing, procedures and methods in the terminal;
- European training centres;
- Actions to increase the demand for non-road transport;
- Actions aiming to improve shippers' understanding of intermodal freight transport.

Appendix 3

Route of Transport Service ⁽¹⁾

A clear definition and presentation of both the old 'road'-route and the new 'modally shifted'-route is obligatory for modal shift and catalyst actions.

1. Concept

The overall objectives of the Marco Polo Programme are to reduce road congestion, to improve the environmental performance of the freight transport system and to enhance intermodal transport, thereby contributing to an efficient and sustainable transport system. A freight traffic shift from road to short sea shipping, rail and inland waterways, or to a combination of modes of transport in which road journeys are as short as possible must be effected.

In an action, first the entire route should be described (preferably door-to-door), i.e. including the initial freight collection and final distribution leg by truck, if any. In a second step it should be shown, which parts of the transport/logistics chain are to be shifted from road to short sea shipping, rail and inland waterways.

2. Modal Shift

The effected modal shift is to be measured in tonnes-kilometres (see definitions in Appendix 1) and principally based on the route the freight would have taken on the road, if not being shifted to the allowed alternative modes of transport, i.e. **the modal shift calculation is based on the old 'road'-route only.**

Important note: Referring to chapter 6 of the main text 'Specific Eligibility Criteria', the envisaged road route from which freight is shifted by the action, i.e. the old 'road'-route, must be situated on the territory of at least two EU Member States or on the territory of at least one EU Member State and a close third country (see definitions in Appendix 1). However, since only costs arising on the territory of countries fully participating ⁽²⁾ in the Marco Polo Programme may be subsidised by the Programme, also only that part of the route may be used in calculating the effective modal shift in tonnes-kilometres. This is of particular importance to modal shift actions when determining their maximum, theoretically possible Community financial assistance. Note that this upper limit applies to modal shift actions only.

⁽¹⁾ In first instance, common learning actions are not required to be concerned with a transport route. However, there are elements discussed in this chapter, such as environmental benefits, which could be also of relevance to this type of action.

⁽²⁾ Under this call these countries are the 15 EU Member States only. I.e. no close third country is fully participating under this call.

Formulae:

$$S_{\max} = r_{\max} \times C_{\text{total}} \text{ for all actions}$$

$$S_{\text{limit}} = F_{\text{old}} \times I \quad \text{for modal shift actions only, with } F_{\text{old}} = W \times L_{\text{old}}$$

Definitions:

$S_{\max}$ is the maximum subsidy due to the restriction induced by the combination of maximum subsidy rate with total eligible costs.

$r_{\max}$ is the maximum subsidy rate, which is different for each type of action.

C_{total} is the total eligible cost of the action.

S_{limit} is the upper limit for the theoretically possible subsidy for modal shift actions.

I is the subsidy intensity for modal shift actions of 1 Euro per 500 tonne/kilometres.

F_{old} is the freight transported on the old 'road'-route in tonne-kilometres.

W is the weight of the freight transported during the duration of the subvention contract.

L_{old} is the length of the old 'road'-route in kilometres.

3. Environmental Benefits

Environmental benefits may have quantitative and qualitative elements.

3.1. Qualitative Benefits

Qualitative environmental benefits from the proposed action could be for instance, that the new 'modally-shifted' route avoids heavily populated areas and/or natural resorts.

3.2. Quantitative Benefits

The environmental benefits calculation is based on a **comparison of the relevant external costs for old 'road'-route with the new 'modally shifted'-route**. They shall be calculated by the method described below. In similarity to modal shift (chapter 2 of this appendix), also only benefits achieved on the territory of countries fully participating in the Marco Polo Programme may be used for this calculation.

In case freight is only shifted for a single element of the transport/logistics chain, the calculation is just the subtraction of two products:

Formulae:

$$B(\text{€}) = C_{\text{old}} - C_{\text{new}} \quad , \text{ with } \quad C_{\text{new}} = e_{\text{new}} \times F_{\text{new}} \quad , \text{ and } \quad F_{\text{new}} = W \times L_{\text{new}}$$

$$C_{\text{old}} = e_{\text{old}} \times F_{\text{old}} \quad , \text{ and } \quad F_{\text{old}} = W \times L_{\text{old}}$$

$$R_S = B/S$$

$$R_T = B/F_{\text{old}}$$

Definitions:

B is the monetised environmental benefit in Euros.

C_{new} is the external cost of the new 'modally shifted'-route in Euros.

C_{old} is the external cost of the old 'road'-route in Euros.

e_{new} is the specific external cost of the alternative mode of transport in Euros per tonne-kilometre.

e_{old} is the specific external cost of the road transport in Euros per tonne-kilometre (t/km).

F_{new} is the freight transported on the new 'modally-shifted'-route in tonne-kilometres.

F_{old} is the freight transported on the old 'road'-route in tonne-kilometres.

W is the weight of the freight transported during the duration of the subvention contract.

L_{new} is the length of the new 'modally shifted'-route in kilometres.

L_{old} is the length of the old 'road'-route in kilometres.

R_S is the (dimensionless) environmental efficiency of the Community subsidy.

R_T is the environmental efficiency of the shifted traffic volume in Euros per tonne/kilometre.

S is the actually requested Community subsidy in Euros.

Table of Specific External Costs for the Environment (and to Society)

Mode of Transport	Specific External Costs e_{old} and e_{new} ⁽¹⁾ (EUR per tonnes/kilometre)
Road	0,024
Short Sea Shipping ⁽²⁾	0,004
Rail	0,012
Inland Waterway ⁽³⁾	0,005

⁽¹⁾ Specific external costs taken into account are noise, pollutants and climate costs as well as accidents, infrastructure and congestion as discussed in annex II of the explanatory memorandum of the Commission's original proposal for the Marco Polo Programme COM(2002) 54 final of 4.2.2002 on pages 31 to 33 (English version).

⁽²⁾ Note that this external cost figure assumes fuel sulphur content of 1,5 %. In future calls it will be considered whether short sea shipping operators benefiting from subsidy should use fuel having no more than 1,5 % sulphur. In the present call usage of such environmentally friendly fuels is on a voluntary basis.

⁽³⁾ Note that this external cost figure assumes a fuel sulphur content of 0,0345 %. In future calls it will be considered whether short sea shipping operators benefiting from subsidy should use fuel having no more than 0,0345 % sulphur. In the present call usage of such environmentally friendly fuels is on a voluntary basis.

Note: Specific external cost figures are valid for the whole of Europe.

3.3. Example

Let's imagine a modal shift action, where trucks would have been transporting in 3 years 300 000 Tonnes of freight on a road route of 1 800 kilometres between port A and port B, if the entire route had not been shifted to short sea shipping. The sea route length is 2 400 kilometres. The old 'road'-route would have been running entirely on EU territory. The estimate of total eligible costs is 3 million Euros.

a) *Calculation of environmental benefits:*

$$L_{\text{old}} = 1\,800 \text{ km}$$

$$L_{\text{new}} = 2\,400 \text{ km}$$

$$W = 300\,000 \text{ t}$$

$$F_{\text{old}} = 1\,800 \times 300\,000 = 540\,000\,000 \text{ t/km}$$

$$F_{\text{new}} = 2\,400 \times 300\,000 = 720\,000\,000 \text{ t/km}$$

$$e_{\text{old}} = 0,024 \text{ EUR/(t/km)}$$

$$e_{\text{new}} = 0,004 \text{ EUR/(t/km)}$$

$$C_{\text{old}} = 0,024 \times 540\,000\,000 = 12\,960\,000 \text{ EUR}$$

$$C_{\text{new}} = 0,004 \times 720\,000\,000 = 2\,880\,000 \text{ EUR}$$

$$B = 12\,960\,000 - 2\,880\,000 = 10\,080\,000 \text{ EUR}$$

Hence, the environmental (& social) benefit for this example modal shift action would be 10,08 million Euros.

b) *Calculation of final subsidy request:*

$$F_{\text{old}} = 1\,800 \times 300\,000 = 540\,000\,000 \text{ t/km}$$

$$S_{\text{limit}} = 540\,000\,000 \times 1/500 = 1\,080\,000 \text{ EUR}$$

Hence, the (theoretical) upper limit for Community financial support given by the Marco Polo Programme would be 1,08 million Euros for this modal shift action.

$$r_{\text{max}} = 30 \%$$

$$C_{\text{total}} = 3\,000\,000 \text{ EUR}$$

$$S_{\text{max}} = 0,30 \times 3\,000\,000 = 900\,000 \text{ EUR}$$

Finally, the restriction through maximum subsidy rate and total eligible costs would allow the applicants to apply for a Marco Polo subsidy of up to 0,90 million Euros only. But based on their business plan, they actually apply to the Marco Polo Programme for 0,80 million Euros subsidy only.

$$S = 800\,000 \text{ EUR}$$

In the example the applicants actually request 0,80 million Euros only, because they otherwise would have made a profit during the duration of the EC subsidy ⁽¹⁾ (see chapter 4 'Financial Conditions' of main call text).

c) *Environmental Efficiency:*

$$R_S = 10\,080\,000 : 800\,000 = 12,6$$

$$R_T = 10\,080\,000 : 540\,000\,000 = 0,0187 \text{ EUR/(t/km)}$$

In this example the environmental efficiency of the subsidy is 12,6, meaning that for each Euro of subsidy spent, the benefits to society are 12,6 Euros. The environmental efficiency of the shifted traffic volume is 0,0187 Euros per tonne-kilometre, meaning that society benefits with nearly 2 Cents for each tonne of freight shifted away per kilometre of the old 'road'-route.

⁽¹⁾ Other reasons for not requesting S_{max} could be availability of other public funding.

*Appendix 4***Project Overview Form ⁽¹⁾ Marco Polo Programme**

- I.1. Title of proposal:
- I.2. Acronym for proposal:
- I.3. Type of action applied for:
- I.4. Lead partner's full address:
- I.5. Contact person's name, tel., fax and email:
- I.6. Other partners' names and countries:
- I.7. Project idea (max. 2 000 characters):
- I.8. Entire transport/logistics route (max. 500 characters):
- I.9. New 'modally-shifted' part of route (max. 500 characters):
- I.10. Duration of EC subsidy:
- I.11. Total modal shift generated over duration of EC subsidy:
- I.12. Environmental benefits B (EUR):
- I.13. Total eligible cost of action C_{total} (EUR):
- I.14. EC subsidy requested S (EUR):

⁽¹⁾ See main text of call, chapter 11. 'How to Prepare a Proposal', for explanations on how to complete this form.

Appendix 5

Declaration by the Applicant Form

In accordance with Article 114 § 2 on the award procedure of the Financial Regulation published in Official Journal L 248 of 16 September 2002 and in accordance with the detailed rules for implementation published in Official Journal L 357 of 31 December 2002, I declare on my honour that I am not in any of the following situations which would exclude me from participating in a grant award procedure:

- (a) I am not bankrupt, being wound up or having my affairs administered by the courts, I have not entered into an arrangement with creditors, I have not suspended business activities, I am not the subject of proceedings concerning any such matters, and I am not in any similar situation arising from a similar procedure provided for in legislation or regulations;
- (b) I have not been convicted of an offence concerning my professional judgement by a judgement which has the force of *res judicata*;
- (c) I have not been found guilty of grave professional misconduct proven by any means which the contracting authority can justify;
- (d) I have not failed to fulfil obligations relating to the payment of social security contributions or the payment of taxes in accordance with the legal provisions of the country in which I am established or with those of the country or the contracting authority or those of the country where the contract is to be performed;
- (e) I have not been the subject of a judgement which has the force of *res judicata* for fraud, corruption, involvement in a criminal organisation or any other illegal activity detrimental to the Communities' financial interests;
- (f) as a consequence of another procurement or grant procedure financed by the Community budget, I have not been declared to be in serious breach of contract for failure to comply with my contractual obligations.

I undertake to provide, as soon as possible, documents in connection with points (a), (b), (d) and (e) at the request of the European Commission, failing which I expose myself to the risk of being definitively excluded from the procedure in accordance with Article 114 of the Financial Regulation and Articles 134 and 174 of the detailed rules for implementation.

I also confirm that this application for funding is not the subject of any other application for funding under the Community budget.

Done at on

Name:

Function:

Signature:

EUROPEAN PERSONNEL SELECTION OFFICE

Notice of open competition

(2003/C 245/07)

The European Personnel Selection Office (EPSO) is organising open competition EPSO/B/15/03 (B 5/B 4) for Administrative Assistants (Slovak language) in the fields 'Production coordination' and 'Proofreading' for the production of publications ⁽¹⁾.

⁽¹⁾ OJ C 245 A, 11.10.2003 (German, English and French language editions).