

# Procedure file

Basic information	
CNS - Consultation procedure Regulation	2000/0112(CNS) Procedure completed
European Agency for Reconstruction: creation and operation  Amended by <a href="#">2001/0223(CNS)</a> Amended by <a href="#">2002/0168(CNS)</a> Amended by <a href="#">2004/0133(CNS)</a> Amended by <a href="#">2004/0145(CNS)</a> Amended by <a href="#">2006/0057(CNS)</a>  Subject 6.10.05 Peace preservation, humanitarian and rescue tasks, crisis management 6.40.03 Relations with South-East Europe and the Balkans 8.40.08 Agencies and bodies of the EU  Geographical area Yugoslavia, Federal Republic - 01/2003	

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	<b>AFET</b> Foreign Affairs, Human Rights, Common Security, Defense	V/ALE <a href="#">LAGENDIJK Joost</a>	24/05/2000
	Committee for opinion	Rapporteur for opinion	Appointed
	<b>BUDG</b> Budgets	PSE <a href="#">FÄRM Göran</a>	19/07/2000
Council of the European Union	<b>CONT</b> Budgetary Control	V/ALE <a href="#">STAES Bart</a>	11/07/2000
	<b>ITRE</b> Industry, External Trade, Research, Energy (Associated committee)	PSE <a href="#">WESTENDORP Y CABEZA Carlos</a>	12/10/2000
	Council configuration	Meeting	Date
European Commission	Industry	<a href="#">2318</a>	05/12/2000
	<a href="#">General Affairs</a>	<a href="#">2308</a>	20/11/2000
	<a href="#">General Affairs</a>	<a href="#">2294</a>	09/10/2000
Commission DG	Commissioner		
External Relations			

Key events			
10/05/2000	Initial legislative proposal published	COM(2000)0281	Summary

04/10/2000	Legislative proposal published	COM(2000)0628	Summary
09/10/2000	Debate in Council	<a href="#">2294</a>	
23/10/2000	Committee referral announced in Parliament		
07/11/2000	Vote in committee		Summary
07/11/2000	Committee report tabled for plenary, 1st reading/single reading	<a href="#">A5-0324/2000</a>	
14/11/2000	Debate in Parliament		
15/11/2000	Decision by Parliament	<a href="#">T5-0506/2000</a>	Summary
05/12/2000	Act adopted by Council after consultation of Parliament		
05/12/2000	End of procedure in Parliament		
07/12/2000	Final act published in Official Journal		

### Technical information

Procedure reference	2000/0112(CNS)
Procedure type	CNS - Consultation procedure
Procedure subtype	Legislation
Legislative instrument	Regulation
	Amended by <a href="#">2001/0223(CNS)</a> Amended by <a href="#">2002/0168(CNS)</a> Amended by <a href="#">2004/0133(CNS)</a> Amended by <a href="#">2004/0145(CNS)</a> Amended by <a href="#">2006/0057(CNS)</a>
Legal basis	Rules of Procedure EP 57; EC Treaty (after Amsterdam) EC 308
Stage reached in procedure	Procedure completed
Committee dossier	AFET/5/13419

### Documentation gateway

Initial legislative proposal	COM(2000)0281	10/05/2000	EC	Summary
Legislative proposal	COM(2000)0628	04/10/2000	EC	Summary
Committee report tabled for plenary, 1st reading/single reading	<a href="#">A5-0324/2000</a> <a href="#">OJ C 223 08.08.2001, p. 0006</a>	07/11/2000	EP	
Text adopted by Parliament, 1st reading/single reading	<a href="#">T5-0506/2000</a> <a href="#">OJ C 223 08.08.2001, p. 0103-0161</a>	15/11/2000	EP	Summary
Document attached to the procedure	COM(2001)0446	30/07/2001	EC	Summary
Follow-up document	<a href="#">COM(2002)0288</a>	10/06/2002	EC	Summary
Follow-up document	<a href="#">COM(2005)0710</a>	23/12/2005	EC	Summary

### Additional information

## Final act

[Regulation 2000/2667](#)

[OJ L 306 07.12.2000, p. 0007](#) Summary

## European Agency for Reconstruction: creation and operation

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**PURPOSE** : to incorporate in a new Regulation the provisions for the European Agency for Reconstruction. **CONTENT** : This Agency was established by Regulation 2454/1999/EC of 15 November 1999 amending Regulation 1628/96/EC, which is the legal basis for implementing the assistance provided under the Obnova Regulation. The proposal for a Regulation on assistance to Albania, Bosnia and Herzegovina, Croatia, the former Yugoslav Republic of Macedonia and the Federal Republic of Yugoslavia repeals Regulation 1628/96/EC. The provisions on the creation and operation of the European Agency for Reconstruction are, therefore, incorporated into a new proposal for a Regulation, with a few minor amendments to adapt them to the new Aid Regulation.?

## European Agency for Reconstruction: creation and operation

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This amended proposal, (presented before the adoption of the EP's opinion) seeks to take into account the new guidelines proposed by the Commission concerning the reform of the management of external aid. The main aim of the reform is to improve radically the speed, quality and visibility of external aid and the role of the committees responsible for helping the Commission in managing aid (comitology). The main changes relate to comitology: in particular, the management committee's opinion would be sought for the priorities and broad guidelines for assistance rather than on specific projects, in order to speed up the decision-making process. It is proposed that the management committee, together with the Commission, would examine the strategy framework (country strategy paper) on which programming is to be based. Only the multiannual and annual programmes would be submitted to the committee for its opinion. Moreover, the experience gained since the Agency began operations in February 2000 has highlighted the need to make the decision making process mechanisms connected with reconstruction programmes faster and more operational. It is proposed that the reconstruction programmes proposed by the Agency must be able to be adopted by the Commission without needing to be reviewed by the management committee, and, therefore, that the management committee procedure should not apply. The proposed modifications do not entail financial consequences.?

## European Agency for Reconstruction: creation and operation

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The committee adopted the report by Jan Joost LAGENDIJK (Greens/EFA, NL) amending the proposal under the consultation procedure. The committee wanted to broaden the agency's remit to include the restoration of civil society and the rule of law as well as measures to promote the return of refugees. It backed the decentralisation of the agency through the establishment of an operational centre, initially in Pristina, without prejudice to the establishment of other operational centres in Yugoslavia. The report also sought to speed up the provision of EU aid by simplifying decision-making procedures and increasing their transparency, especially as regards decisions of the agency's Governing Board. To avoid delays, it laid down precise deadlines for the taking of decisions. The committee also said Parliament should be consulted on the appointment of the agency's director as well as on the winding up of the agency once the Commission considered it had completed its task.?

## European Agency for Reconstruction: creation and operation

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The European Parliament has adopted, with amendments, the report drafted by Mr Jan Joost LAGENDIJK (Greens/EFA, NI) on the European Agency for Reconstruction. (Refer to the decisions of the committee responsible). With regard to the Agency's Governing Board, they shall deliver an opinion on the draft annual programme for reconstruction at the latest by 30 November. The Director, who is answerable to the Governing Board, shall forward the opinion to the Commission, which will adopt the programme before the end of the year. Moreover, the Director shall establish each year, before the end of October, a preliminary draft budget for the Agency covering administrative expenditure and the proposed operational programme for the following financial year. The budget shall also specify the number, grade and category of staff employed by the Agency during the financial year. The Agency will be subject to inspection by OLAF with a view to protecting the interests of the Community. ?

## European Agency for Reconstruction: creation and operation

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**PURPOSE** : to provide a revised Regulation setting up a European Agency for Reconstruction, taking account of the implementation of a new assistance programme to former Yugoslavia and Albania (CARDS Programme). **COMMUNITY MEASURE** : Council Regulation 2667/2000/EC on the European Agency for Reconstruction. **CONTENT** : the European Agency for Reconstruction was established by Regulation 2454/1999/EC, amending Regulation 1628/96/EC, legal basis for the implementation of assistance to the former Yugoslavia and Albania (OBNOVA Regulation). Regulation 2666/2000/EC or the CARDS Regulation reforming the assistance of these countries had been adopted on 5 December 2000 and abrogated, between others, Regulation 1628/96/EC (refer to document CNS/2000/0111). It is proposed therefore to accept the new regulation, the measures relating to the creation and the working of the European Agency for Reconstruction, by bringing about the necessary amendments in order to adapt them to the new CARDS Regulation. This is the purpose of the present Regulation. The

European Agency for Reconstruction, of which its seat is based in Thessaloniki, shall also carry out reconstruction activities in the whole of the Federal Republic of Yugoslavia (FY), Serbia included. The Commission may also delegate to the Agency the execution of the Community assistance decided upon for the Federal Republic of Yugoslavia. ENTRY INTO FORCE : 07.12.2000. The Regulation is applicable until 31.12.2004.?

## European Agency for Reconstruction: creation and operation

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This report consists of the European Agency for Reconstruction's (EAR) Annual Report 2001. On 10th December 2001 the Council decided that the mandate of the Agency should be extended to the former Yugoslav Republic of Macedonia (FYROM). On 28th December 2001, the European Commission formally conferred on the Agency the management responsibility for the FYROM 2001 Emergency Assistance Programme as of 1st January 2002, with responsibility for other programmes (past, present and future) to follow on 1st March 2002. The total sum of EU funds newly delegated to the Agency for management in 2001 amounted to some EUR 525 million. At the year-end, the Agency oversaw a total portfolio of some EUR 1.2 billion across its operational centres in Belgrade, Pristina and Podgorica. In 2001, the EC-funded programmes managed by the European Agency for Reconstruction - across three operational centres in the Republic of Serbia, Kosovo and the Republic of Montenegro - continued to focus on three main areas of activity. In physical and economic reconstruction (accounting for some 60% of funds newly delegated to the Agency in 2001, as against 76% in 2000), it continued to meet the most fundamental of needs of citizens in the realms of energy and water supply, housing and transport. This task is far from over, and substantial funding will continue to be allocated to it. In laying the foundation for the development of a market-oriented economy and fostering private enterprise (accounting for some 25% of new funds in 2001, as against 19% in 2000), it continued to support enterprise development (largely through assistance to the banking sector and to the growth of small and medium-sized enterprises, for which it also disburses small loans), as well supporting agriculture and rural communities, and better delivery through national and regional health systems. In supporting the establishment of democracy, human rights and the rule of law accounting for some 15% of new funds in 2001, as against 5% in 2000), it continued to provide training and vision for local administrations, while nurturing NGOs, the media and the judiciary. The Agency is therefore seeing a gradual shift away from its first main area of activity, towards the second and the third. This reflects the fact that, above and beyond the task of reconstructing physical infrastructure, the Agency has been entrusted with the additional - harder, more complex - task of helping to reconstruct societies and economies. This involves work which is of necessity long-term and sustainable, as well as being less quantifiable, in that it embraces the 'reconstruction' needed within communities themselves, within frameworks for a business environment, within a free press, within a functioning administration and public institutions.?

## European Agency for Reconstruction: creation and operation

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This Commission Report is being presented to the Council before 31 December 2005, in accordance with legal requirements to do so set out in the Regulation establishing the European Agency for Reconstruction (EAR), and deals specifically with the future role of the EAR.

The Commission reminds the Council that Regulation 2667/2000 setting up the EAR was amended in November 2004 to extend its application until the 31 December 2006. The seat of the EAR is in Thessaloniki with operational centres in Serbia-Montenegro, Serbia-Montenegro-Kosovo, and the former Yugoslav Republic of Macedonia. The total number of staff in 2005 amounted to some 114 temporary agents and 198 local agents, all paid by operational budget lines. In summary, the report finds:

On the matter of political considerations: The Stabilisation and Association Process (SAP) supports a closer association and eventual accession of the Western Balkans to the European Union. Currently, for historical and political reasons, the EAR differentiates between Serbia and Montenegro, Kosovo under UNSCR 1244 and the former-Yugoslav Republic of Macedonia. Community assistance for other Balkan countries, namely Croatia, Bosnia and Herzegovina and Albania are implemented in a directly centralised ? but de-concentrated way, by the Commission delegations. This Report suggests that there is no reason why this differentiation should be maintained in the light of preparations for future membership. Maintaining the status quo establishes a differentiation that is difficult to justify as well as sending blurred signals to the countries in the region.

On the future of pre-accession assistance under the IPA (2007-2013): The Commission highlights, that for the purposes of pre-accession, devolving responsibility to the Commission delegations and national administration has been a successful policy tool. A single interlocutor working through de-concentrated delegations for the purpose of implementing the EU's acquis and to help manage aid has important advantages - including the ability to build-up daily contacts with relevant officials at a local level. Further, the beneficiary countries can take full responsibility for the management of EU funds. Being in close proximity to national administrations the Commission delegations are well placed to help them in institution building. Hence, one of the main objectives of the ?Instrument for Pre-Accession Assistance? or IPA, is the full de-concentration of EU aid to the beneficiary countries. This learning process involved in this task is expected to be lengthy ? indeed the entire length of the IPA, namely 2007-2013. The Commission indicates that such a learning process towards full management of pre-accession aid by the beneficiary countries can not be achieved through the EAR. Firstly, because provisions in the EAR do not allow it to delegate powers given to it by the Commission. Secondly, the EAR does not correspond exactly to any of the entities to which the Commission may entrust tasks in accordance with the new Financial Regulation. In view of the points outlined above, the Commission proposes that in future the IPA programme should take over responsibility for implementing assistance programmes, in accordance with models used successfully for other accession countries. The Commission proposes phasing out the EAR over a relatively short period of time after 2006, whilst allowing it to complete its important work on the CARDS programme. Such an approach would require an extension of its mandate until 31 December 2008.

On transitional aspects: The task of the EAR is to implement Community assistance under the CARDS Regulation in the former-Yugoslav Republic of Macedonia and Serbia and Montenegro, including Kosovo under UN 1244. Once the EAR is disbanded the Commission will take over responsibility for completing any of the outstanding CARDS assistance programmes. The actual winding-up of the EAR will be a task for the EAR itself. At the same time, the phasing out of the EAR will have to be accompanied by an equivalent phasing in of Community assistance through the Commission delegations in the various countries concerned. This will require a transfer of financial responsibility to the new delegations and the setting up of offices in Podgorica and Pristina.. Savings from closing the EAR would be similar to the supplementary administrative expenses for the new Commission delegations. A slight increase in administrative expenditure will take place, however, in 2007 and 2008 due to the dual existence of delegations and the EAR. This expenditure is expected to decrease to 2006 levels by 2009.

To conclude, and based on the observations listed above, the European Commission intends to propose, before the 31 December 2006 a draft

Regulation with the purpose of discontinuing the EAR, whilst seeking its extension for two years (until end 2008) in order to gradually phase out its CARDS commitments. At the same time, the Commission will lay the ground for a future IPA Regulation in which assistance will be channelled through its delegations in a de-concentrated manner.