

Procedure file

| Basic information | |
|--|---------------------|
| DEC - Discharge procedure | 2008/2256(DEC) |
| 2007 discharge: European Agency for Reconstruction EAR | Procedure completed |
| Subject 8.70.03.07 Previous discharges | |

| Key players | | | |
|-------------------------------|---|---|------------|
| European Parliament | Committee responsible | Rapporteur | Appointed |
| | CONT Budgetary Control | | 26/03/2008 |
| | | PPE-DE FJELLNER Christofer | |
| | Committee for opinion | Rapporteur for opinion | Appointed |
| | AFET Foreign Affairs | The committee decided not to give an opinion. | |
| Council of the European Union | Council configuration | Meeting | Date |
| | Economic and Financial Affairs ECOFIN | 2922 | 10/02/2009 |
| European Commission | Commission DG | Commissioner | |
| | Budget | KALLAS Siim | |

| Key events | | | |
|------------|--|---|---------|
| 23/07/2008 | Non-legislative basic document published | SEC(2008)2359 | Summary |
| 20/11/2008 | Committee referral announced in Parliament | | |
| 16/03/2009 | Vote in committee | | Summary |
| 23/03/2009 | Committee report tabled for plenary | A6-0169/2009 | |
| 21/04/2009 | Debate in Parliament |  | |
| 23/04/2009 | Results of vote in Parliament |  | |
| 23/04/2009 | Decision by Parliament | T6-0299/2009 | Summary |
| 23/04/2009 | End of procedure in Parliament | | |
| 26/09/2009 | Final act published in Official Journal | | |

| Technical information | |
|-----------------------|----------------|
| Procedure reference | 2008/2256(DEC) |

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|----------------------------|---------------------------|
| Procedure type | DEC - Discharge procedure |
| Legal basis | Rules of Procedure EP 100 |
| Stage reached in procedure | Procedure completed |
| Committee dossier | CONT/6/67262 |

Documentation gateway

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|---|--|--|------------|------|---------|
| Non-legislative basic document | | SEC(2008)2359 | 23/07/2008 | EC | Summary |
| Court of Auditors: opinion, report | | N6-0004/2009 OJ C 311 05.12.2008, p. 0001 | 05/12/2008 | CofA | Summary |
| Document attached to the procedure | | 05588/2009 | 23/01/2009 | CSL | Summary |
| Committee draft report | | PE416.349 | 29/01/2009 | EP | |
| Amendments tabled in committee | | PE420.213 | 23/02/2009 | EP | |
| Committee report tabled for plenary, single reading | | A6-0169/2009 | 23/03/2009 | EP | |
| Text adopted by Parliament, single reading | | T6-0299/2009 | 23/04/2009 | EP | Summary |

Final act

[Budget 2009/671](#)
[OJ L 255 26.09.2009, p. 0176](#) Summary

2007 discharge: European Agency for Reconstruction EAR

PURPOSE: presentation of the final accounts of the European Agency for Reconstruction (EAR) for the financial year 2007.

CONTENT: this document sets out a detailed account of Agency's expenditure in 2007. According to this document, the final budget of the EAR, whose main head office is based in Thessalonica (Greece), amounted to EUR 250.2 million (compared to EUR 268.8 million in 2006).

As regards the staffing policy, the EAR officially set out 108 posts in its establishment plan. 83 are currently occupied + 165 local staff (154 currently occupied) and 29 contract staff (27 currently occupied) giving a total of 264 posts assigned to administrative and operational tasks of the Agency.

The principal operational activities in 2007 are as follows:

KOSOVO

- social economic development assistance to minority communities;
- support for civil society and the media;
- support to the ministries of Justice, Internal Affairs, Local Government, Trade and industry, Agriculture, Energy and to border management bodies and municipalities;
- capacity building of Agency for European Integration and advice on EU compatibility and participation in the SAP;
- drafting of public procurement law, and support for developing a public investment programme;
- incorporation of publicly owned utilities;
- sustainable forest management and land utilisation;
- livestock breeding and development of food safety control systems;
- support for the energy, environment, professional training, transport sectors.

SERBIA

- draft laws in public administration reform;
- supply of equipment and support to the police and the border police;
- support for Juvenile Detention Centres;
- introduction of capitation payment in state primary health care facilities;
- support for privatisation and training support for enterprises;
- support for the facilitation of FDIs;
- support for vulnerable groups including refugees and displaced persons;
- district Heating renovation and modernisation.

MONTENEGRO

- support for refugee and IDP integration and support to civil society organisations;

- strengthen environmental management;
- upgrade road infrastructure in coastal areas;
- assist Public Administration Reform: police and prison reform;
- electricity utility unbundling/restructuring, energy efficiency strategy;
- providing management expertise to companies;
- animal identification and registration system and fishery resource management.

FORMER YUGOSLAV REPUBLIC OF MACEDONIA

- twinning support on Money Laundering, Corruption and Organised Crime, Statistics, Air Quality, Financial Control;
- completing the establishment of the National Animal Identification System;
- fostering performance of SMEs and development of Human Resource Development Fund; elaborating a National Transport Strategy;
- support for civil society organisations and municipalities;
- support for the elimination of industrial hotspots, municipal waste water management and healthcare risk waste management;
- support for the programming of the Pre-accession Assistance Instrument;
- support for the implementation of professional standards in prison administrations.

The complete version of the final accounts may be found at the following address: <http://www.ear.europa.eu/agency/agency.htm>

2007 discharge: European Agency for Reconstruction EAR

The Committee on Budgetary Control adopted the report drawn up by Christofer FJELLNER (EPP-ED, SE) on discharge to be granted to the European Agency for Reconstruction, calling on the European Parliament to grant the Executive Director of the Agency discharge in respect of the implementation of its budget for the financial year 2007.

Noting that the Agency's annual accounts for the financial year 2007 are reliable, and the underlying transactions are legal and regular, MEPs approve the closure of the Agency's accounts.

However, they make a number of recommendations as part of the decision on discharge. In addition to the general recommendations appearing in the draft resolution on financial management and control of EU agencies (see [2008/2207\(INI\)](#)), MEPs make the following observations:

- follow up to the 2006 discharge exercise: MEPs recall that they requested the Commission to keep Parliament regularly informed of the transfer of activities from the Agency to delegations. MEPs note, in this respect, that the Commission sent a series of information notes concerning cooperation between the Commission and the Agency during the transition period 2007-2008 to the Chairman of the Committee on Budgetary Control. Now the Commission should submit a final report on the phasing-out of the Agency once the final accounts of the Agency have been established and the closure cell has terminated its work;
- potential risks relating to the transfer of activities from the Agency to the delegations: MEPs also recall that the Court identified potential risks related to the transfer of activities: (i) there are still unused budgetary appropriations (of EUR 453 million) which have to be implemented in years beyond 2008, which is the last year of existence of the Agency; (ii) the accumulated surplus of EUR 180 million shown in the Agency's balance sheet at 31 December 2007 will also have to be taken over and managed by the Commission at the end of the Agency's mandate. In this context, MEPs call on the Commission to inform Parliament of how the unused budgetary appropriations will be implemented and how the accumulated surplus of EUR 180 million will be managed by the Commission.

2007 discharge: European Agency for Reconstruction EAR

The European Parliament adopted a decision concerning the discharge to be granted to the Director of the European Agency for Reconstruction in respect of the implementation of its budget for the financial year 2007. This decision to grant discharge also closes the accounts of this Community agency.

In parallel, the European Parliament adopted by 417 votes to 12, with 17 abstentions, a resolution with observations which are an integral part of the decision to grant discharge.

Parliament also underlines that:

- follow up to the 2006 discharge exercise: in its resolution concerning the 2006 Commission discharge, it requested the Commission to keep it regularly informed of the transfer of activities from the Agency to delegations. It notes that the Commission notes that the Commission sent a series of information notes concerning cooperation between the Commission and the Agency during the transition period 2007-2008 to the Chairman of the Committee on Budgetary Control. The Commission will submit a final report on the phasing-out of the Agency once the final accounts of the Agency have been established and the closure cell has terminated its work;
- potential risks relating to the transfer of activities from the Agency to the delegations: Parliament notes that the Court of Auditors, in its annual report for 2007, identified three potential risks related to the transfer of activities from the Agency to the delegations: (i) due to the multi-annual character of the Agency's activity, there are still unused budgetary appropriations of EUR 453 million which have to be implemented in years beyond 2008, which is the last year of existence of the Agency; (ii) the guidance note issued by the Commission on 11 June 2008 on the transfer of files does not cover all items on the Agency's balance sheet; (iii) the accumulated surplus of EUR 180 million shown in the Agency's balance sheet at 31 December 2007 will also have to be taken over and managed by the Commission at the end of the Agency's mandate. In this context, Parliament requests the Commission to inform Parliament's competent committee of how the unused budgetary appropriations will be implemented and how the accumulated surplus of EUR 180 million will be managed by the Commission. The Commission should also inform it about whether a memorandum of understanding covering all items in the Agency's balance sheet has been concluded between the Agency and the Commission, or how the Commission has otherwise ensured the completeness of the transfer of all files and items.

A number of amendments were adopted in plenary stating, in particular, that Parliament has seen ample evidence that the Agency not only had the systems (logistics, IT systems and others) to swiftly implement large amounts of support in post-conflict situations, but that it also had

the proven expertise and know-how to design and deliver high quality assistance to the countries concerned. It regrets the fact that the Commission did not respect the discharge resolutions for the financial years 2005 and 2006, which asked for an extension of the Agency's activities, which ended in 2008, and is concerned at the consequent risk that the EU might lose much of the expertise the Agency has acquired over the last eight years.

Lastly, noting that the Agency's annual accounts for the financial year 2007 are reliable, and the underlying transactions are legal and regular, the Parliament approves the closure of its accounts and refers, for other observations accompanying its decision on discharge, to its resolution on financial management and control of EU agencies - see [2008/2207\(INI\)](#) - adopted in parallel.

2007 discharge: European Agency for Reconstruction EAR

PURPOSE: to grant discharge to the European Agency for Reconstruction for the financial year 2007.

LEGISLATIVE ACT: Decision 2009/671/EC of the European Parliament on the discharge for the implementation of the budget of the European Agency for Reconstruction for the financial year 2007.

CONTENT: with the present decision, the European Parliament grants discharge to the Director of the European Agency for Reconstruction for the implementation of the Agency's budget for the financial year 2007.

This decision is in line with the European Parliament's resolution adopted on 23 April 2009 and comprises a series of observations that form an integral part of the discharge decision (please refer to the summary of the opinion of 23/04/2009). The decision to grant discharge is also an approval of the closure of the accounts of this EU agency.