2006 discharge: European Agency for Reconstruction EAR

2007/2048(DEC) - 15/11/2007

PURPOSE: presentation of the report by the Court of Auditors on the 2006 annual accounts of the European Agency for Reconstruction.

CONTENT: the report indicates that the appropriations entered in the Agency's budget for the financial year in question are **EUR 268.795 million**, EUR 54.769 million was committed and EUR 25.322 million paid. Of this overall amount, EUR 240.686 million was carried over to 2007 and EUR 2.786 million was cancelled.

The Court notes that the Agency's accounts are reliable in all material respects and that the underlying transactions, taken as a whole, are legal and regular.

Analysis of the accounts by the Court: concerning the implementation of the 2006 budget, the Court indicates that the rate of implementation was satisfactory. The Agency's attention is, however, drawn to the level of appropriations yet to be committed, which will require particular monitoring of its programmes, given that the Agency's mandate expires at the end of 2008**.**

The Court also indicates that it noted that the accounting system and the internal control system had improved in comparison with previous years, in particular regarding the monitoring of the funds managed by external bodies and the implementation of procurement procedures. In this regard, the Court considers that the audit does not call for observations of a significant nature in those fields.

The Agency's replies: the Agency indicates that it has a fast track procedure for implementing assistance programmes. The last allocation to the Agency for assistance amounted to EUR 250 million in 2006 to be contracted over 3 years, hence until 2009. In the first six months of 2007, the Agency contracted EUR 185 million, which represents 74% of an annual allocation. Therefore, at the end of the Agency's mandate, the residual amount to be contracted is likely to be small.