

2007 discharge: European Agency for Reconstruction EAR

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Based on the observations contained in the revenue and expenditure account and the balance sheet of the European Agency for Reconstruction for the financial year 2007, as well as on the Court of Auditor's report and the Agency's replies to the Court's observations, the Council recommends that the Parliament grant the Director of the Agency discharge in respect of the implementation of the budget for the financial year 2007.

In doing so, the Council confirms that EUR 276.1 million (41%) of the EUR 679.5 million in appropriations carried forward from the financial year 2006 to the financial year 2007 were used and that EUR 14.41 million in appropriations were carried forward from the financial year 2007 to the financial year 2008 and EUR 1.92 million were cancelled.

Recalling that the Court of Auditors was able to obtain reasonable assurance that the Agency's annual accounts were, in all material aspects, reliable, the Council believes that there is a certain number of observations that must be taken into consideration when providing the discharge on the implementation of the 2007 budget, particularly regarding the following points:

- **Implementation rate:** the Council acknowledges the satisfactory rate of implementation of the budget at the year end; however, given the fact that the mandate of the Agency expires at the end of 2008, it expresses some concern regarding the unused budgetary appropriations for operating activities still remaining, which will have to be implemented in the years beyond 2008.
- **Handing over programmes:** the Council supports the Court's recommendation concerning the handover of programmes from the Agency to the Commission, and calls on both entities to sign a Memorandum of Understanding, in order to formalise and facilitate the transfer of all programmes and items and to ensure that all items are reflected correctly on the Agency's accounts. In this context, the Council draws the attention to the fact that the accumulated surplus shown on the balance sheet at 31 December 2007 have also to be taken over and managed by the Commission at the end of the Agency's mandate.