

2007 discharge: European Agency for Reconstruction EAR

2008/2256(DEC) - 23/04/2009 - Text adopted by Parliament, single reading

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.