2008 discharge: European Agency for Reconstruction

2009/2112(DEC) - 01/02/2010

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 2008, 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 2008.

The Council welcomes the Court's opinion that, on the one hand, the Agency's annual accounts present fairly, in all material aspects, the financial position as at 31 December 2008 and the results of operations and cash-flows for the year then ended, in accordance with the provisions of the Agency's Financial Regulation, and that, on the other hand, the underlying transactions for the financial year ended on 31 December 2008 are, in all material respects, legal and regular.

However, the Council considers that observations made in the Court of Auditor’s report call for a certain number of observations to be taken into account when granting discharge, particularly on the following points:

- **end of the Agency’s mandate and consequences in terms of the budget**: the Council takes note of the fact that the Agency's mandate ended on 31 December 2008 and that the ongoing programmes were transferred to the Commission during the year and further that the remaining assets became the property of the Commission;
- **granting aids**: the Council regrets that the Agency carried out an irregular grant award and did not fulfil the formal conditions required for a direct grant award noting. However, it notes the explanation given by the Agency that in this unique case it was compelled to rapidly reallocate the funds in question after a project had unexpectedly been cancelled;
- **financial management**: the Council takes note with dissatisfaction of the questionable financial management regarding five projects on cross-border cooperation for which the Evaluation Committee disagreed on several points with the assessors designated specifically for this task and invites the Commission to ensure that a similar mismanagement is avoided in the future.