

Setting up of a European Agency for Reconstruction

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PURPOSE : to support the reconstruction in Kosovo and to create a European Agency tasked with the implementation of the aid programme to Kosovo. **COMMUNITY MEASURE** : Council Regulation 2454/1999/EC amending Regulation 1628/96/EC relating to aid for Bosnia and Herzegovina, Croatia, the Federal Republic of Yugoslavia and the former Yugoslav Republic of Macedonia, in particular by the setting up of a European Agency for Reconstruction. **CONTENT** : this new Regulation aims to : - amend Regulation 1628/96/EC relating to aid to Bosnia and other countries of the former Yugoslavia ("Obnova Regulation") with a view to restructuring Kosovo following the war in this region ; - set up the European Agency for Reconstruction tasked with the implementation of programmes for reconstruction and assistance to returning refugees, initially in Kosovo, and when conditions are right also in other parts of the FRY. - The "Obnova" Regulation is modified in a such a way as to take account of the specific requirements for Kosovo's reconstruction, which will demand the rapid implementation of numerous small-scale projects, measures to support returning refugees and the assistance of experts covering a wide range of fields; provisions should therefore be laid down for setting up and running a European Agency for Reconstruction that can be charged by the Commission with implementing the reconstruction programme. Moreover, it is important that the reconstruction efforts be united with those of the people of Kosovo. Furthermore, in Kosovo's specific framework, provision should be made for the participation in invitations to tender and contracts, these shall be open on all equal terms to all natural and legal person in the Member States and States which are recipients under this Regulation or countries benefiting from the PHARE programme, and States of south-east Europe. Provisions are also provided to ensure co-ordination of the assistance for the reconstruction with the European Investment Bank, the international financial institutions, the United Nations/High Commissioner for Refugees and the non-governmental organisations concerned. As regards the implementation of the Agency, it is provided that the operational centre of the Agency with a considerable degree of autonomy shall be established initially in Pristina, in order to embark on the reconstruction work in Kosovo using the Agency's general services located at the seat in Thessaloniki (in the case of the Agency extending its activities to other regions of the FRY, other operational centres may be created). The provisional authority responsible for administering Kosovo under the international mandate shall be consulted on the implementation of the reconstruction programmes. The reconstruction programmes shall be managed on-the-spot, in strict consultation with the other sponsors by contributing to the reconstruction of this region. The Regulation specifies the tasks that will be attributed to the Agency (it is worth noting that the Regulation provides its dissolution on the Commission's proposal once the reconstruction of Kosovo has been completed). These various tasks can only be carried out in conformity with the decisions taken by the Commission according to the Management Committee's procedure. In addition, the Regulation defines the way of working (management bodies, personnel, the budget and financial rules, etc.) of the Agency, which is essentially separate from other existing agencies (its Director is appointed by the Governing Board that is made up of representatives from the Member States and the Commission). It shall dispose of its own financial rules and adopt internal rules relating to investigations carried out by the European Anti-Fraud Office (OLAF). This Regulation shall not bare any burden on the Community's financial situation for the reconstruction of Kosovo. The Commission shall submit to the Council before 30.06.2000 a progress report on the implementation of this Regulation; it may if appropriate make proposals, notably with a view to establishing a unified regulatory framework for assistance in the region. In addition, at least 6 months before this Regulation expires, the Commission shall submit a proposal to the Council on the status of the Agency. **ENTRY INTO FORCE** : this Regulation shall enter into force on the 21.11.1999. The Obnova Regulation (1628/96/EC) is extended until 31.12.2004.