2004 discharge: European Agency for Reconstruction

2005/2108(DEC) - 27/04/2006 - Text adopted by Parliament, single reading

The European Parliament adopted a resolution drafted by Umberto **GUIDONI** (GUE/NGL, IT) and granted discharge to the Director of the European Agency for Reconstruction for the implementation of the Foundation's budget for the financial year 2004. In its accompanying comments, Parliament noted with concern the reservation concerning the accounts expressed by the Court of Auditors on the grounds that it could not be certain that the transactions relating to counterpart funds, credit line schemes and special funds had been completely recorded in the absence of effective internal control procedures for long-term receivables. Parliament insisted that all transactions should be capable of verification by the Court of Auditors.

Furthermore, in order to address the serious problems of unreliability and accusations of corrupt practices currently surrounding award of public procurement contracts and concessions for highly sensitive projects such as mobile telephony, Parliament urged the Commission and the Agency, in close cooperation with UNMIK and its Financial Investigation Unit (FIU), to lay down clear public procurement rules, to establish internal and supreme audit institutions and to keep Parliament informed as to progress made. The Commission and the Court of Auditors should also include within the annual report on the European Agency for Reconstruction a chapter on the activities of both OLAF and the FIU in respect of programmes and projects carried out in Kosovo that have received Community funding.

Parliament noted the Commission's intention to end the Agency's mandate at the end of 2008 and to hand over the Agency's activities to the Commission's own delegations and local offices. It felt that the Agency had achieved positive results despite both numerous criticisms from the Court of Auditors throughout its existence and a lack of support from the Commission. Parliament also noted the problems faced by the Agency in recruiting suitable staff because of the short-term mandate of the Agency. Instead of phasing out the Agency according to a pre-set timetable, the time span of the mandate should depend on political and economic criteria and developments. The mandate should be lengthened and broadened for policy reasons. This would also help to improve the Agency's ability to recruit and keep suitably qualified staff. Experience gained by and with the reconstruction agency could be used to provide reconstruction assistance wherever needed, for example in Iraq, Afghanistan, Pakistan, India and the countries affected by the Tsunami, as a second stage after immediate humanitarian needs have been addressed by the Humanitarian Aid Office.

Parliament was disappointed to note that the Court of Auditors had again discovered anomalies in the award of contracts due to inappropriate selection criteria. The Agency must set more realistic selection criteria and apply them strictly in order to guarantee transparent and fair treatment of tenderers.

Parliament also made a series of general remarks on the agencies. As well as spending money properly, agencies should also strive to spend money as efficiently and effectively as possible. The Court of Auditors was asked to consider the possibility of extending its specific annual reports on the agencies to include an examination of performance and achievement of objectives. The following aspects should be taken into account: duplication of work among the agencies must be avoided as much as possible and measures designed to improve transparency and communication with the public must be clarified, along with Community affirmative action measures at all levels of recruitment, training and the assignment of responsibilities.

Parliament noted that Community agencies did not always have a good image or good press and that many of them did not deserve such a negative image. EU citizens should be made aware of this, and Parliament called on the Commission to act accordingly, using whatever means it considers necessary.

Furthermore, the enlargement of the European Union in 2004 had affected the structures and operating arrangements of the Community agencies in many ways, and several of the agencies draw attention to these effects in their activity reports, focusing in particular on the increase in the number of administrators. The Commission needed to assess the problems encountered and recommend the regulatory changes required.

The Commission had made a commitment to harmonising the way in which activity reports concerning its directorates-general were presented. Parliament called for a similar approach to be taken in respect of the activity reports of the Communities" agencies, which differed significantly in terms of content. The Commission should point out to the agencies the information and activity indicators that they must provide.

Finally, Parliament asked the Commission to improve synergies between agencies by making cooperation more effective, avoiding duplication of work and addressing shortcomings, in particular as regards common areas such as training, the implementation of Community policies across the board, the use of the latest management systems and solving problems relating to sound management of the budget.