2005 discharge: European Agency for Reconstruction

2006/2155(DEC) - 24/04/2007 - Text adopted by Parliament, single reading

The European Parliament adopted a resolution drafted by Edit **HERCZOG** (PSE, HU), and granted the director of the European Agency for Reconstruction discharge for the implementation of the Agency's budget for the financial year 2005. It then approved closing the accounts of the Agency for the financial year 2005.

The Parliamentary resolution is divided into two parts. The first contained general points, and concerned the majority of EU Agencies requiring individual discharge. The second part contained specific points relating to the Agency.

General points: Parliament considers that the ever-growing number of Community Agencies and the activities of certain of them do not seem to form part of an overall policy framework, and that the remits of some Agencies do not always reflect the real needs of the Union. Accordingly, it invites the Commission to define an overall policy framework for the setting up of new Community Agencies and to present a cost-benefit study before the setting up of any new agency, while being careful to avoid any overlap of activities between Agencies or with the remits of other European organisations. Parliament calls on the Court of Auditors to give its opinion on this cost-benefit study before Parliament takes its decision, and it asks the Commission to present every five years a study on the added value of every existing Agency. ; invites all relevant institutions In the case of a negative evaluation of the added value of an Agency, all relevant institutions are asked to take the necessary steps by reformulating the mandate of that Agency or by closing it.

In view of the constantly increasing number of Agencies, Parliament feels that the Directorates-General of the Commission charged with the setting up and monitoring of Agencies must develop a common approach to the Agencies. It also asks the Commission to improve administrative and technical support to the Agencies. Parliament regretted that the negotiations on the draft interinstitutional agreement on the operating framework for the European regulatory agencies have not yet been concluded, and calls on the Commission, in consultation with the Court of Auditors, to do their utmost to ensure that the agreement is brought to a rapid conclusion. Noting that the Commission's budgetary responsibility calls for closer linking of the Agencies to the Commission, Parliament calls on the Commission and the Council to take all necessary steps to give the Commission a blocking minority in the supervisory bodies of the regulatory Agencies by 31 December 2007 and to provide for such a minority from the outset when new Agencies are set up. It invites the Court of Auditors to create an additional chapter in its Annual Report, devoted to all Agencies to be discharged under the Commission's accounts in order to have a much clearer picture of the use of EU funds by Agencies.

Parliament goes on to ask the Commission to come up with a proposal to harmonise the format of the annual reporting by the Agencies and to develop performance indicators which would allow a comparison of their efficiency. The Commission is urged to monitor and direct the management of the Agencies, especially in relation to the proper application of tender procedures, transparency of recruitment procedures, sound financial management and, most importantly, the proper application of the rules concerning the internal control framework.

Specific points concerning the EAR: Parliament underlined its high appraisal of the results achieved by the Agency and congratulated the Director and its staff for the work done in a very difficult environment improving considerably the image of the EU and its visibility. Accordingly, it insisted that the

Commission **prolong the Agency's activity**, which is scheduled to end in 2008. After a cost-benefit analysis, the Agency should be transformed into an **Agency for implementation of certain EU external actions,** in particular with a view to managing post-conflict situations, while being careful to avoid any overlap with the activities of other organisations. A new mandate of this successful agency would be the most efficient way to implement the new tasks in external actions, which cannot be implemented by Commission services in Brussels or by delegations of the Commission, and that the Agency could play a most efficient role in areas where traditional development assistance cannot be implemented. This would also significantly increase the EU's visibility.

Parliament went on to ask the Commission to give reasons, other than its intention to close the Agency in 2008, why the Agency was not given the task of implementing the Union's special programme for the northern part of Cyprus and aid to the Palestinian population, in view of the fact that the Agency has not only the systems (logistics, IT systems, and others) to implement large amounts of support in post-conflict areas, but that it has proven high levels of expertise and know how in post-war reconstruction.

Parliament then welcomed the measures taken by the Agency to improve contract award procedures following the Court of Auditors' observations raised in its 2003 and 2004 annual reports, and welcomed the progress made in the area of tendering. Lastly, it welcomed the significant efforts made by the Agency in 2005 to improve financial control, but noted that some problems for closing operations remained.