Basic information

2001/2255(INI) INI - Own-initiative procedure	Procedure completed
Annual report of European Reconstruction Agency (Regulation (EC) No 2267/2000) **Subject** 6.10.05 Peace preservation, humanitarian and rescue tasks, crisis management 6.40.03 Relations with South-East Europe and the Balkans	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
AFET Foreign Affairs, Human Rights, Common Security, Defense	STENZEL Ursula (PPE-DE)	12/09/2001

Committee for opinion	Rapporteur for opinion	Appointed
BUDG Budgets	FÄRM Göran (PSE)	21/11/2001
ITRE Industry, External Trade, Research, Energy	WESTENDORP Y CABEZA Carlos (PSE)	18/09/2001

Key events

Date	Event	Reference	Summary
17/01/2002	Committee referral announced in Parliament		
04/06/2002	Vote in committee		Summary
04/06/2002	Committee report tabled for plenary	A5-0226/2002	
04/09/2002	Debate in Parliament		
05/09/2002	Decision by Parliament	T5-0409/2002	Summary
05/09/2002	End of procedure in Parliament		
13/11/2003	Final act published in Official Journal		

Technical information

Procedure reference	2001/2255(INI)
Procedure type	INI - Own-initiative procedure

Procedure subtype	Annual report
Legal basis	Rules of Procedure EP 55 Rules of Procedure EP 148-p2
Stage reached in procedure	Procedure completed
Committee dossier	AFET/5/15642

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee report tabled for plenary, single reading		A5-0226/2002	04/06/2002	
Text adopted by Parliament, single reading		T5-0409/2002 OJ C 272 13.11.2003, p. 0411-0482 E	05/09/2002	Summary

European Commission

Document type	Reference	Date	Summary
Document attached to the procedure	COM(2001)0446	30/07/2001	Summary

Annual report of European Reconstruction Agency (Regulation (EC) No 2267/2000)

2001/2255(INI) - 05/09/2002 - Text adopted by Parliament, single reading

This resolution demanding as a matter of urgency a report from the Commission to clarify the role of the external delegations in particular the European Agency in FYROM and Macedonia and in the Federal Republic if Yugoslavia was approved by the European Parliament by 443 votes to 11 with 13 abstentions. The European Parliament reiterates its Decision of 10 April 2002 concerning discharge to the Director of the European Agency for Reconstruction in respect of implementation of its budget for the 2000 financial year, in particular where it: - insists on the need to promote adequate investigation, including an internal evaluation by the European Anti-Fraud Office (OLAF), of any suspicion of mismanagement and/or corruption linked to projects, in particular those related to investments in the energy sector; - appreciates the Agency's performance in 2000 and that of its staff, which was required to perform its work, in particular regarding reconstruction and development, sometimes in very difficult circumstances, - underlines the obligation of the Director of the European Agency for Reconstruction to respect the provisions laid down in Council Regulation 2667/2000/EC of 5 December 2000 on the European Agency for Reconstruction, in particular those regarding the presentation of quarterly activity reports to the European Parliament despite the large workload. The Parliament recommends the Commission to submit to the European Parliament the annual report on the European Agency for Reconstruction activity and its financing before 1 May each year, at the latest. It underlines the need to maintain and whenever possible ensure greater transparency in the financial transfers and practices of the European Agency, and to promote financial audits in the energy sector as well as in other sectors in which EU assistance is provided, in order to reduce risks of fraud. It stresses, wherever applicable, the recovering powers of the Agency and calls for the prompt appointment of an internal auditor; underlines the importance of the role of the European Court of Auditors and the financial controler. The role of the European Anti-Fraud Office (OLAF) is underlined, in case of well-founded suspicions of mismanagement or corruption. In addition, it recommends that the Commission presents, at the latest by June 2003, the evaluation report foreseen in Article 14 of Regulation 2667/2000/EC on the application of the Agency's regulation, and the proposal concerning its status; notes that this report shall also include an evaluation of the visibility of EU assistance in the countries concerned and its contribution to reduce the reconstruction costs. Moreover, it demands as a matter of urgency that the Commission present to it the rules clarifying the tasks to be carried out by the external delegations and by the European Agency in FYROM and Macedonia and in the Federal Republic of Yugoslavia in order to prevent any overlapping or misunderstanding about the role to be played by each one of these two different structures. The parliament also considers that the regulation of the European Agency should be modified, in order to better reflect the shift of its activity in favour of a development policy for the Federal Republic of Yugoslavia and Former Yugoslav Republic of Macedonia. It considers that the Commission and the European Agency should significantly increase EU assistance in the two countriesconcerned, in favour of institutional and capacity building, which should contribute to the social and political support for long-lasting reconstruction and economic development; invites the Commission to adjust, as soon as possible, the strategy papers of the two countries concerned and the multi-annual indicative programmes, in order to better reflect the growing importance of this sector for regional stability; invites the European Agency to act accordingly when presenting its draft programmes to the Commission. It reiterates its opinion that any further extension of the territorial

competence of the European Agency shall demand a modification of its regulations, as was the case for the Federal Republic of Yugoslavia and Former Yugoslav Republic of Macedonia, to be proposed on the basis of political and/or security reasons as well as of economic requirements for efficient and speedy delivery of Community assistance, in order to contribute to the stabilisation of the country or the region concerned. It is recommended that the European Agency for Reconstruction should play a more active role in accompanying the implementation of the grant component of "ad hoc" or exceptional financial assistance, in particular in terms of evaluation of the elements related to their political conditionality. Parliament is also of the opinion that the performance and efficiency of EU assistance can be improved by reinforcing cooperation between the European Agency and the Commission services, also competent for the EU external assistance (DG RELEX, EUROPE AID, ECHO, DG ECON etc); considers that emphasis must be given to the health sector and also to expenditures in this sector (buildings and installations, medical equipment etc.). Lastly, the Director of the European Agency for Reconstruction is invited to present in the coming reports detailed information on: - initiatives taken in order to maintain and, whenever possible, to improve coordination with all other donors, - added-value and achievements reached by cooperation with all pillars of UNMIK, - initiatives taken in order to maintain and whenever possible to improve the Agency's financial accountability and transparency including audits in order to reduce the risks of fraud.

Annual report of European Reconstruction Agency (Regulation (EC) No 2267/2000)

2001/2255(INI) - 30/07/2001 - Document attached to the procedure

PURPOSE : to present the 2000 Annual Report of the European Agency for Reconstruction. CONTENT : the Kosovo conflict which pulverised the Balkan region and shocked the west led western government to intervene in the regions firstly militarily and later in a humanitarian capacity. The Member States of the European Union took an immediate interest in the situation and recognised the need to offer instant humanitarian assistance. The reconstruction of the war torn area also required urgent attention. Numerous donors came forward offering advice and financial assistance for the rehabilitation of displaced persons. In February 2000, the European Union agreed to the establishment of the European Agency for Reconstruction (EAR) which would serve as the EU's implementing body for the reconstruction of the war torn region. Based in the Greek town of Thessaloniki, the EAR subsequently gained responsibility for reconstruction programmes in Montenegro and Serbia as soon as the political conditions permitted. Reconstruction projects are financed largely through the EU financial assistance programme known as CARDS, previously known as Obnova. Its initial budget for Kosovo added up to some EUR 70 million but this was later augmented to include EUR 260 million with an additional EUR 180 million for Serbia under the 2000 budget. The annual report suggest that the total figure for the 2001 assistance programme is expected to rise to +/- EUR 550 million. The agency has a total staff of 142 (64 international; 78 local). It can boast that of the 92% of funds committed during the year 2000 have been contracted with 53% paid out. In terms of the projects implemented through the blessing of the EAR particular attention has been given to the energy sector. Suffering from cold, harsh winters, the EAR recognised the urgent need to establish a safe, regular and secure supply of energy allowing for the heating of homes. Similar attention has been given, certainly in Kosovo, to the rebuilding and rehabilitation of homes. The Agency estimates that during the 1999 conflict nearly half of Kosovo's 250 000 housing stock was damaged or destroyed. Of these 41 000 houses were partially damaged, 32 000 were seriously damaged (wall standing but roofs and interior burned) and 47 000 were completely destroyed (down to and often below the foundations). The EAR decided to tackle this situation head on offering grant-aided reconstruction for damaged houses. In the first half of 2000 the Agency completed the rehabilitation of some 3 600 houses (EUR 14 million) and the reconstruction of 8 400 homes (EUR 60 million). Eighteen different NGO partners assisted the Agency in the implementation of the programme. The EAR's annual report thus estimates that in Kosovo alone an estimated 100 000 persons are able to return to a more normal life. Similar projects have been carried out in the transport sector; water and environment; enterprise development; agriculture; local government and the promotion of civil society; efforts to de-mine tracts of land; post and telecommunications; and lastly the rehabilitation of Pristina University. Since January 2001 similar energies have been devoted to projects in Serbia. In view of the exceptional circumstances faced by Serbia projects funded through the EAR include the delivery of diesel fuel; electricity imports; medicines; and foodcommodities. Funding has also been spent on towns and schools for a "democratic Serbia".