Basic information

2009/2112(DEC) DEC - Discharge procedure	Procedure completed
2008 discharge: European Agency for Reconstruction **Subject** 8.70.03.07 Previous discharges	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
CONT Budgetary Control	MATHIEU HOUILLON Véronique (PPE)	01/10/2009
	Shadow rapporteur STAVRAKAKIS Georgios (S&D) GERBRANDY Gerben-Jan (ALDE) STAES Bart (Verts/ALE)	

Committee for opinion	Rapporteur for opinion	Appointed
AFET Foreign Affairs	The committee decided not to give an opinion.	

Council of the European Union

Council configuration	Meetings	Date
Economic and Financial Affairs ECOFIN	2994	2010-02-16

European Commission

Commission DG	Commissioner
Budget	ŠEMETA Algirdas

Key events

Date	Event	Reference	Summary
23/07/2009	Non-legislative basic document published	SEC(2009)1089	Summary
07/10/2009	Committee referral announced in Parliament		

23/03/2010	Vote in committee		Summary
25/03/2010	Committee report tabled for plenary	A7-0072/2010	
21/04/2010	Debate in Parliament		
05/05/2010	Decision by Parliament	T7-0101/2010	Summary
05/05/2010	Results of vote in Parliament		
05/05/2010	End of procedure in Parliament		
25/09/2010	Final act published in Official Journal		

Technical information

Procedure reference	2009/2112(DEC)
Procedure type	DEC - Discharge procedure
Other legal basis	Rules of Procedure EP 165
Stage reached in procedure	Procedure completed
Committee dossier	CONT/7/01095

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE430.471	02/02/2010	
Amendments tabled in committee		PE439.352	03/03/2010	
Committee report tabled for plenary, single reading		A7-0072/2010	25/03/2010	
Text adopted by Parliament, single reading		T7-0101/2010	05/05/2010	Summary

Council of the EU

Document type	Reference	Date	Summary
Document attached to the procedure	05827/2010	01/02/2010	Summary

European Commission

Document type	Reference	Date	Summary
Non-legislative basic document	SEC(2009)1089 	23/07/2009	Summary

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
		N7-0012/2010		

CofA	Court of Auditors: opinion, report	OJ C 304 15.12.2009, p. 0001	08/10/2009	Summary
CofA	Document attached to the procedure	N7-0036/2009 OJ C 269 10.11.2009, p. 0001	10/11/2009	

Additional information		
Source	Document	Date
European Commission	EUR-Lex	

Final act	
Decision 2010/0514 OJ L 252 25.09.2010, p. 0132	Summary

2008 discharge: European Agency for Reconstruction

2009/2112(DEC) - 05/05/2010 - Text adopted by Parliament, single reading

The European Parliament adopted by 548 votes to 31, with 57 abstentions, a decision on discharge to be granted to the Director of the European Agency for Reconstruction in respect of the implementation of its budget for the financial year 2008. The decision to grant discharge is also an approval of the closure of the accounts of this EU agency. Furthermore, Parliament adopted a resolution with observations which are an integral part of the decision to grant discharge to this Agency.

The main points are as follows:

- **end of the Agency's activities:** Parliament notes that the Agency's residual assets become the property of the Commission after 31 December 2008. It deplores the fact that the efficiently functioning Agency has been wound up and the management of the funding has been transferred to the delegations. It demands that the Commission submit a report detailing how many staff the delegations have taken on to cope with the Agency's tasks, as well as comprehensive and complete information on whether budget support has been provided from the funds transferred from the Agency to the delegations;
- **budgetary and financial management:** Members note the Court's comments on the provision of grants and the relevance of certain cross-border cooperation projects. They call, now that the Agency's work has finished, for an evaluation of the funding allocated in Kosovo.

Noting that the Agency's annual accounts for the financial year 2008 are reliable, and the underlying transactions are legal and regular, Parliament approves the closure of its accounts and refers to the general recommendations that appear in the draft resolution on financial management and control of EU agencies (see 2010/2007(INI) adopted in parallel).

2008 discharge: European Agency for Reconstruction

2009/2112(DEC) - 05/05/2010 - Final act

PURPOSE: to grant discharge to the European Agency for Reconstruction for the financial year 2008.

LEGISLATIVE ACT: Decision 2010/514/EU of the European Parliament on the discharge for the implementation of the budget of the European Agency for Reconstruction for the financial year 2008.

CONTENT: with the present decision, the European Parliament grants discharge to the Director of the European Agency for Reconstruction for the implementation of the Agency's budget for the financial year 2008.

This decision is in line with the European Parliament's resolution adopted on 5 May 2010 and comprises a series of observations that form an integral part of the discharge decision (please refer to the summary of the opinion of 5 May 2010).

A parallel Decision, adopted on the same day, approves the closure of the accounts of this EU agency.

2008 discharge: European Agency for Reconstruction

2009/2112(DEC) - 23/07/2009 - Non-legislative basic document

PURPOSE: presentation of the final accounts of the European Agency for Reconstruction (EAR) for the financial year 2008.

CONTENT: this document sets out a detailed account of Agency's expenditure in 2008. According to this document, the final budget of the EAR - whose main head office is based in Thessalonica - Greece), amounted to **EUR 236.5 million** (compared to EUR 250.2 million in 2007).

As regards the staffing policy, the EAR officially set out 93 posts in its establishment plan. 61 are currently occupied + 32 local staff and 19 contract staff giving a total of 112 posts assigned to administrative and operational tasks of the Agency.

It should be noted that the Agency terminated all its activities at 31.12.2008 after transferring all CARDS programmes to the Commission.

The principal operational activities in 2008 were as follows:

KOSOVO

(a) Multisectorial returns empowerment of Roma communities and social economic development assistance to minority communities;

(b) Support for civil society and the media;

(c) Institutional and policy support for the ministries of Justice and Internal Affairs;

(d) Strengthening of border management bodies and construction of border crossing facilities;

(e) Capacity building of the Agency for European Integration;

(f) Support of decentralisation;

(g) Drafting of public procurement law, internal audit strategy;

(h) Assistance to the Ministry of Trade and Industry on SME development, investment promotion, metrology and direct assistance to small-scale businesses for marginalised groups;

(i) Support for the Statistical Office of Kosovo;

(j) Support for the Ministry of Agriculture;

(k) Sustainable forest management;

(l) Livestock breeding;

(m) Development of food safety control systems;

(n) Support for the energy sector including transmission network, support for the ministry of energy, support for the Kosovo Electric Company, support for the Energy Regulatory Office, support for the supply of coal, revenue collection, environmental actions for coal mines;

(o) Environmental upgrades including support for water and waste utilities and construction of a water treatment plant;

(p) Vocational Education Training Programme;

(q) Support for the transport sector with a planning and strategy for a multimodal transport.

SERBIA

(a) Draft laws in public administration reform;

(b) Supply of equipment to border police;

(c) Support for juvenile detention centres;

(d) Introduction of capitation payment in State primary health care facilities;

(e) Support for privatisation;

(f) Training support for enterprises;

(g) Support for implementation of the EIB education sector loan;

(h) Economic development programmes for poorest municipalities;

(i) Upgrading of the existing border crossing infrastructure and facilities at Presevo;

(j) Renovation of municipal infrastructure;

(k) Reform of the statistics office;

(l) Support for facilitation of FDIs;

(m) Support for vulnerable groups including refugees and displaced people;

(n) District heating renovation and modernisation;

(o) Installation of a new ash transport and disposal scheme for the Nikola Tesla B thermal power plant.

MONTENEGRO

(a) Support for refugee and IDP integration;

(b) Strengthening environmental management through legislative reform and refurbishment of waste water treatment plants in Podgorica and in coastal cities;

(c) Upgrading road infrastructure in coastal areas;

(d) Assisting public administration reform;

(e) Electricity utility unbundling/restructuring, energy efficiency strategy;

(f) Providing management expertise to companies;

(g) Police reform;

(h) Prison reform;

(i) Creating animal identification and registration system;

(j) Fishery resource management;

(k) Assisting in social inclusion reforms through support for civil society organisations.

FORMER YUGOSLAV REPUBLIC OF MACEDONIA

(a) Twinning support on money laundering, corruption and organised crime, statistics, air quality, financial control;

(b) Completing the establishment of the National Animal Identification System;

(c) Fostering the performance of SMEs and the development of a Human Resource Development Fund;

(d) Helping civil society organisations and municipalities to promote economic development across borders with the EU Member States;

(e) Support for the elimination of industrial hotspots, municipal waste water management and healthcare risk waste management;

(f) Construction of administrative headquarters to house the association of municipalities;

(g) Support for the programming of the Instrument for Pre-accession Assistance and its tendering;

(h) Support for implementation of professional standards in prison administrations;

(i) Elaborating a National Transport Strategy.

The complete version of the final accounts may be found at the following address: http://eca.europa.eu

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.

2008 discharge: European Agency for Reconstruction

2009/2112(DEC) - 08/10/2009

PURPOSE: presentation of the report by the Court of Auditors on the 2008 annual accounts of the European Agency for Reconstruction.

CONTENT: in the Court's opinion, the Agency's Annual Accounts present fairly, in all material respects, its financial position as of 31 December 2008 and the results of its operations and its cash flows for the year then ended. The transactions underlying the annual accounts of the Agency are, in all material respects, legal and regular.

The Court of Auditors report includes a detailed section on the expenditure of the European Agency as well as an analysis of the expenditure in the accounts and the Agency's replies.

- **The Court's analysis of the accounts**: in its report, the Court makes a series of comments notably on the financial and budgetary management of the Agency. It states that a grant of EUR 1 399 132 was directly awarded to an international organisation. None of the formal conditions required for a direct grant award was fulfilled in this case and it is thus irregular. The Court also states that five projects audited concerned cross-border cooperation. These projects were first assessed by local assessors and then presented to an Evaluation Committee which takes the decision to select them or not. For the audited projects, there was no documentation or evidence on the reasons why the issues raised by the assessors concerning the justification of the requested budget, the identification of the beneficiaries, the sustainability of the projects themselves and the conformity of the objectives of the project were not taken into account by the Evaluation Committee. Under these circumstances, the relevance of these projects in terms of sound financial management was questionable.

- **The Agency's replies**: the Agency states that, due to the cancellation of a project by the Serbian authorities, it was confronted with the necessity to reallocate rapidly the funds made available. In view not to leave these funds unused, with the agreement of the Serbian authorities, it was decided to fund a project with Unicef in line with the objectives of the EC Programme for Serbia. Moreover, according to the rules in force, the Evaluation Committee which included the Agency and the EC Delegation was not bound by the opinion of the assessors and in some cases indeed disagreed with their opinion. In these five cases, the EAR and the EC Delegation considered that the opinion of the assessors was unfounded.