



COMMISSION OF THE EUROPEAN COMMUNITIES

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Proposal for a

COUNCIL REGULATION

**amending Council Regulation (EC) No 2667/2000 on the European Agency for
Reconstruction**

(presented by the Commission)

EXPLANATORY MEMORANDUM

Council Regulation (EC) N° 2666/2000¹ (hereafter “the CARDS Regulation”), entered into force on 7 December 2000 and, according to its Article 19, shall apply until 31 December 2006.

Article 13 of the CARDS Regulation states:

The Council shall review this Regulation before 31 December 2004.

For that purpose, not later than 30 June 2004, the Commission shall submit to the Council an evaluation report, together with proposals for the future of this Regulation and for any amendments needing to be made to it.

Council Regulation (EC) No 2667/2000² (hereafter “the Agency Regulation”), entered into force on 7 December 2000 and, according to its Article 16, shall apply until 31 December 2004.

Article 14 of the Agency Regulation states:

Once the Commission considers that the Agency has fulfilled the mandate described in Article 1, it shall submit to the Council a proposal for the winding up of the Agency. In any event, on 30 June 2004 at the latest, the Commission shall submit to the Council an evaluation report on the application of the Regulation and a proposal on the status of the Agency.

To that end, the Commission launched in 2003, within the framework of the evaluation of the Commission's cooperation and development programmes in third countries, an evaluation aiming to provide the European Commission with an independent and reliable assessment of the assistance strategy under CARDS and its evolution within its political settings, as well as an independent assessment of the application of the European Agency for Reconstruction (EAR) Regulation since its establishment in February 2000, describing the evolution in the Agency's role and responsibilities.

These evaluations, which took place in the period May 2003-May 2004 (CARDS) and October 2003-May 2004 (EAR), were conducted by an international team which included experts from CARDS countries. The evaluations were followed closely by the Evaluation Unit assisted by reference groups composed of the Commission services and the EAR. The reports are based upon a desk phase followed by field studies in all CARDS countries, taking into account all the operational centres of the EAR. The evaluations included structured interviews and workshops with representatives of government and civil society in the partner countries.

The final reports of the evaluations have been available in full since 4 June 2004 on the EuropeAid web site and can be consulted and downloaded at the following link:

¹ OJ L 306, 7.12.2000, p.1. Regulation last amended by Regulation (EC) No 2415/2001 of 10.12.2001 (OJ L 327, 13.12.2001, p. 3)

² OJ L 36, 7.12.2000, p.7. Regulation last amended by Regulation (EC) No 2415/2001 of 10.12.2001 (OJ L 327, 13.12.2001,p.3) and Regulation (EC) No 1646/2003 of 18.6.2003 (OJ L 245, 29.9.2003,p.16)

<http://europa.eu.int/comm/europeaid/evaluation/program/cardsrep.htm>

With this Communication, the Commission wishes to inform the Council how it intends to proceed further:

- a) In accordance with usual practice, there will be a contradictory procedure and this will be the occasion for the Commission to make detailed comments on the conclusions and recommendations made in both of those reports.
- b) In parallel, the Commission proposes a two pronged approach.

For the Agency Regulation

The external evaluation concludes that the Agency is working efficiently in the countries and territories in which it operates, and that the model is administratively sound and managerially responsive.

In view of this overall positive assessment of the activities of the Agency, and taking into account that the framework of the Community assistance, in line with the Community's financial perspectives, covers the period until 2006, it is important to ensure continuity in the implementation of Community assistance to the countries and territories covered by the Agency's mandate. The Agency Regulation should accordingly be extended until 31 December 2006.

The Commission draws the Council's attention to the fact that to ensure that the Agency's operations continue smoothly and its administrative and contractual engagements (i.e. staff, premises, etc.) are respected, a decision on the extension of the lifespan of the Agency regulation should be taken as soon as possible.

This proposal is without prejudice to further reflection on specific actions which the Commission may deem appropriate at a later stage to address the recommendations made by the evaluators to improve the performance of the Agency.

For the CARDS Regulation

The Commission considers that the recommendations made by the evaluation do not require a modification of the current legislative framework, as the Regulation is still highly relevant as regards its contribution to the Stabilisation and Association Process. Moreover, any changes would in practice be operational only in 2005 and affect, at best, the preparation of the 2006 annual action programme, before the Regulation expires on 31 December 2006.

A number of conclusions and recommendations relate to the organisation of the Commission, to coordination with the Member States, IFIs and other stakeholders, or to the design of the programme and the modalities of its implementation; none of these point to any need to amend the content of the CARDS Regulation itself. The Commission will reflect on them and on possible means of enhancing the way the assistance is delivered and coordinated with other stakeholders.

In any case the Commission will take due account of the Partnerships and the SAP reports in the programming of Community assistance for the period 2005-2006. This approach is fully in line with recommendations made in the evaluation report suggesting to have simplified

Indicative Programmes for the period 2005-2006, taking into account the new strategic tools in place, and to develop new assistance instruments as from 2007.

The Commission therefore considers that the CARDS Regulation should not be modified and should apply as it stands until 31 December 2006, when it will expire in accordance with its Article 19.

c) In both cases, the Commission will continue to keep Member States informed on any further action which might be appropriate once it has finished the contradictory phase above mentioned.

In conclusion, the Commission invites the Council to adopt the attached proposal for the amendment of Council Regulation (EC) No 2667/2000 of 5 December 2000 on the European Agency for Reconstruction.

Proposal for a

COUNCIL REGULATION

amending Council Regulation (EC) No 2667/2000 on the European Agency for Reconstruction

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Article 181a, second paragraph, first sentence thereof,

Having regard to the proposal from the Commission³,

Having regard to the opinion of the European Parliament⁴,

Whereas:

- (1) The European Agency for Reconstruction implements Community assistance provided for in Article 1 of Regulation (EC) 2666/2000⁵ in Serbia and Montenegro including Kosovo as defined by United Nations Security Council Resolution 1244 of 10 June 1999 and in the Former Yugoslav Republic of Macedonia.
- (2) According to its Article 16, Regulation (EC) No 2667/2000 on the European Agency for Reconstruction⁶ applies until 31 December 2004.
- (3) Article 14 of this Regulation provides that the Commission shall submit to the Council an evaluation report on the application of this Regulation and a proposal on the status of the Agency.
- (4) The Commission made that report public on 4 June 2004.
- (5) Community assistance for Serbia and Montenegro including Kosovo as defined by United Nations Security Council Resolution 1244 of 10 June 1999 and in the Former Yugoslav Republic of Macedonia is programmed in Country Strategy Papers for the period 2002 to 2006, in line with the Community's financial perspectives. The Commission is in the process of proposing multi-annual indicative programmes for the period 2005-2006 for these countries and territories.

³ OJ C [...] [...], p. [...]

⁴ OJ C [...] [...], p. [...]

⁵ Council Regulation (EC) No 2666/2000 on assistance for Albania, Bosnia and Herzegovina, Croatia, the Federal Republic of Yugoslavia and the Former Yugoslav Republic of Macedonia, L306, 7.12.2000,p.7. Regulation as amended by Regulation (EC) No 2415/2001 (OJ L 327, 12.12.2001,p.3)

⁶ OJ L306, 7.12.2000,p.7 Regulation as amended by Regulation (EC) No 2415/2001 (OJ L 327, 12.12.2001,p.3) and Regulation (EC) No 1646/2003 (OJ L 245, 29.9.2003, p.16).

- (6) In the light of the positive evaluation of the activities of the Agency and the fact that the framework of Community assistance covers the period until 2006, it is important to ensure continuity in the implementation of Community assistance. Consequently, the mandate of the European Agency for Reconstruction should be prolonged until 31 December 2006.
- (7) A Constitutional Charter was adopted in the Federal Republic of Yugoslavia (FRY) on 4 February 2003, renaming the country “Serbia and Montenegro”⁷. This change of name of the state should be taken into account.

HAS ADOPTED THIS REGULATION:

Article 1

Regulation (EC) No 2667/2000 is hereby amended as follows:

1. In Article 1 (1) (i), the term ‘Federal Republic of Yugoslavia’ shall be replaced by the term ‘Serbia and Montenegro’
2. In Article 2(1)(b) the term ‘Federal Republic of Yugoslavia’ shall be replaced by the term ‘Serbia and Montenegro’
3. In Article 4(10) the term ‘Federal Republic of Yugoslavia’ shall be replaced by the term ‘Serbia and Montenegro’
4. Article 14 is repealed.
5. Article 15 is replaced by:

‘The Commission may delegate to the Agency the execution of the Community assistance decided upon for Serbia and Montenegro and for the Former Yugoslav Republic of Macedonia under Regulation (EC) No 1628/96’.
6. In Article 16, the date “31 December 2004” shall be replaced by “31 December 2006”.

Article 2

This Regulation shall enter into force on the third day following that of its publication in the *Official Journal of the European Union*.

⁷ including Kosovo as defined by United Nations Security Council Resolution 1244 of 10 June 1999

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels,

For the Council
The President