2010 discharge: Artemis Joint Undertaking to implement a Joint Technology Initiative in Embedded Computing Systems

2011/2240(DEC) - 10/05/2012 - Text adopted by Parliament, single reading

The European Parliament adopted a decision granting discharge to the Executive Director of the ARTEMIS Joint Undertaking in respect of the implementation of the budget of the Undertaking for the financial year 2010. This decision also approves the closure of the Agency's accounts.

Noting that the Court of Auditors stated that it has obtained reasonable assurances that the annual accounts of the Joint Undertaking for the financial year 2010 are reliable and that the underlying transactions are legal and regular, Parliament adopted a resolution containing a series of recommendations that need to be taken into account when the discharge is granted, in addition to the general recommendations that appear in the draft resolution on performance, financial management and control of EU agencies.

These recommendations may be summarised as follows:

- **Budget and Financial Management**: Parliament is concerned that the budget of the Joint Undertaking for the financial year 2010 was not adopted by the end of the previous year due to the fact that the operational part of the budget depends on the commitment of the Member States and that for most of them the amount of commitment can only be ascertained after the adoption of their national budgets. It calls on the Joint Undertaking and the contributing Member States to reach an agreement on a timetable and practical arrangements for the disclosure of their respective commitments to enable the adoption of the Joint Undertaking's budget in due time and to keep the discharge authority informed on this matter. It regrets the structure and presentation of the Joint Undertaking's 2010 budget were not in line with the provisions of the Joint Undertaking's financial rules and calls for improvement in this area. It regrets that the utilisation rate only reached the level of 37.78 %;
- **Internal control systems**: Members are concerned that the Joint Undertaking will have difficulties in ensuring that the financial interests of its members are adequately protected and that the underlying transactions are legal and regular. They call on the Joint Undertaking to reconsider its strategy towards the ex-post audit of cost claims. They note that the Joint Undertaking has an adequate level of IT governance and practice for its size and mission but stress that the strategic IT planning and monitoring cycle, the security policies and rules, IT Risk management and Business Continuity Plan and Disaster Recovery Plan is lagging behind. This situation should be remedied;
- **Internal Audit**: Parliament notes that the Commission and the Joint Undertaking have taken action to ensure that the respective operational roles of the Commission's Internal Audit Service and the Joint Undertaking's internal auditing function are clearly defined;
- **Call for Proposals and Projects Negotiations**: Parliament states that the Joint Undertaking's Call 2010 was published on 26 February 2010 and that 73 proposals for research projects were submitted in response to Project Outline (PO) phase of this Call, of which 72 satisfied the eligibility criteria. It notes that the 11 selected proposals range in size from EUR 45 million to EUR 3.4 million. Members note the introduction of the concept of "Maturity Index" during the Call 2010. They understand that the tool, which aims to help further analysis, was used at PO phase to judge the subjective quality of the POs and to observe the level of maturity of the response of the ARTEMIS community to the work programme. Members observe that the evaluation of the projects' outcomes often lack details to assess their performance. They call on the Joint Undertaking to develop and implement more precise performance indicators for the future monitoring and review of its projects;
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Establishing new joint undertakings under Horizon 2020: Parliament takes note of the Commission's proposal establishing the Specific Programme Implementing Horizon 2020 - The Framework Programme for Research and Innovation (2014-2020) - where the Commission raises a possibility of **combining ARTEMIS and ENIAC Joint Undertakings into one initiative** and the possibility to set up new Joint Undertakings in the context of implementing the 'Societal challenges' part of Horizon 2020. It calls on the Commission to keep the discharge authority informed about this matter;

- **Lack of host State agreement**: Members reiterate that the Joint Undertaking should rapidly conclude a host agreement with Belgium concerning office accommodation, privileges and immunities and other support to be provided by Belgium to it.

Horizontal observations on the Joint Undertakings: Members underline that seven Joint Undertakings have so far been established by the European Commission under Article 187 of the Treaty on the Functioning of the European Union and that the total Union contribution deemed necessary for the Joint Undertakings for their period of existence amounts to **EUR 11.5 billion** (for the financial year 2010 alone, the overall Union contribution amounted to EUR 505 million). They note that six Joint Undertakings (IMI, ARTEMIS, ENIAC, CLEAN SKY, FCH and ITER-F4E) are in the research area under the Commission's DGs RTD and INFSO and one is charged with developing the new air traffic management system (SESAR) in the transport domain whose activities are supervised by DG MOVE.

In this context, Parliament calls on the Commission to provide the discharge authority annually with consolidated information on the total annual funding per Joint Undertaking made from the general budget of the Union in order to ensure transparency and clarity on the use of the Union's funds and restore trust among the European taxpayers. It recalls that Joint Undertakings are public-private partnerships and that as a consequence public and private interests are intertwined. Members consider that the **likelihood of conflicts of interest should not be dismissed but addressed properly**. They call therefore on the Joint Undertakings to inform the discharge authority on the verification mechanisms which exist in their respective structures to enable a proper management and prevention of conflicts of interest.

Parliament notes, with the notable exception of the Joint Undertaking for ITER and the Development of Fusion Energy, that Joint Undertakings are relatively small structures and geographically-concentrated and that **they should pool their resources where possible**.

Lastly, the Court of Auditors is invited to provide, within a reasonable deadline, a special report to Parliament, on the added value of the establishment of the Joint Undertakings.