2010 discharge: Clean Sky Joint Undertaking

2011/2239(DEC) - 10/05/2012 - Text adopted by Parliament, single reading

The European Parliament adopted a decision to grant discharge to the Executive Director of the Clean Sky Joint Undertaking in respect of the implementation of Undertaking's budget 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 notes that the structure and presentation of the Joint Undertaking's 2010 budget were not in line with the requirements of its founding Regulation (EC) No 71/2008 nor with its Financial Rules. It calls on the Court of Auditors to assure the discharge authority that the structure and presentation of the Joint Undertaking's budget are now fully in line. Members also note that the low rate for payment appropriations was only 58 % and regret the EUR 53 million cash balance, at the end of the year representing 41 % of the available payment appropriations;
- **Internal control systems**: Parliament notes that the Joint Undertaking has not completely implemented its internal controls and financial information systems during 2010 and that further work is needed on the ex-ante control procedures applied for the validation of cost claims. It notes that in 2010, the Joint Undertaking created a checklist for the Integrated Technology Demonstrators to improve the quality of the submitted cost claims and to clarify the reporting needs for certain aspects of claims. Also in 2010, the Joint Undertaking validated costs claimed by members for the execution of projects in 2008 and 2009 and that the assessment of the eligibility of certain costs resulted in the rejection of approximately 11% of the expenses. Members note with satisfaction that overpaid pre-financing was recovered by the Joint Undertaking. They ascertain from the AAR that the Joint Undertaking, together with the Innovative Medicines Initiative Joint Undertaking and the Fuel Cells and Hydrogen Joint Undertaking, launched the procurement procedure for ex-post audit services from external firms. Parliament notes the Court of Auditors' finding that the Joint Undertaking has an adequate level of IT governance and practice for its size and mission;
- **Call for Proposals and Projects Negotiation**: Parliament calls on the Joint Undertaking to inform the discharge authority about the verification mechanisms that it implements to ensure the full independence of experts and observers and therefore to mitigate the risks of conflicts of interest during the evaluation of tenders;
- **Performance**: Parliament notes that the first interim evaluation by the Commission of the Joint Undertaking took place at the end of 2010 and acknowledges that the interim evaluation identified certain weaknesses. This evaluation drew up a list of recommendations to the Joint Undertaking and another list to its Management Board. Members ask the Joint Undertaking to inform the discharge authority on the measures introduced following the results of this first interim evaluation;
- **Lack of host State agreement**: Parliament reiterates 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.