

2010 discharge: ENIAC Joint Undertaking

2011/2265(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 ENIAC 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:

- **Reliability of the Joint Undertaking's accounts:** Parliament is concerned that the Joint Undertaking received a qualified opinion from the Court of Auditors on the reliability of the accounts, on the grounds that it has not included in the accounts the Budgetary Outturn. It notes that the qualified opinion is due to the fact that the Joint Undertaking and the Court of Auditors referred to different dates to establish when the Joint Undertaking started to work autonomously;
- **Budget and Financial Management:** Members are concerned about the low implementation rate of the payments' budget and, moreover, about the underlying activities of the Joint Undertaking; underlines that the cash balance stood at EUR 20 million at the end of the year representing 53 % of the available payment appropriations for 2010. They remark that the low implementation of the payment appropriations is the result of the delayed transfer of the operational activities and the corresponding funding from the Commission to the Joint Undertaking;
- **Internal control systems:** Parliament urges the Joint Undertaking to complete its internal controls and financial information systems. It also notes that control weaknesses were detected in the area of ex-ante financial verification of pre-financing payments, in particular regarding the calculation and validation of the amounts paid. Members note that the ex-post audit of cost claims related to the projects has been fully delegated to the Member States and that it should be ensured that the financial interests of its members are adequately protected. They note that the Joint Undertaking has an adequate level of IT governance and practice for its size and mission but stress that the IT strategic planning cycle, etc is lagging behind. This situation should be remedied;
- **Internal Audit:** Parliament states that the mission charter of the Commission's Internal Audit Service was adopted by the Governing Board of the Joint Undertaking;
- **Delayed financial autonomy:** Parliament reiterates that the Joint Undertaking was set up in February 2008 but started to work autonomously in July 2010. They express great concern that the Joint Undertaking has used one quarter of its envisaged duration, up to 31 December 2017, to achieve financial autonomy. It insists that these delays should not, however, cause a prolongation of the 10 year period of its existence but should embolden the management of the Joint Undertaking to address all shortcomings and reach its objectives within the envisaged 10 year period;
- **Call for Proposals and Project Management:** Parliament deeply concerned by the slow progression of the projects under Call 1 (2008) and Call 2 (2009). They call on the Joint Undertaking to provide the discharge authority with report on the situation of different projects;
- **Performance:** Members note that the Commission's report on the first interim evaluation showed chronic underspending of its operational budget. They call on the Joint Undertaking to inform the discharge authority of the state of implementation of these action items and on the results achieved;

- **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.