2012 discharge: Clean Sky Joint Undertaking

2013/2249(DEC) - 03/04/2014 - Text adopted by Parliament, single reading

The European Parliament adopted a decision concerning the discharge to be granted to the Executive Director of the Clean Sky Joint Undertaking in respect of the implementation of the Joint Undertaking's budget for the financial year 2012.The vote on the discharge decision covered the closure of the accounts (in accordance with Annex VI, Article 5(1) of Parliament's Rules of Procedure).

Noting that the Court of Auditors stated that the 2012 annual accounts of the Joint Undertaking present fairly, in all material respects, its financial position as of 31 December 2012 and the results of its operations and its cash flows for the year then ended, Parliament adopted by 476 votes to 72, with 16 abstentions, 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.

- **Budgetary and Financial Management**: Parliament noted that the Joint Undertaking's final amended budget for the financial year 2012 included commitment appropriations of EUR 205.4 million and payment appropriations of EUR 167.9 million. It was concerned with the recurring low implementation of the budget of the Joint Undertaking and regretted the EUR 25.7 million cash balance at the end of the year, representing 15% of the available payment appropriations. For the Parliament, this is at odds with the budgetary principle of equilibrium. It reminded the Joint Undertaking of the need to implement concrete measures to attain budget equilibrium.
- **Utilisation rate and carryovers**: Parliament observed that while the utilisation rate for commitment appropriations was 84% overall, the rate for payment appropriations was 75%. It noted, moreover, that within this, the operational implementation rate was 97% for commitment appropriations and 84% for payment appropriations. It remained concerned that these rates reflect the significant delays in the implementation of the activities as compared with the initial plan and called on the Joint Undertaking to continue to improve its workflows and processes to shorten the period between the publication of calls for proposals and the signing of grant agreements.
- **Audit**: Parliament was concerned that while the audit certificates accompanying the cost claims of two beneficiaries were found to include reservations about the contracts of the staff employed on the project and in one of them, the audit certificate also included reservations on the indirect cost rates applied, the Joint Undertaking released the payments, underlining that these payments were not irregular.

Parliament also made a series of observations on transfers, procurement and recruitment procedures as well as comments on internal controls.

It invited the Court of Auditors to monitor the Joint Undertaking's policies as regards the management and prevention of conflicts of interests by drafting a Special Report on the matter by the next discharge procedure.

JTI: Parliament invited the Court of Auditors to **comprehensively analyse** the JTIs and the other joint undertakings in a separate report in light of the substantial amounts involved and the risks notably reputational – presented. Parliament noted that the Joint Undertakings' total 2012 forecasted budgeted income amounted to some EUR 2.5 billion or about 1.8% of the Union general budget for the financial year 2012, while approximately EUR 618 million came from the general budget (cash contribution from the European Commission) and approximately EUR 134 million came from the industrial partners and members of the Joint Undertakings. It recalled that the total Union contribution deemed necessary for the Joint Undertakings for their period of existence amounts to EUR 11.5 billion.

It recalled that Parliament has previously requested that the Court of Auditors draw up a special report on the capacity of the joint undertakings, together with their private partners, to ensure added value and efficient execution of Union research, technological development and demonstration programmes. Parliament agreed with the Court of Auditors' conclusion that the JTIs have been set up to support long-term industrial investment, in particular research areas but noted that it has taken on average two years to grant financial autonomy to a JTI, with the Commission usually remaining responsible for one third of the expected operational lifetime of the JTIs.