

2016 discharge: Shift2Rail Joint Undertaking - S2R Joint Undertaking

2017/2186(DEC) - 23/03/2018 - Committee report tabled for plenary, single reading

The Committee on Budgetary Control adopted the report by Brian HAYES (EPP, IE) on discharge in respect of the implementation of the budget of the Shift2Rail Joint Undertaking for the financial year 2016.

The committee called on the European Parliament to **grant the Executive Director discharge** in respect of the implementation of the Joint Undertaking's budget for the financial year 2016.

Noting that the Court of Auditors issued a statement of assurance as to the reliability of the accounts and the legality and regularity of the underlying transactions for the financial year 2016, Members called on Parliament to **approve the closure of the joint undertaking's accounts**.

They made, however, a number of recommendations that need to be taken into account when the discharge is granted. They may be summarised as follows:

Budget and financial management: Members noted that the final 2016 budget available for implementation included commitment appropriations of EUR 50 200 000 and payment appropriations of EUR 52 300 000. The utilisation rates for commitment and payment appropriations were 94 % and 82 % respectively which represent a low level especially for payment appropriations. Most of the payments made by the Joint Undertaking in 2016 were pre-financing payments for Horizon 2020 projects selected under the 2015 and 2016 calls for proposals.

Other observations: the report also contained a series of observations on procurement and recruitment procedures, the prevention and management of conflicts of interests and internal control systems.

Members regretted that at the end of 2016, the Joint Undertaking had not yet performed a specific anti-fraud risk assessment, nor had it established an action plan for the implementation of its own anti-fraud strategy.

Highlighting that the objectives of the Joint Undertaking are to achieve a Single European Railway Area and to enhance the attractiveness and competitiveness of the European railway system, Members stressed that it is significantly important to identify among the research and innovation projects those that are capable to bring **innovative solutions** to the market.

On **funding**, Members also stressed that there is a need to foresee the use of the principle of **multiannual financing** and to adopt flexible timetables for publishing projects proposals.

They insisted on the importance of the cooperation between the Joint Undertaking and the Union Agency for Railways (ERA).

During the first months since it became autonomous, the Joint Undertaking started some exploratory work to consider how to make use of activities planned in other Union programmes and funds, in relation to the railway sector, in particular EFSI, Regional and Cohesion fund. The Joint Undertaking intends to further develop this activity. Members stressed that the necessity of complementary financing using the relevant funding instruments is key to build a competitive railway system in the future.