2016 discharge: ECSEL Joint Undertaking

2017/2187(DEC) - 18/04/2018 - Text adopted by Parliament, single reading

The European Parliament decided to **grant discharge** to the Executive Director of the ECSEL Joint Undertaking in respect of the implementation of the budget for the financial year 2016 and to approve the closure of the accounts for the financial year in question.

Noting that the Court of Auditors finds that the Joint Undertaking's annual accounts present fairly, in all material respects, its financial position as at 31 December 2016 as well as the results of its operations and cash flows, Parliament adopted by 476 votes to 192, with 29 abstentions, a resolution containing a series of recommendations, which form an integral part of the decision on discharge:

- **Follow-up to the 2015 discharge**: Members welcomed the fact that the Joint Undertaking has taken steps to assess the implementation of *ex-post* audits by the national funding authorities (NFAs), and has obtained written statements from the national funding authorities declaring that the implementation of their national procedures provided for a reasonable assurance of the legality and regularity of transactions.
- **Budgetary and financial management**: the Joint Undertaking's final budget for the financial year 2016 included commitment appropriations of EUR 169 300 000 and payment appropriation of EUR 245 000 000. The utilisation rates for commitment and payment appropriations were **99 % and 91 % respectively**. The Joint Undertaking estimated at the end of 2016 that, out of the EUR 1 657 500 000 of **contributions** to be made by industry members to the activities of the Joint Undertaking, the members had made in-kind contributions of EUR 202 million, compared to the Union's cash contribution of EUR 264 million.

Qualified opinion: Parliament highlighted as a matter of particular concern that the Court issued a **qualified opinion** on Joint Undertaking's payments related to projects taken over from its legal predecessors Artemis and ENIAC joint undertakings and invited the Court to reconsider the methodology that results in repetitive qualified opinions based on this reoccurring issue that cannot be solved until the Seventh Framework Programme projects are terminated.

It noted that the payments made for those projects by the ECSEL Joint Undertaking in 2016, against certificates of acceptance of costs issued by the national funding authorities (NFAs) of the Participating States, amounted to EUR 118 000 000, which represents 54 % of the total operational payments made by the Joint Undertaking in 2016. It also noted that the NFAs compiled 'declarations of assurance' on the 2016 expenditure as received on 22 January 2018 from Joint Undertaking which cover 98 % of the participation fees from the participating Member States for the 2016 Seventh Framework Programme expenditure.

Other observations: the resolution also contained a series of observations on internal controls, human resources and communication.

Members noted that the Joint Undertaking has adopted rules on the prevention and management of **conflicts of interests** to mitigate the risks related to its governance structure. They noted, however, that in 2016 the Joint Undertaking did not apply those rules consistently. The internal register of declarations of conflicts of interest was not managed in line with internal guidelines and was not regularly updated.

Parliament recognised the need for the Joint Undertaking to **communicate** with Union citizens on significant research it carries out. It called on the Commission to ensure the direct involvement of the Joint Undertaking in the process of the Horizon 2020 mid-term review in the sphere of the further simplification and harmonisation of joint undertakings.