

2016 discharge: Shift2Rail Joint Undertaking - S2R Joint Undertaking

2017/2186(DEC) - 18/04/2018 - Text adopted by Parliament, single reading

The European Parliament decided to **grant discharge** to the Executive Director of the Shift2Rail Joint Undertaking for the financial year 2016 and approve the closure of the accounts of the Joint Undertaking 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 489 votes to 144, with 6 abstentions, a resolution containing a series of recommendations, which form an integral part of the decision on discharge:

Budget and financial management: 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.

Out of the EUR 350 million of **contributions** to be made by the industry members to the operational activities and administrative costs of the Joint Undertaking, by the end of 2016, i.e. four months after the Joint Undertaking had launched its first Horizon 2020 projects, the members had reported in-kind contributions of EUR 4.5 million for operational activities, of which EUR 3 million had been certified. The governing board had validated cash contributions to the Joint Undertaking's administrative costs of EUR 3.2 million.

By the end of 2016, the total contributions from industry members amounted to EUR 62.7 million, compared to the Union's cash contribution of EUR 48.5 million.

Other observations: the resolution 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**, the resolution 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.

Members 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.