2019 discharge: Fuel Cells and Hydrogen (FCH) Joint Undertaking

2020/2187(DEC) - 28/04/2021 - Text adopted by Parliament, single reading

The European Parliament decided by 637 votes to 26, with 35 abstentions, to **grant discharge** to the Executive Director of the Fuel Cells and Hydrogen Joint Undertaking 2 in respect of the implementation of the budget of the Joint Undertaking for the financial year 2019 and to approve the closure of the accounts of the Joint Undertaking.

Noting that the Court of Auditors considered that the annual accounts of the Joint Undertaking for the financial year 2019 present fairly the financial situation of the Joint Undertaking on 31 December 2019, as well as the results of its operations, Parliament adopted, by 625 votes to 32 with 34 abstentions, a resolution containing a series of observations which form an integral part of the discharge decision.

Budgetary and financial management

The available final budget for the financial year 2019 included commitment appropriations of EUR 91 730 585 and payment appropriations of EUR 113 855 981. The overall 2019 budgetary execution of commitment and payment appropriations reached 85.9% and 98.4% respectively.

Out of the maximum planned contribution of EUR 470 000 000, the total EU contribution amounted to EUR 421 606 000 under the Seventh Framework Programme, of which EUR 19 107 000 were in-kind contributions. Industry and Science Grouping members made a total of EUR 44 506 000 in validated resources, of which EUR 429 600 000 were in-kind validated contributions to FP7 projects.

By the end of 2019, the total EU contribution to Horizon 2020 was EUR 420 067 000. Industry and Science Grouping members had made a total of EUR 11 707 000 in in-kind validated contributions.

The low level of in-kind contributions from industry members for operational activities is due to the fact that the Joint Undertaking certifies them at the time of the final cost claims. Parliament called for harmonisation of the calculation of in-kind contributions to the Joint Undertakings with a view to establishing a common procedure for establishing the real value of the contribution, as well as the establishment of an appropriate legal framework that ensures that the required financial contribution amount will be achieved by the end of the programme.

Other observations

The resolution also contains a series of observations on performance, internal control and internal audit.

In particular, it noted the following:

- the Joint Undertaking uses key performance indicators (KPIs) under Horizon 2020 and two specific KPIs measure the share of funds allocated to research activities; it hosts demonstration projects in Member States and regions benefiting from EU structural and investment funds;

- in 2019, the Joint Undertaking completed the CertifHy 2 project, which serves as a catalyst for the implementation of an EU-wide guarantee of origin system for green and low-carbon hydrogen and is an important step towards a possible hydrogen certification mechanism under Directive (EU) 2018/2001;

- by the end of 2019, the Joint Undertaking's overall project portfolio included 155 projects under the Seventh Framework Programme;

- at the end of 2019, the Joint Undertaking had 27 staff members from 10 Member States, with an almost perfect gender balance in its workforce (51% men and 49% women);

- a comprehensive performance monitoring method for assessing the added value of the Joint Undertaking, including the social and employment impact and the market impact, should be put in place;

- the programme of activities should in the future respect the requirements and objectives set out in EU legislation regarding climate change mitigation and follow the strategies developed by both the Commission and the industry in this field;

- the issue of intellectual property rights (IPR) should be addressed in all contracts which may produce an intended outcome or result of the performance;

- the Joint Undertaking had in place reliable ex-ante control procedures based on financial and operational desk reviews. It had a complete risk matrix for 2020 (including lower priority risks) which was regularly assessed and reviewed by management as part of an ongoing risk assessment process.