2019 discharge: Shift2Rail Joint Undertaking (Shift2Rail)

2020/2188(DEC) - 28/04/2021 - Text adopted by Parliament, single reading

The European Parliament decided by 611 votes to 54, with 33 abstentions, to **grant discharge** to the Executive Director of the Shift2Rail Joint Undertaking in respect of the implementation of the budget of the Joint Undertaking for the financial year 2019 and to approve the closure of the Joint Undertaking's accounts.

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 603 votes to 56 with 32 abstentions, a resolution containing a series of observations which form an integral part of the discharge decision.

General comments

The main objectives of the Joint Undertaking are to contribute to the achievement of the Single European Railway Area, and to enhance the attractiveness, competitiveness, sustainability, and integration of the European railway system, facilitating, inter alia, a modal shift from road and air to rail transport.

Members noted that in total, more than 400 public and private entities, representing the rail sector, are involved in Shift2Rail's research and innovation activities. They stressed the Joint Undertaking’s contribution to achieving the objectives of the European Green Deal and supported the proposal to set up a European Railway Partnership in the field of research and innovation that will capitalise on the success of the Joint Undertaking.

Parliament recommended:

- exploring the possibilities of funding projects under EU programmes such as the Connecting European Facility, the Digital Europe Plan, the European Regional Development Fund and the Cohesion Fund;

- ensure that the successor to Shift2Rail includes in the research programme joint work with other modes of transport to prepare the ground for seamless and integrated transport, while prioritising the automation and digitalisation of the rail sector;

- to ensure that the future programme of activities respects the requirements and objectives of EU law on climate change mitigation and digitalisation and follows the strategies developed by the Commission and industry in this field.

Budgetary and financial management

The final budget available in 2019 included commitment appropriations of EUR 83 071 000 and payment appropriations of EUR 81 563 000. In 2019, the utilisation rates of available commitment and payment appropriations reached 97% and 86% respectively. By the end of 2029, the Joint Undertaking had implemented 100% of the commitment appropriations and 88% of the payment appropriations available for Horizon 2020 projects.

Other comments

The resolution also contains a series of observations on performance, staff and procurement, internal control and internal audits.

In particular, it noted the following:

- at the end of 2019, 72 projects were ongoing (32 reserved for members and 40 open calls). More than 50% of the Joint Undertaking's Research and Innovation Activity programme had been completed to reach the level of technological maturity required for operational demonstrations (expected to be completed in 2022);

- the Joint Undertaking uses Horizon 2020 specific KPIs as well as Joint Undertaking specific KPIs, such as those for assessing the efficiency of the rail transport system;

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

- during 2019, the Joint Undertaking made progress towards its objective, implemented the Shift2Rail programme and ensured sound, efficient and effective financial management. The total project cost for the work carried out in 2019 is EUR 117.5 million (of which EUR 98.9 million is provided by members other than the Union);

- the issue of intellectual property rights (IPR) should be addressed in all contracts that are likely to produce the expected effects or lead to the desired performance outcome;

- as of 31 December 2019, 24 posts were filled. There is a very low percentage of women (only 16%) in the Administrative Board, while they constituted 33% of the Joint Undertaking's representatives and 33% of the Scientific Committee;

- the Joint Undertaking has put in place reliable ex-ante control procedures based on reviews of financial and operational documents. It assessed its research and innovation activities through a third monitoring exercise and continued to implement the Shift2Rail anti-fraud strategy for 2017-2020.