

2022 discharge: Europe's Rail Joint Undertaking (EU-RAIL JU)

2023/2176(DEC) - 11/04/2024 - Text adopted by Parliament, single reading

The European Parliament decided to **grant discharge** to the Executive Director ad interim of Europe's Rail Joint Undertaking in respect of the implementation of the budget of the Joint Undertaking for the financial year 2022.

Noting that the Court of Auditors considered that the annual accounts of the Joint Undertaking for the financial year 2022 present fairly the financial situation of the Joint Undertaking on 31 December 2022, as well as the results of its operations, Parliament adopted, by 528 votes to 51 with 18 abstentions, a resolution containing a series of observations which form an integral part of the discharge decision.

General remarks

Parliament welcomed the successful commencement of activities by the EU- Rail Joint Undertaking in the end of 2021, as well as its role in delivering an integrated EU railway network for European passengers and cargo. 2022 was an ambitious and successful year achieving the ramp up phase of the EU-Rail Joint Undertaking and its programme which are now fully operational. 2022 was also a pivotal year for the innovation programmes of EU-Rail.

Budgetary and financial management

The EU-Rail Joint Undertaking's adopted budget amounted to **EUR 171.4 million** in commitment appropriations and EUR 180,8 million in payment appropriations. At the year-end 2022, the EU-Rail Joint Undertaking had implemented 100 % of its commitment appropriations made available in its active budget.

The payment appropriations were implemented up to 79.1 % of the active funds.

Regarding the implementation of the Horizon 2020 programme, at the end of 2022, the EU-Rail Joint Undertaking had fully committed the maximum EU operational contribution of **EUR 384.5 million** for signed grant agreements and contracts under the Horizon 2020 programme. Of this committed amount, around EUR 68.2 million (or 18 %) remains to be paid in the coming years for projects yet to be completed.

Members noted with satisfaction, that the private members had legally committed to provide in-kind contributions to the EU-Rail Joint Undertaking's operational activities of EUR 320.7 million, and in-kind contributions to additional activities of EUR 244 million or 123.7% of the minimum target of EUR 456.5 million, and that these committed amounts were reported at the end of 2022.

Parliament stressed the importance of:

- delivering a sustainable and resilient rail system by developing a zero-emission, silent rail system and climate resilient infrastructure;
- increasing support for Research and Innovation activities to deliver an integrated European railway network, eliminating barriers to interoperability and providing solutions for full integration, covering traffic management, vehicles and infrastructure, and integration with non-standard gauges (such as 1520, 1000 or 1668 mm railway, which showed to be important for the Solidarity Lanes in Ukraine);

- ensuring a fast transition to more attractive, user-friendly, competitive, affordable, easy to maintain, efficient and sustainable European rail system integrated into the wider mobility system for supporting the development of a strong and globally competitive European rail industry.

Other observations

The resolution also contains a series of observations on the management and controls systems, procurement and staff.

In particular, it noted the following:

- as regards the implementation of procurement activities, the Joint Undertaking complied with the principles of the EU Financial Regulation and the instructions of the Commission's Procurement Vademecum, this resulting in the implementation of activities obtaining the best value for money;

- the Joint Undertaking continued to use the e- tendering and bidding platforms available on the TED e-Tendering website and accessible through the Funding and Tenders Opportunities portal;

- according to the establishment plan, the Joint Undertaking is to have 29 staff, including 2 seconded national experts. In 2022, most vacancies have been progressively filled, no staff have left the Joint Undertaking and it has still experienced a number of temporary departures; the Joint Undertaking has used external competencies and expertise to achieve its operational activities, as well as of temporary outsourcing of some administrative tasks;

- improvements are still needed in the gender balance of its Board of Directors and at all other levels;

- the Court examined at final beneficiary level a random sample of Horizon 2020 payments made in 2022; in one case the Court detected and quantified a serious error resulting from the over-declaration of staff costs;

- the Joint Undertaking performed on an ad-hoc basis risk-based ex-ante controls on risky projects, it had not yet implemented a structured risk-based approach to ex-ante controls by the end of 2022; the Joint Undertaking did not ensure a complete and harmonised assessment of their relevant project and beneficiary-related risks, which may result in inefficient and/or ineffective ex-ante controls increasing the risk of co-financing ineligible costs, non-achievement of project objectives, project delays or even project failures;

- the Joint Undertaking must address weaknesses in the use of the reinforced monitoring tool. It should ensure that all reinforced monitoring actions are accompanied by specific control actions targeting the identified risks, and that they are followed-up at pre-defined deadline.