Basic information

2013/2252(DEC) DEC - Discharge procedure	Procedure completed
2012 discharge: Fuel Cells and Hydrogen Joint Undertaking (FCH Joint Undertaking) **Subject** 8.70.03.07 Previous discharges	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
CONT Budgetary Control	RÜBIG Paul (PPE)	10/10/2013
	Shadow rapporteur STAVRAKAKIS Georgios (S&D) GERBRANDY Gerben-Jan (ALDE) STAES Bart (Verts/ALE) ANDREASEN Marta (ECR) DE JONG Dennis (GUE/NGL) VANHECKE Frank (EFD) EHRENHAUSER Martin (NI)	

Committee for opinion	Rapporteur for opinion	Appointed
ITRE Industry, Research and Energy	The committee decided not to give an opinion.	

European Commission

Commission DG	Commissioner
Budget	ŠEMETA Algirdas

Key events

Date	Event	Reference	Summary
26/07/2013	Non-legislative basic document published	COM(2013)0570	Summary

22/10/2013	Committee referral announced in Parliament		
18/03/2014	Vote in committee		
20/03/2014	Committee report tabled for plenary	A7-0202/2014	Summary
02/04/2014	Debate in Parliament		
03/04/2014	Decision by Parliament	T7-0334/2014	Summary
03/04/2014	Results of vote in Parliament		
03/04/2014	End of procedure in Parliament		
05/09/2014	Final act published in Official Journal		

Technical information

Procedure reference	2013/2252(DEC)
Procedure type	DEC - Discharge procedure
Other legal basis	Rules of Procedure EP 165
Stage reached in procedure	Procedure completed
Committee dossier	CONT/7/14241

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE521.708	28/01/2014	
Amendments tabled in committee		PE528.207	26/02/2014	
Committee report tabled for plenary, single reading		A7-0202/2014	20/03/2014	Summary
Text adopted by Parliament, single reading		T7-0334/2014	03/04/2014	Summary

Council of the EU

Document type	Reference	Date	Summary
Document attached to the procedure	05851/2014	05/02/2014	Summary

European Commission

Document type	Reference	Date	Summary
Non-legislative basic document	COM(2013)0570	26/07/2013	Summary

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary

CofA	Court of Auditors: opinion, report	N7-0011/2014 OJ C 369 17.12.2013, p. 0057	22/10/2013	Summary

Additional information		
Source	**Document**	**Date**
European Commission	EUR-Lex	

Final act	
Budget 2014/0627 OJ L 266 05.09.2014, p. 0330	Summary

2012 discharge: Fuel Cells and Hydrogen Joint Undertaking (FCH Joint Undertaking)

2013/2252(DEC) - 26/07/2013 - Non-legislative basic document

PURPOSE: presentation by the Commission of the consolidated annual accounts of the European Union for the financial year 2012, as part of the 2012 discharge procedure.

Analysis of the accounts of the **Fuel Cells and Hydrogen Fuel Cell Joint Undertaking (FCH JU).**

CONTENT: this Commission document sets out the consolidated annual accounts of the European Union for the financial year 2012 as prepared on the basis of the information presented by the institutions, organisations and bodies of the EU, in accordance with Article 129 (2) of the Financial Regulation applicable to the EU's General Budget, including the FCH Joint Undertaking.

In 2012, the tasks and budget of the Joint Undertaking were as follows:

- **description of the tasks of the Joint Undertakin**g: the FCH Joint Undertaking, located in Brussels, was set up in 2008 by Council Regulation (EC) No 521/2008 for the period up to 31 December 2017. The objectives of the FCH JU include supporting research, technological development and demonstration activities in the Member States and countries associated with the Seventh Framework Programme in a coordinated manner together with industry and research organisations in order to focus on developing market applications and hence facilitating additional industrial efforts towards a rapid deployment of fuel cells and hydrogen technologies;
- **budget of the Joint Undertaking for the 2012 financial year**: the maximum indicative contribution of the EU amounts to EUR 470 million to be paid from the budget of the Seventh Research Framework Programme up to 2017. At 31 December 2012, the Commission held 80.6% of the ownership participation in FCH. The cumulative unrecognised share of losses is EUR 12 million.

Please also consult the final accounts of FCH Joint Undertaking.

2012 discharge: Fuel Cells and Hydrogen Joint Undertaking (FCH Joint Undertaking)

2013/2252(DEC) - 22/10/2013 - Court of Auditors: opinion, report

PURPOSE: presentation of the EU Court of Auditors' report on the annual accounts of the Fuel Cells and Hydrogen Joint Undertaking for the financial year 2012, together with the Joint Undertaking's reply.

CONTENT: in accordance with the tasks conferred on the Court of Auditors by the Treaty on the Functioning of the European Union, the Court presents to the European Parliament and to the Council, in the context of the discharge procedure, a Statement of Assurance as to the reliability of the annual accounts of each institution, body or agency of the EU, and the legality and regularity of the transactions underlying them, on the basis of an independent external audit.

This audit concerned, amongst others, the annual accounts of the Fuel Cells and Hydrogen (FCH) Joint Undertaking.

In the Court's opinion, **the FCH Joint Undertaking's Annual Accounts fairly present, in all material respects, its financial position as of 31 December 2012** and the results of its operations and its cash flows for the year then ended, in accordance with the provisions of its financial rules and the accounting rules adopted by the Commission's accounting officer.

It also considers that the **transactions underlying the annual accounts** of the Fuel Cells and Hydrogen Joint Undertaking for the financial year ended 31 December 2012 are, in all material respects, **legal and regular**.

The report confirms that the resources available to the Joint Undertaking in 2012 amount to EUR 94.9 million in commitment appropriations.

The report also makes a series of observations on the budgetary and financial management of the Joint Undertaking, accompanied by the latter's response. The main observations may be summarised as follows:

Court's comments:

- implementation of the budget: the Court notes that the commitment appropriations of EUR 833 million and payment appropriations of EUR 56.9 million. The utilisation rates for commitment and payment appropriations were 99.4% and 83.1% respectively;
- monitoring and reporting of research results: the 7th Framework Programme establishes a monitoring and reporting system covering the protection, dissemination and transfer of research results. The grant agreements signed with members and other beneficiaries, the Joint Undertaking has included specific provisions governing intellectual property rights and the dissemination of research activities. Now that the first projects have been completed, the FCH Joint Undertaking's monitoring of the implementation of the plan for the use and dissemination of foreground could be improved.

Joint Undertaking's replies: the FCH JU will explore with the Commission the possibility to use its system to improve further the monitoring of the implementation of the plan for use and dissemination of foreground. In parallel to the monitoring of the participants efforts to use and disseminate the results, the FCH JU is increasing its own capacity to use and analyse the results of projects, notably to assess the achievement of its programme.

As regards the **activities of the Joint Undertaking in 2012**, the report refers to the Annual Activity Report 2012 which can be found at http://www.fch-ju.eu/page/documents

On an operation level, the Court's report states that in 2012 a fifth call for proposals was launched for EUR 78 million. In January 2013, a sixth call was launched for the remaining amount (EUR 68.5 million).

2012 discharge: Fuel Cells and Hydrogen Joint Undertaking (FCH Joint Undertaking)

2013/2252(DEC) - 05/02/2014

Having examined the revenue and expenditure accounts for the financial year 2012 and the balance sheet at 31 December 2012 of the Fuel Cells and Hydrogen Joint Undertaking, and the report by the Court of Auditors on the annual accounts of the Joint Undertaking for the financial year 2012, accompanied by the Joint Undertaking's replies, the Council recommends the European Parliament to give a discharge to the Executive Director of the Joint Undertaking in respect of the implementation of the budget for the financial year 2012.

The observations in the Court of Auditors' report in relation to the financial year 2012 call for one comment by the Council as regards **research results**. The Council invites the Joint Undertaking to improve the monitoring and reporting of research results, in line with the provision of the relevant regulations of the Seventh Framework.

2012 discharge: Fuel Cells and Hydrogen Joint Undertaking (FCH Joint Undertaking)

2013/2252(DEC) - 20/03/2014 - Committee report tabled for plenary, single reading

The Committee on Budgetary Control adopted the report by Paul RÜBIG (EPP, AT) on discharge in respect of the implementation of the budget of the Fuel Cells and Hydrogen (FCH) Joint Undertaking for the financial year 2012 and called on the European Parliament to grant the Executive Director of the FCH Joint Undertaking discharge in respect of the implementation of the Office's budget for the financial year 2012.

Noting that the Court of Auditors stated that it has obtained reasonable assurances that the annual accounts of the FCH JU for the financial year 2012 are reliable and that the underlying transactions are legal and regular, Members made a number of recommendations that need to be taken into account when the discharge is granted, in addition to the general recommendations that appear in the draft resolution on performance, financial management and control of EU agencies:

- **Budget and financial management**: Members welcomed the fact that the Joint Undertaking received a clean opinion from the Court of Auditors on the legality and the regularity of the transactions underlying those accounts after having received a qualified opinion in 2011 on these aspects.

- **Rate of utilisation and carryovers**: the committee noted that the utilisation rates for commitment and payment appropriations were 99.4 % and 83.1 % respectively. It pointed out that at the end of December 2012, cash and cash equivalents amounted to EUR 12.3 million, which

was at odds with the budgetary principle of equilibrium. It urged the Joint Undertaking to implement, together with the Commission, all the necessary measures to minimise the cash balances held on account to the levels that are required within the limits provided in the financing agreements with the Commission.

Members went on to make a series of observations on calls for proposals, internal control systems, internal audits, and horizontal aspects of European Research Joint Undertakings. They invited the Court of Auditors to monitor the Joint Undertaking's policies as regards the management and prevention of conflicts of interests by drafting a Special Report on the matter by the next discharge procedure.

JTI: the committee invited the Court of Auditors to **comprehensively analyse the Joint Technology Initiatives (JTIs)** and the other joint undertakings in a separate report in light of the substantial amounts involved and the risks- notably reputational – presented. It noted that the Joint Undertakings' total 2012 forecasted budgeted income amounted to some EUR 2.5 billion or about 1.8 % of the 2012 Union general budget while approximately EUR 618 million came from the general budget (cash contribution from the Commission) and approximately EUR 134 million came from the industrial partners and members of the Joint Undertakings.

Members recalled that Parliament had previously requested that the Court of Auditors draw up a special report on the capacity of the joint undertakings, together with their private partners, to ensure added value and efficient execution of Union research, technological development and demonstration programmes.

They agreed with the Court of Auditors' conclusion that the JTIs had been set up to support long-term industrial investment in particular research areas, but noted that it had taken on average two years to grant financial autonomy to a JTI, with the Commission usually remaining responsible for one third of the expected operational lifetime of the JTIs.

2012 discharge: Fuel Cells and Hydrogen Joint Undertaking (FCH Joint Undertaking)

2013/2252(DEC) - 03/04/2014 - Text adopted by Parliament, single reading

The European Parliament adopted a decision concerning the discharge to be granted to the Executive Director of the Fuel Cells and Hydrogen (FCH) Joint Undertaking in respect of the implementation of the undertaking's budget for the financial year 2012. The vote on the discharge decision covers the closing of the accounts (in accordance with Annex VI, Article 5(1) of Parliament's Rules of Procedure.

Noting that the Court of Auditors stated that the 2012 annual accounts of the Joint Undertaking present fairly, in all material respects, its financial position as of 31 December 2012 and the results of its operations and its cash flows for the year then ended, Parliament adopted by 477 votes to 64, with 16 abstentions, a resolution containing a series of recommendations that need to be taken into account when the discharge is granted, in addition to the general recommendations that appear in the draft resolution on performance, financial management and control of EU agencies.

These recommendations may be summarised as follows:

- **Budget and financial management**: Parliament welcomed the fact that the Joint Undertaking received a clean opinion from the Court of Auditors on the legality and the regularity of the transactions underlying those accounts after having received a qualified opinion in 2011 on these aspects.
- **Rate of utilisation and carryovers**: Parliament noted that the utilisation rates for commitment and payment appropriations were 99.4 % and 83.1 % respectively. It pointed out that at the end of December 2012, cash and cash equivalents amounted to EUR 12.3 million, which was at odds with the budgetary principle of equilibrium. It urged the Joint Undertaking to implement, together with the Commission, all the necessary measures to minimise the cash balances held on account to the levels that are required within the limits provided in the financing agreements with the Commission.

Parliament went on to make a series of observations on calls for proposals, internal control systems, internal audits, and horizontal aspects of European Research Joint Undertakings.

It also invited the Court of Auditors to monitor the Joint Undertaking's policies as regards the management and prevention of conflicts of interests by drafting a Special Report on the matter by the next discharge procedure. In the meantime, Parliament invites the JU to make its policy and/or arrangements in this regard available on its website.

JTI: Parliament invited the Court of Auditors to **comprehensively analyse the Joint Technology Initiatives (JTIs)** and the other joint undertakings in a separate report in light of the substantial amounts involved and the risks- notably reputational – presented. It noted that the Joint Undertakings' total 2012 forecasted budgeted income amounted to some EUR 2.5 billion or about 1.8 % of the 2012 Union general budget while approximately EUR 618 million came from the general budget (cash contribution from the Commission) and approximately EUR 134 million came from the industrial partners and members of the Joint Undertakings. It also recalls that the total Union contribution deemed necessary for the Joint Undertakings for their period of existence amounts to EUR 11.5 billion.

Parliament recalled that it had previously requested that the Court of Auditors draw up a special report on the capacity of the joint undertakings, together with their private partners, to ensure added value and efficient execution of Union research, technological development and demonstration programmes.

It agreed with the Court of Auditors' conclusion that the JTIs had been set up to support long-term industrial investment in particular research areas, but noted that it had taken, on average, two years to grant financial autonomy to a JTI, with the Commission usually remaining responsible for one third of the expected operational lifetime of the JTIs.

2012 discharge: Fuel Cells and Hydrogen Joint Undertaking (FCH Joint Undertaking)

2013/2252(DEC) - 03/04/2014 - Final act

PURPOSE: to grant discharge to the Fuel Cells and Hydrogen Joint Undertaking for the financial year 2012.

NON-LEGISLATIVE ACT: Decision 2014/627/EU of the European Parliament on discharge in respect of the implementation of the budget of the Fuel Cells and Hydrogen Joint Undertaking for the financial year 2012.

CONTENT: with the present decision, the European Parliament grants discharge to the Executive Director of the Fuel Cells and Hydrogen Joint Undertaking in respect of its budget for the financial year 2012.

This decision is in line with the European Parliament's resolution adopted on 3 April 2014 and comprises a series of observations that form an integral part of the discharge decision (please refer to the summary of the opinion of 3 April 2014).

Amongst the main observations made, Parliament made a number of **cross-cutting comments as regards all the Joint Undertakings (JUs)** and invited the Court of Auditors to conduct a detailed analysis of the JUs in a separate report in light of the substantial amounts involved and the risks - notably reputational - presented.