Basic information

2014/2134(DEC) DEC - Discharge procedure	Procedure completed
2013 discharge: Fuel Cells and Hydrogen Joint Undertaking (FCH Joint Undertaking) **Subject** 8.70.03.03 2013 discharge	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
CONT Budgetary Control	CZARNECKI Ryszard (ECR)	26/09/2014
	Shadow rapporteur MARINESCU Marian-Jean (PPE) BALČYTIS Zigmantas (S&D) DLABAJOVÁ Martina (ALDE) ŠOLTES Igor (Verts/ALE) VALLI Marco (EFDD)	

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	GEORGIEVA Kristalina

Key events

Date	Event	Reference	Summary
30/07/2014	Non-legislative basic document published	COM(2014)0510	Summary
20/10/2014	Committee referral announced in Parliament		
23/03/2015	Vote in committee		
31/03/2015	Committee report tabled for plenary	A8-0112/2015	Summary

28/04/2015	Debate in Parliament		
29/04/2015	Decision by Parliament	T8-0166/2015	Summary
29/04/2015	Results of vote in Parliament		
29/04/2015	End of procedure in Parliament		
30/09/2015	Final act published in Official Journal		

Technical information

Procedure reference	2014/2134(DEC)
Procedure type	DEC - Discharge procedure
Stage reached in procedure	Procedure completed
Committee dossier	CONT/8/01604

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE541.306	23/01/2015	
Amendments tabled in committee		PE549.354	05/03/2015	
Committee report tabled for plenary, single reading		A8-0112/2015	31/03/2015	Summary
Text adopted by Parliament, single reading		T8-0166/2015	29/04/2015	Summary

Council of the EU

Document type	Reference	Date	Summary
Document attached to the procedure	05306/2015	30/01/2015	Summary

European Commission

Document type	Reference	Date	Summary
Non-legislative basic document	COM(2014)0510	30/07/2014	Summary

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
CofA	Court of Auditors: opinion, report	N8-0008/2015 OJ C 452 16.12.2014, p. 0067	21/10/2014	Summary

Additional information

Source	Document	Date
European Commission	EUR-Lex	

Final act
Budget 2015/1697 OJ L 255 30.09.2015, p. 0379 Summary

2013 discharge: Fuel Cells and Hydrogen Joint Undertaking (FCH Joint Undertaking)

2014/2134(DEC) - 21/10/2014 - 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 2013, 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.

Statement of assurance: pursuant to the provisions of Article 287 of the Treaty on the Functioning of the European Union (TFEU), the Court has audited:

- the annual accounts of the Fuel Cells and Hydrogen Joint Undertaking, which comprise the financial statements and the reports on the implementation of the budget for the financial year ended 31 December 2013;
- the legality and regularity of the transactions underlying those accounts.

Opinion on the reliability of the accounts: in the Court's opinion, the Joint Undertaking's annual accounts present fairly, in all material respects, its financial position as at 31 December 2013 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.

Opinion on the legality and regularity of the transactions underlying the accounts: in the Court's opinion, the transactions underlying the annual accounts for the year ended 31 December 2013 are, in all material respects, legal and regular.

At the end of this audit, the Court concluded the following:

- **budgetary and financial management**: the budgetary implementation rate of payment appropriations was very weak (57%) resulting from the postponement of the funding of three projects;
- **internal audit functions**: the FCH Joint Undertaking Internal Audit Capability (IAC) carried out one audit on 'Grant Management-negotiation, contracting and prefinancing' during 2013 and performed other assurance and consultancy services. The Final Report on 'Grant Management' noted the need to reduce the 'Time to Grant' and 'Time to Close Negotiations' and the need to clarify some aspects of the Joint Undertaking's procedure for 'Financial Viability Checks';
- **conflicts of interest**: the FCH Joint Undertaking has put specific measures in place to prevent conflicts of interest in respect of its three key stakeholders: Governing Board members, experts and employees.

Cross-cutting remarks for all the Joint undertakings: the prevention of conflicts of interest is addressed by most Joint Undertakings by the adoption of specific rules and by the development of tools to document all related information. An Interim Evaluation was performed over 2013 assessing all Joint Undertakings in terms of relevance, efficiency, effectiveness and research quality. The reports, while positive, also highlighted areas for further improvement. In general, all Joint Undertakings have produced reliable accounts but there is room for improvement.

Joint Undertaking's replies: the Joint Undertaking replied point by point to all of the technical elements highlighted by the Court of Auditors. It has developed an action plan to address the recommendations of the IAC audit on 'Grant Management, negotiation, contracting and prefinancing'. Part of the actions are implemented and the others are under revision in the context of an update of the action plan to take into account the impact of the new legal environment and in particular the new rules under Horizon 2020.

As regards the **activities of the Joint Undertaking in 2013**, the report refers to the Annual Activity Report 2013 which can be found at http://www.fch-ju.eu/page/documents

It should be noted that the budget for the Joint Undertaking for 2013 amounted to EUR 82.5 million in commitment appropriations.

2013 discharge: Fuel Cells and Hydrogen Joint Undertaking (FCH Joint Undertaking)

2014/2134(DEC) - 29/04/2015 - Final act

PURPOSE: to grant discharge to the Fuel Cells and Hydrogen (FCH) Joint Undertaking for the financial year 2013.

NON LEGISLATIVE ACT: Decision (EU) 2015/1697 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 2013.

CONTENT: with the present decision, the European Parliament grants discharge to the Executive Director of the Fuel Cells and Hydrogen 2 Joint Undertaking for the implementation of the Fuel Cells and Hydrogen Joint Undertaking's budget for the financial year 2013.

This decision is in line with the European Parliament's resolution adopted on 29 April 2015 and comprises a series of observations that form an integral part of the discharge decision (please refer to the summary of the opinion of 29 April 2015).

Amongst Parliament’s main observations, the latter called on the Court to present a **complete and appropriate financial assessment of rights and obligations of the Joint Undertaking** for the period up to the date of the Fuel Cells and Hydrogen 2 Joint Undertaking starting activity.

2013 discharge: Fuel Cells and Hydrogen Joint Undertaking (FCH Joint Undertaking)

2014/2134(DEC) - 30/01/2015

Having examined the revenue and expenditure accounts for the financial year 2013 and the balance sheet at 31 December 2013 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 2013, accompanied by the Joint Undertaking's replies to the Court's observations, the Council recommends the European Parliament to give a discharge to the Executive Director of the successor Joint Undertaking in respect of the implementation of the budget of the Joint Undertaking for the financial year 2013.

The Council recalls that the Fuel Cells and Hydrogen 2 Joint Undertaking has replaced and succeeded the Fuel Cells and Hydrogen Joint Undertaking and that discharge should therefore be given to the Executive Director of the Fuel Cells and Hydrogen 2 Joint Undertaking.

Overall, the Council welcomes the Court's opinion that, in all material respects, the Joint Undertaking's annual accounts present fairly its financial position as at 31 December 2013 and the results of its operations and its cash flows for the year then ended, in accordance with the provisions of the Joint Undertaking's Financial Regulation and the accounting rules adopted by the Commission's accounting officer, and that the underlying transactions for that financial year are legal and regular.

Nevertheless, the Council made one observation concerning:

- **internal audit capability**: the Council takes note of the weaknesses detected by the Joint Undertaking's Internal Audit Capability regarding the Grant Management-negotiation, contracting and prefinancing, and asks the successor Joint Undertaking to remedy the detected weaknesses without delay.

2013 discharge: Fuel Cells and Hydrogen Joint Undertaking (FCH Joint Undertaking)

2014/2134(DEC) - 31/03/2015 - Committee report tabled for plenary, single reading

The Committee on Budgetary Control adopted the report by Ryszard CZARNECKI (ECR, PL) on discharge in respect of the implementation of the budget of the **Fuel Cells and Hydrogen Joint Undertaking** for the financial year 2013.

It called on the European Parliament to grant the Executive Director of the Fuel Cells and Hydrogen 2 (FCH 2) Joint Undertaking discharge in respect of the implementation of the Joint Undertaking’s budget for the financial year 2013.

Noting that the Court of Auditors stated that it has obtained reasonable assurances that the annual accounts of FCH 2 for the financial year 2013 are reliable, and that the underlying transactions are legal and regular, Members called on the Parliament to approve the closure of FCH 2's accounts. They made, however, a number of recommendations that needed 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.

- **Budgetary and financial management:** Members noted that the Joint Undertaking's final budget for the financial year 2013 included commitment appropriations of EUR 74.5 million and payment appropriations of EUR 69.7 million. They observed moreover, that the utilisation rates for commitment and payment appropriations were 98.9 % and 56.7 % respectively. the level of payment appropriations is lower than the previous year was due to the postponement of funding of three projects.

- **Conflicts of interests:** other than the weaknesses noted by the Court, Members remarked that FCH2 had put in place specific measures in order to prevent conflicts of interest in respect of its three key stakeholders - Governing Board members, experts and employees - such as a **clear definition of conflict of interest** with a database of all related information and process for managing them. They noted that the written procedure regarding the specific measures was submitted to the Governing Board in November 2014.

Other observations: the committee also made a series of observations on the legal framework of the Joint Undertaking, and the current call for proposals. It took note that the Joint Undertaking, along with ARTEMIS, Clean Sky, Eniac and IMI Joint Undertakings, was the subject of an IT risk assessment of the common IT infrastructure performed by the Commission's Internal Audit Service.

Members observed that FCH 2 had introduced a new IT tool which helped with the **analysis and synthesis of the results of finished projects** and reporting the first public foreground deliverables arising from complex projects. They called on the Joint Undertaking to submit a report to the discharge authority on the social-economic benefits of the projects already completed.

They acknowledged the Joint Undertaking's efforts to examine the possibility of using the Commission's IT system for monitoring purposes related to the protection, dissemination and transfer of research results as well as to develop its reporting on results. Lastly, Members recalled that the discharge authority had previously requested the Court to 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.

2013 discharge: Fuel Cells and Hydrogen Joint Undertaking (FCH Joint Undertaking)

2014/2134(DEC) - 29/04/2015 - Text adopted by Parliament, single reading

The European Parliament decided by 559 votes to 126, with 3 abstentions, to grant discharge to the Executive Director of the **Fuel Cells and Hydrogen Joint Undertaking (FCH2)** for the financial year 2013. The vote on the discharge decision approved the closure of the accounts (in accordance with Annex VI, Article 5(1) of the Rules of Procedure of the European Parliament).

Noting that the Court of Auditors stated that it has obtained reasonable assurances that the annual accounts of the FCH2 Joint Undertaking for the financial year 2013 are reliable, and that the underlying transactions are legal and regular, Parliament adopted by 575 votes to 99, with 9 abstentions, a resolution containing a number of recommendations that form an integral part of the discharge decision and as well as the general recommendations that appear in the resolution on performance, financial management and control of EU agencies:

- **Budgetary and financial management**: Parliament noted that the Joint Undertaking's final budget for the financial year 2013 included commitment appropriations of EUR 74.5 million and payment appropriations of EUR 69.7 million. It observed moreover, that the utilisation rates for commitment and payment appropriations were 98.9% and 56.7% respectively. The level of payment appropriations is lower than the previous year was due to the postponement of funding of three projects.
- **Conflicts of interests**: other than the weaknesses noted by the Court, Parliament remarked that FCH2 had put in place specific measures in order to prevent conflicts of interest in respect of its three key stakeholders - Governing Board members, experts and employees - such as a **clear definition of conflict of interest** with a database of all related information and process for managing them. It noted that the written procedure regarding the specific measures was submitted to the Governing Board in November 2014.

Other observations: Parliament also made a series of observations on the legal framework of the Joint Undertaking, and the current call for proposals. It took note that the Joint Undertaking, along with ARTEMIS, Clean Sky, Eniac and IMI Joint Undertakings, was the subject of an IT risk assessment of the common IT infrastructure performed by the Commission's Internal Audit Service.

Members observed that FCH 2 had introduced a **new IT tool** which helped with the **analysis and synthesis of the results of finished projects** and reporting the first public foreground deliverables arising from complex projects. They called on the Joint Undertaking to submit a report to the discharge authority on the social-economic benefits of the projects already completed and called for this report to be accompanied by an assessment carried out by the Commission.

Parliament acknowledged the Joint Undertaking's efforts to examine the possibility of using the Commission's IT system for monitoring purposes related to the protection, dissemination and transfer of research results as well as to develop its reporting on results. Lastly, it recalled that the discharge authority had previously requested the Court to 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.

2013 discharge: Fuel Cells and Hydrogen Joint Undertaking (FCH Joint Undertaking)

2014/2134(DEC) - 30/07/2014 - Non-legislative basic document

PURPOSE: presentation by the Commission of the consolidated annual accounts of the European Union for the financial year 2013, as part of the 2013 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 2013 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.

The document contains the figures on which the discharge procedure is based.

Discharge procedure of the EU Joint Undertakings: the EU Budget finances a wide range of policies and programmes throughout the EU. In accordance with the priorities set by the European Parliament and the Council in the multi-annual financial framework (MFF), the European Commission carries out specific programmes, activities and projects in the field with the technical support of some specialised agencies.

The consolidated annual accounts of the EU provide information on the activities of the institutions, agencies and other bodies of the EU from a budgetary and accrual accounting perspective.

The consolidated reports on the implementation of the general budget of the EU include the budget implementation of all Institutions. **Agencies and Joint Undertakings (JUs) do not have a separate budget inside the EU budget**; and they are partially financed by a Commission budget subsidy.

Each JU is subject to its own discharge procedure.

FCH JU: in 2013, 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 objective of the FCH Joint Undertaking is to combine resources from the public and private sectors to strengthen research activities with a view to increasing the overall efficiency of European research efforts and accelerate the development and deployment of fuel cell and hydrogen technologies;
- **accounts of the JU**: the maximum indicative contribution of the EU amounts to EUR 470 million up to 31 December 2017, At 31 December 2013, the Commission held 74.2% of the ownership participation in FCH. The cumulative unrecognised share of losses is EUR 67 million.

Please also consult the final accounts of FCH Joint Undertaking.