Basic information

2015/2200(DEC) DEC - Discharge procedure	Procedure completed
2014 discharge: Innovative Medicines Initiative 2 Joint Undertaking (IMI2 Joint Undertaking) **Subject** 8.70.03.04 2014 discharge	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
CONT Budgetary Control	MARINESCU Marian-Jean (PPE)	19/08/2015
	Shadow rapporteur POCHE Miroslav (S&D) FITTO Raffaele (ECR) GERBRANDY Gerben-Jan (ALDE) DE JONG Dennis (GUE/NGL) ŠOLTES Igor (Verts/ALE) VALLI Marco (EFDD) KAPPEL Barbara (ENF)	

Committee for opinion	Rapporteur for opinion	Appointed
ENVI Environment, Public Health and Food Safety	The committee decided not to give an opinion.	
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
23/07/2015	Non-legislative basic document published	COM(2015)0377	Summary
05/10/2015	Committee referral announced in Parliament		
04/04/2016	Vote in committee		
07/04/2016	Committee report tabled for plenary	A8-0081/2016	Summary
27/04/2016	Debate in Parliament		
28/04/2016	Decision by Parliament	T8-0197/2016	Summary
28/04/2016	Results of vote in Parliament		
28/04/2016	End of procedure in Parliament		
14/09/2016	Final act published in Official Journal		

Technical information

Procedure reference	2015/2200(DEC)
Procedure type	DEC - Discharge procedure
Stage reached in procedure	Procedure completed
Committee dossier	CONT/8/04249

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE571.626	03/02/2016	
Amendments tabled in committee		PE576.938	04/03/2016	
Committee report tabled for plenary, single reading		A8-0081/2016	07/04/2016	Summary
Text adopted by Parliament, single reading		T8-0197/2016	28/04/2016	Summary

Council of the EU

Document type	Reference	Date	Summary
Supplementary non-legislative basic document	05587/2016	27/01/2016	Summary

European Commission

Document type	Reference	Date	Summary
Non-legislative basic document	COM(2015)0377	23/07/2015	Summary

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
CofA	Court of Auditors: opinion, report	N8-0006/2016 OJ C 422 17.12.2015, p. 0061	06/10/2015	Summary

Additional information		
Source	Document	Date
European Commission	EUR-Lex	

Final act	
Budget 2016/1591 OJ L 246 14.09.2016, p. 0411	Summary

2014 discharge: Innovative Medicines Initiative 2 Joint Undertaking (IMI2 Joint Undertaking)

2015/2200(DEC) - 28/04/2016 - Final act

PURPOSE: to grant discharge to the IMI Joint Undertaking for the financial year 2014.

NON LEGISLATIVE ACT: Decision (EU) 2016/1591 of the European Parliament on discharge in respect of the implementation of the budget of the Joint Technology Initiative on Innovative Medicines for the financial year 2014.

CONTENT: with the present decision, the European Parliament grants discharge to the Executive Director of the Innovative Medicines Initiative 2 Joint Undertaking (formerly the Joint Undertaking for the implementation of the Joint Technology Initiative on Innovative Medicines) for the financial year 2014.

This decision is in line with the European Parliament's resolution adopted on 28 April 2016 and comprises a series of observations that form an integral part of the discharge decision (please refer to the summary of the opinion of 28 April 2016).

Amongst Parliament’s main observations in the resolution accompanying the discharge decision, the latter considered that, in the absence of a clear separation between FP 7 and Horizon 2020 implementation-related information, the indicators used do not ensure a real evaluation of performance. It called on the Court to set out in its future reports information regarding the **execution of the budget under FP 7** and that of Horizon 2020 separately.

2014 discharge: Innovative Medicines Initiative 2 Joint Undertaking (IMI2 Joint Undertaking)

2015/2200(DEC) - 28/04/2016 - Text adopted by Parliament, single reading

The European Parliament decided to grant the Executive Director of the Innovative Medicines Initiative (IMI2) Joint Undertaking (formerly the Joint Undertaking for the implementation of the Joint Technology Initiative on Innovative Medicines) discharge in respect of the implementation of the Joint Undertaking’s budget for the financial year 2014. The vote on the decision on discharge covers the closure of the accounts (in accordance with Annex V, Article 5 (1)(a) to Parliament’s Rules of Procedure.

Noting that the Court of Auditors has stated that it has obtained reasonable assurances that the Joint Undertaking’s annual accounts for the financial year 2014 are reliable and that the underlying transactions are legal and regular, Parliament adopted by 512 votes to 113 with 7 abstentions, a resolution containing a series of recommendations, which form an integral part of the decision on discharge and which add to the general recommendations set out in the resolution on performance, financial management and control of EU agencies:

- **General remark**: Parliament noted that the Court of Auditors' report is based on too many general remarks to the detriment of viable, specific ones. It therefore called for an audit with a sharper focus on the annual financial performance, on the implementation status of multiannual projects (including a clear presentation of the implementation of the budget for the respective year and for previous years) and on the results and their implementation. It noted that the Institutions and Bodies are required to produce each year a Report on Budgetary and Financial

Management and that the information provided by the Joint Undertaking in this report lacked harmonisation and was often incomplete. It called on the Commission to provide guidance as to the nature and content of the report.

- **Budget and financial management**: Parliament noted that the joint undertaking's annual budget included commitment appropriations amounting to EUR 223 million and payment appropriations amounting to EUR 171 million. It noted the overall implementation rate was 92.4 % (99.5 % for 2013) for commitment appropriations and 73.9 % (97.5 % for 2013) for payment appropriations. Parliament noted the lack of information on the ex post audits carried out by the IMI and IMI2 joint undertakings. It invited the Court to include in future reports information regarding the number of ex-post audits, the total amounts covered and the findings. It called on the Court to include more information on budget execution (commitment and payments, including in-kind and cash contributions) for FP 7 and Horizon 2020 programmes in the upcoming annual reports.

Lastly, Parliament issued a series of observations regarding conflicts of interest in the joint undertaking, the undertaking's legal framework, and procurement and internal control procedures.

2014 discharge: Innovative Medicines Initiative 2 Joint Undertaking (IMI2 Joint Undertaking)

2015/2200(DEC) - 07/04/2016 - Committee report tabled for plenary, single reading

The Committee on Budgetary Control adopted the report by Marian-Jean MARINESCU (EPP, RO) on discharge in respect of the implementation of the budget of the Innovative Medicines Initiative (IMI2) Joint Undertaking for the financial year 2014.

The parliamentary committee calls on the European Parliament to grant the joint undertaking’s Executive Director discharge in respect of the implementation of the joint undertaking’s budget for the financial year 2014.

Noting that the Court of Auditors issued a statement of assurance as to the reliability of the accounts and the legality and regularity of the underlying transactions for the financial year 2014, Members call on Parliament to approve the closure of the joint undertaking’s accounts.

They made, however, a number of recommendations that need to be taken into account when the discharge is granted. They may be summarised as follows:

- **General remark:** Members note that the Court of Auditors' report is based on too many general remarks to the detriment of viable, specific ones. They therefore call for an audit with a sharper focus on the annual financial performance, on the implementation status of multiannual projects (including a clear presentation of the implementation of the budget for the respective year and for previous years) and on the results and their implementation. They note that the Institutions and Bodies are required to produce each year a Report on Budgetary and Financial Management and that the information provided by the Joint Undertaking in this report lacked harmonisation and was often incomplete. They call on the Commission to provide guidance as to the nature and content of the report.
- **Budget and financial management:** Members note that the joint undertaking's annual budget included commitment appropriations amounting to EUR 223 million and payment appropriations amounting to EUR 171 million. They note the overall implementation rate was 92.4 % (99.5 % for 2013) for commitment appropriations and 73.9 % (97.5 % for 2013) for payment appropriations. Members note the lack of information on the ex post audits carried out by the IMI and IMI2 joint undertakings. They invite the Court to include in future reports information regarding the number of ex-post audits, the total amounts covered and the findings. They call on the Court to include more information on budget execution (commitment and payments, including in-kind and cash contributions) for FP 7 and Horizon 2020 programmes in the upcoming annual reports.

Lastly, Members issue a series of observations regarding conflicts of interest in the joint undertaking, the undertaking's legal framework, and procurement and internal control procedures.

2014 discharge: Innovative Medicines Initiative 2 Joint Undertaking (IMI2 Joint Undertaking)

2015/2200(DEC) - 27/01/2016 - Supplementary non-legislative basic document

Having examined the revenue and expenditure accounts for the financial year 2014 and the balance sheet as at 31 December 2014 of the Innovative Medicines Initiative Joint Undertaking and the Innovative Medicines Initiative 2 Joint Undertaking, as well as the Court of Auditors' report on the annual accounts of the Joint Undertaking for the financial year 2014, accompanied by the Joint Undertaking's replies to the Court's observations, the Council recommended 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 2014.

The Council recalled that the Innovative Medicines Initiative 2 Joint Undertaking (IMI2) has replaced and succeeded the Innovative Medicines Initiative Joint Undertaking and that discharge should therefore be given to the Executive Director of the successor Joint Undertaking.

The Council welcomed the Court's opinion that, in all material respects, the Joint Undertaking's annual accounts present fairly its financial position as at 31 December 2014 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 Rules, and that the underlying transactions for 2014 are legal and regular in all material respects.

Nevertheless, the Council made the following observations:

-

financial programming: the Council called on the successor Joint Undertaking to pay due attention to proper financial programming and budget implementation in order to reduce the level of commitment appropriations carried over to the following financial year to the strict minimum, in line with the budgetary principle of annuality;

- **controls**: the Council deplored that the Council regretted that weaknesses were identified by the Court. It called on the successor Joint Undertaking to reinforce ex-ante controls on the payment of project costs;
- **research results**: the Council also invited the successor Joint Undertaking to improve the monitoring and reporting of research results by implementing the recommendations made by the Commission's Internal Audit Service.

2014 discharge: Innovative Medicines Initiative 2 Joint Undertaking (IMI2 Joint Undertaking)

2015/2200(DEC) - 06/10/2015 - Court of Auditors: opinion, report

PURPOSE: presentation of the EU Court of Auditors' report on the annual accounts of the **Innovative Medicines Initiative (IMI) 2** Joint Undertaking for the financial year 2014, 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 IMI 2 Joint Undertaking (initiative on innovative medicine).

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 IMI 2 Joint Undertaking, which comprise the financial statements and the reports on the implementation of the budget for the financial year ended 31 December 2014;
- 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 2014, 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 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 2014 are, in all material respects, legal and regular.

The audit also revealed the following points:

- **budgetary and financial management**: the budgetary implementation rate for commitment appropriations ranged between 90 % and 100 % for most Joint Undertakings including IMI 2 and the rate for payment appropriations was 74 %;
- **procurement**: the Court notes that with regard to calls for proposals, the final rate of appropriations committed achieved a figure between 90 % and 100 %, including IMI 2.

Cross-cutting remarks for all the Joint undertakings: the monitoring and reporting of research results is laid down in the Seventh Framework Programme (FP7). In the grant agreements signed with members and other beneficiaries, the Joint Undertakings have included specific provisions governing intellectual property rights and the dissemination of research activities and results. The implementation of these provisions is monitored by the Joint Undertakings at different stages of the funded projects and significant progress has been achieved in 2014. However, in order to meet the requirements of Horizon 2020 and to better contribute to the dissemination of FP7 research results, the Court considers that cooperation between the Joint Undertakings and the Commission must be developed as much as possible with special regard to the further integration of some of the Joint Undertakings' data into the Commission's systems.

The Court also indicates that there is room to improve procedures, in particular in the implementation of the ex-post audit strategy, and cooperation with the Commission as regards the integration of the research results.

Replies of the Joint Undertaking: the Joint Undertaking states that it remains committed to managing its funding under the principle of sound financial management and through a trust-based approach with the participants in the projects whilst ensuring sufficient control and accountability. This approach will also contribute towards ensuring a successful outcome of the IMI projects as many of them are already starting to generate promising results, in the interest of patients and society at large.

With regard to the **activities of the Joint Undertaking in 2014**, the report refers to the Joint Undertaking's latest available annual activity report for 2014 available at the following address: www.imi.europa.eu

It should be noted that the budget for IMI 2 for 2014 was EUR 223 294 603 in commitment appropriations and EUR 170 801 250 EUR in payment appropriations.

2014 discharge: Innovative Medicines Initiative 2 Joint Undertaking (IMI2 Joint Undertaking)

2015/2200(DEC) - 23/07/2015 - Non-legislative basic document

PURPOSE: presentation by the Commission of the consolidated annual accounts of the European Union for the financial year 2014, as part of the 2014 discharge procedure.

Analysis of the accounts of the **Innovative Medicines Initiative 2 Joint Undertaking (IMI 2).**

CONTENT: this Commission document sets out the consolidated annual accounts of the European Union for the financial year 2014 as prepared on the basis of the information presented by the institutions, organisations and bodies of the EU, in accordance with Article 148 (2) of the Financial Regulation applicable to the EU's General Budget, including the IMI 2 Joint Undertaking.

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

On this basis, the Financial Controller of the European Commission ensures the certification of the consolidated accounts as declared by the institutions, agencies and bodies of the European Union.

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.

This document sets out how the JUs spent and implemented their budget in 2014. Each agency is subject to its own discharge procedure.

IMI 2: in 2014, the tasks and budget of the Joint Undertaking were as follows:

- **description of the tasks of the Joint Undertaking**: the IMI 2 Joint undertaking, which is located in Brussels, was set up by Council Regulation (EU) No 557/2014, for a period up to 31 December 2024. The IMI Joint Undertaking 2 aims to increase clinical trial success rates of priority medicines identified by the World health Organization and where possible, reduce the time to reach clinical proof of concept in medicine development for certain diseases such as cancer and Alzheimer's disease;
- **accounts of the JU**: the IMI JU 2 officially began operations on 7.9.2014, following those of the IMI JU and launched its first calls for tender in the framework of the Ebola crisis. The ownership participation at year-end is as follows 80.47% in IMI 2.

Please also consult the final accounts of IMI 2 Joint Undertaking.