Basic information

2018/2216(DEC) DEC - Discharge procedure	Procedure completed
2017 discharge: Fuel Cells and Hydrogen 2 Joint Undertaking (FCH 2 Joint Undertaking) **Subject** 8.70.03.02 2017 discharge	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
CONT Budgetary Control	DLABAJOVÁ Martina (ALDE)	25/07/2018
	Shadow rapporteur ZDECHOVSKÝ Tomáš (PPE) POCHE Miroslav (S&D) MARIAS Notis (ECR) OMARJEE Younous (GUE/NGL) TARAND Indrek (Verts/ALE) VALLI Marco (EFDD) KAPPEL Barbara (ENF)	

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	OETTINGER Günther

Key events

Date	Event	Reference	Summary
28/06/2018	Non-legislative basic document published	COM(2018)0521	Summary

11/09/2018	Committee referral announced in Parliament		
20/02/2019	Vote in committee		
27/02/2019	Committee report tabled for plenary	A8-0105/2019	Summary
26/03/2019	Decision by Parliament	T8-0290/2019	Summary
26/03/2019	Results of vote in Parliament		
26/03/2019	Debate in Parliament		
26/03/2019	End of procedure in Parliament		
27/09/2019	Final act published in Official Journal		

Technical information

Procedure reference	2018/2216(DEC)
Procedure type	DEC - Discharge procedure
Other legal basis	Rules of Procedure EP 165
Stage reached in procedure	Procedure completed
Committee dossier	CONT/8/14378

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE626.832	17/12/2018	
Amendments tabled in committee		PE634.571	30/01/2019	
Committee report tabled for plenary, single reading		A8-0105/2019	27/02/2019	Summary
Text adopted by Parliament, single reading		T8-0290/2019	26/03/2019	Summary

Council of the EU

Document type	Reference	Date	Summary
Supplementary non-legislative basic document	05827/2019	31/01/2019	Summary

European Commission

Document type	Reference	Date	Summary
Non-legislative basic document	COM(2018)0521	28/06/2018	Summary

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary

CofA	Court of Auditors: opinion, report	N8-0006/2019 OJ C 452 14.12.2018, p. 0048	02/10/2018	Summary

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

Final act
Budget 2019/1542 OJ L 249 27.09.2019, p. 0332

2017 discharge: Fuel Cells and Hydrogen 2 Joint Undertaking (FCH 2 Joint Undertaking)

2018/2216(DEC) - 26/03/2019 - Text adopted by Parliament, single reading

The European Parliament decided to grant the Executive Director of the Fuel Cells and Hydrogen (FCH 2) Joint Undertaking discharge in respect of the implementation of the joint undertaking's budget for the financial year 2017 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 2017 accurately reflected the financial position of the Joint Undertaking as at 31 December 2017, as well as the results of its operations, Parliament adopted by 505 votes to 119, with 5 abstentions, a resolution containing a series of observations which form an integral part of the discharge decision.

General

In FCH2, the maximum Union contribution is EUR 665 000 000 from the Horizon 2020 and the members from the Industry and Research Groupings are expected to contribute resources of at least EUR 380 000 000, comprising in-kind contributions in the Horizon 2020 projects funded by the FCH2, in-kind contributions to additional activities (of at least EUR 285 000 000) and in cash-contributions to administrative costs.

Budget and financial management

Its final budget for the financial year 2017 included commitment appropriations of EUR 127 800 000 and payment appropriations of EUR 198 600 000. Payment appropriations increased by 71.95 %, and were mainly used for pre-financing the 2016 and 2017 calls for proposals. The overall 2017 budget execution of commitment and payment appropriations reached 96 % and 89 % respectively.

Other observations

The resolution also contained a series of observations on performance, internal control systems and audits. It noted in particular:

- that all calls for proposals were published and closed according to the respective work plans and that the results regarding 'time-to-grant' and 'time-to-pay' remained well below the defined targets;

- in 2017, the FCH2 finalised implementation of all action plans addressing recommendations on internal audit service (IAS) audits on the performance management undertaken by the IAS in 2016, with an exception of one action;

- on 31 December 2017, the total number of posts filled in the FCH2 was 26, representing 11 different Member States;

- a number of communication activities were organised in 2017 which further contributed to increased visibility of the FCH2.

2017 discharge: Fuel Cells and Hydrogen 2 Joint Undertaking (FCH 2 Joint Undertaking)

2018/2216(DEC) - 02/10/2018 - 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 2017, together with the Joint Undertaking's reply.

CONTENT: the Court of Auditors carried out the audit on the accounts of the Fuel Cells and Hydrogen (FCH 2) Joint Undertaking.

In brief, the objective of the FCH Joint Undertaking is to demonstrate, by 2020, fuel cell and hydrogen technologies as one of the pillars of future European energy and transport systems. The Joint Undertaking seeks to foster the development of a strong, sustainable and globally competitive fuel cell and hydrogen sector in the EU.

Statement of assurance and reliability of the accounts

The Court considered that:

- the Undertaking's annual accounts present fairly, in all material respects, its financial position as at 31 December 2017 and the results of its operations and its cash flows for the year then ended, in accordance with the provisions of its Financial Regulation and the accounting rules adopted by the Commission's accounting officer;

- the transactions underlying the annual accounts for the year ended 31 December 2017 are legal and regular in all material respects.

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

The Court's observations

Financial management

The final 2017 budget available for the Joint Undertaking's FP7 and Horizon 2020 programme implementation included commitment appropriations of EUR 127.8 million in and in payments appropriation of EUR 198.6 million. The implementation rates for commitment and payment appropriations were 96 % and 89 %, respectively. The payment appropriations were mainly used to pay pre-financing for the 2016 and 2017 calls.

Internal controls

Based on an assessment of the Joint Undertaking's internal control system and substantive testing of revenue, payment, grant and procurement operations and a review of a sample of finalised ex post audits including recoveries arising from the errors detected, the audit results provided us with reasonable assurance that the overall residual error rate for the Joint Undertaking is below materiality.

Leverage of contributions

One of the main objectives of the Joint Undertaking is to leverage contributions from industry members in the area of its activities. According to the FCH2's founding regulation, the minimum leverage factor for both, operational and additional activities amounts to 0.67. FCH 2's founding regulation does not oblige industry members to make a minimum amount of in-kind contributions to the operational activities of the Joint Undertaking.

The Joint Undertaking's reply

Leverage of contributions

The FCH 2 JU acknowledges that the Court has no right to audit in-kind contributions in additional activities. It would like to stress that the JU has developed a methodology agreed by its Governing Board on 9 December 2016, which provides for robust controls for the collection, reporting and certification of additional activities and includes a model audit programme and audit certificate for the certification by independent external auditors.

2017 discharge: Fuel Cells and Hydrogen 2 Joint Undertaking (FCH 2 Joint Undertaking)

2018/2216(DEC) - 28/06/2018 - Non-legislative basic document

PURPOSE: presentation by the Commission of the consolidated annual accounts of the European Union for the financial year 2017, as part of the 2017 discharge procedure.

Analysis of the accounts of the **Fuel Cells and Hydrogen 2 Joint Undertaking - FCH 2**.

CONTENT: the organisational governance of the EU consists of institutions, agencies and other EU bodies whose expenditure is included in the general budget of the Union.

This Commission document concerns the **EU's consolidated accounts for the year 2017** and details how spending by the EU institutions and bodies was carried out. The consolidated annual accounts of the EU provide financial information on the activities of the institutions, agencies and other bodies of the EU from an accrual accounting and budgetary perspective.

It is the responsibility of the Commission's Accounting Officer to prepare the EU's consolidated annual accounts and ensure that they present fairly, in all material aspects, the financial position, the result of the operations and the cash flows of the EU institutions and bodies with a view to granting discharge.

Discharge procedure: **the final step of a budget lifecycle is the discharge**. It is the decision by which the European Parliament '**releases**' the Commission from its responsibility for management of a given budget by marking the end of that budget's existence. It is granted by the European Parliament on the recommendation of the Council.

The decision is based in particular on the European Court of Auditors reports, in particular its annual report, in which the Court provides a Statement of Assurance (DAS) on the legality and regularity of transactions (payments and commitments).

The procedure results in the granting, postponement or refusal of discharge.

The final discharge report including specific recommendations to the Commission for action is adopted in plenary by the European Parliament and are subject to an annual follow up report in which the Commission outlines the concrete actions it has taken to implement the recommendations made.

All EU institutions and other agencies, bodies and joint undertakings are subject to their own discharge procedures.

The FCH 2 JU: the FCH 2 JU, located in Brussels (BE), was set up by Council Regulation (EU) No 559/2014 until 31 December 2024. It replaces and succeeds the FCH Joint Undertaking. It supports research, technological development and demonstration (RTD) activities in fuel cell and hydrogen energy technologies in Europe. Its aim is to accelerate the market introduction of these technologies, realising their potential as an instrument in achieving a carbon-lean energy system.

As regards the JU's accounts, these are presented in detail in the document published by the Joint Undertaking (please refer to the final accounts of the FCH 2).

2017 discharge: Fuel Cells and Hydrogen 2 Joint Undertaking (FCH 2 Joint Undertaking)

2018/2216(DEC) - 27/02/2019 - Committee report tabled for plenary, single reading

The Committee on Budgetary Control adopted the report by Martina DLABAJOVÁ (ALDE, CZ) on discharge in respect of the implementation of the budget of the Fuel Cells and Hydrogen (FCH 2) Joint Undertaking for the financial year 2017.

The committee called 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 2017.

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 2017, Members called 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:

Budget and financial management

FCH2´s final budget for the financial year 2017 included commitment appropriations of EUR 127 800 000 and payment appropriations of EUR 198 600 000. Payment appropriations increased by 71.95 %, and were mainly used for pre-financing the 2016 and 2017 calls for proposals.

The overall 2017 budget execution of commitment and payment appropriations reached 96 % and 89 % respectively.

Other observations

The report also contained a series of observations on performance, internal control systems and audits. It noted in particular:

- that all calls for proposals were published and closed according to the respective work plans and that the results regarding 'time-to-grant' and 'time-to-pay' remained well below the defined targets;

- in 2017, the FCH2 finalised implementation of all action plans addressing recommendations on internal audit service (IAS) audits on the performance management undertaken by the IAS in 2016, with an exception of one action;

- that the FCH2 adopted rules on prevention and management of conflict of interest covering its staff and bodies;

- on 31 December 2017, the total number of posts filled in the FCH2 was 26, representing 11 different Member States;

- a number of communication activities were organised in 2017 which further contributed to increased visibility of the FCH2.

2017 discharge: Fuel Cells and Hydrogen 2 Joint Undertaking (FCH 2 Joint Undertaking)

2018/2216(DEC) - 31/01/2019 - Supplementary non-legislative basic document

Having examined the revenue and expenditure accounts for the financial year 2017 and the balance sheet as at 31 December 2017 of the Fuel Cells and Hydrogen 2 Joint Undertaking (FCH 2), as well as the Court of Auditors' report on the annual accounts of the Joint Undertaking for the financial year 2017, 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 Joint Undertaking in respect of the implementation of the budget for the financial year 2017.

No further comments were made as regards the accounts.