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From: Budget Committee
To: Permanent Representatives Committee/Council
Subject: Council recommendations on the discharge to be given to the joint undertakings in respect of the implementation of the budget for the financial year 2018
– *Adoption*

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COUNCIL RECOMMENDATION
of
on the discharge to be given to the Director
of the European Joint Undertaking for ITER and the Development of Fusion Energy
in respect of the implementation of the budget
of the European Joint Undertaking for ITER and the Development of Fusion Energy
for the financial year 2018

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Council Decision 2007/198/Euratom of 27 March 2007 establishing the European Joint Undertaking for ITER and the Development of Fusion Energy and conferring advantages upon it¹, and in particular Article 5(3) thereof and the fourth subparagraph of Article 15(1) of the Annex thereto,

Having regard to the Financial Regulation of the European Joint Undertaking for ITER and the Development of Fusion Energy adopted by its Governing Board on 2 December 2015,

Having examined the revenue and expenditure accounts for the financial year 2018 and the balance sheet as at 31 December 2018 of the European Joint Undertaking for ITER and the Development of Fusion Energy, hereinafter referred to as the "Joint Undertaking", as well as the Court of Auditors' report on the annual accounts of the Joint Undertaking for the financial year 2018, accompanied by the Joint Undertaking's replies to the Court's observations²,

¹ OJ L 90, 30.3.2007, p. 58.

² OJ C 426, 18.12.2019, p. 62.

Whereas the observations in the Court of Auditors' report in relation to the financial year 2018 call for certain comments by the Council, which are annexed to this recommendation; whereas the Council stresses the importance it attaches to these comments being followed up,

Whereas, following the above examination, the implementation of the budget of the Joint Undertaking is such as to allow a discharge to be given in respect of that implementation,

HEREBY RECOMMENDS to the European Parliament to give a discharge to the Director of the Joint Undertaking in respect of the implementation of the budget for the financial year 2018.

Done at Brussels,

For the Council
The President

COMMENTS ACCOMPANYING
THE COUNCIL RECOMMENDATION ON THE DISCHARGE TO BE GIVEN TO THE
EUROPEAN JOINT UNDERTAKING FOR ITER AND THE DEVELOPMENT OF
FUSION ENERGY

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 2018 and the results of its operations, its cash flows, and the changes in net assets for the year then ended, in accordance with the provisions of the Joint Undertaking's Financial Rules, and that the underlying transactions for 2018 are legal and regular in all material respects. Nevertheless, some observations need to be made.

The Council notes with concern that risk of further cost increases and delays in project implementation compared to the new baseline proposed in 2016 still exists.

Furthermore, the Council encourages the Joint Undertaking to increase the competitiveness of its operational procurement procedures.

COUNCIL RECOMMENDATION
of
on the discharge to be given to the Executive Director
of the Single European Sky Air Traffic Management Research (SESAR) Joint Undertaking
in respect of the implementation of the budget
of the SESAR Joint Undertaking
for the financial year 2018

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Council Regulation (EC) No 219/2007 of 27 February 2007 on the establishment of a Joint Undertaking to develop the new generation European air traffic management system (SESAR)¹, and in particular Article 4b thereof,

Having regard to the Financial Rules of the SESAR Joint Undertaking adopted by its Administrative Board on 25 June 2015,

Having examined the revenue and expenditure accounts for the financial year 2018 and the balance sheet as at 31 December 2018 of the SESAR Joint Undertaking, hereinafter referred to as the "Joint Undertaking", as well as the Court of Auditors' report on the annual accounts of the Joint Undertaking for the financial year 2018, accompanied by the Joint Undertaking's replies to the Court's observations²,

¹ OJ L 64, 2.3.2007, p. 1.

² OJ C 426, 18.12.2019, p. 26.

Whereas the observations in the Court of Auditors' report in relation to the financial year 2018 call for certain comments by the Council, which are annexed to this recommendation; whereas the Council stresses the importance it attaches to these comments being followed up,

Whereas, following the above examination, the implementation of the budget of the Joint Undertaking is such as to allow a discharge to be given in respect of that implementation,

HEREBY RECOMMENDS to 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 2018.

Done at Brussels,

For the Council
The President

COMMENTS ACCOMPANYING

**THE COUNCIL RECOMMENDATION ON THE DISCHARGE TO BE GIVEN TO THE
SINGLE EUROPEAN SKY AIR TRAFFIC MANAGEMENT RESEARCH (SESAR) JOINT
UNDERTAKING**

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 2018 and the results of its operations, its cash flows, and the changes in net assets for the year then ended, in accordance with the provisions of the Joint Undertaking's Financial Rules, and that the underlying transactions for 2018 are legal and regular in all material respects. Nevertheless, some observations need to be made.

The Council notes with concern that at the end of 2018 the members' contributions to Horizon 2020 activities have only achieved 29 % of the targets set. Therefore, the Council calls for continued efforts to meet the targets set for members' contributions.

Furthermore, the Council encourages the Joint Undertaking to improve its budget planning and monitoring approach in order to avoid low implementation and high cancellation rates for payment appropriations.

COUNCIL RECOMMENDATION
of
on the discharge to be given to the Executive Director
of the Clean Sky 2 Joint Undertaking
in respect of the implementation of the budget
of the Clean Sky 2 Joint Undertaking
for the financial year 2018

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Council Regulation (EU) No 558/2014 of 6 May 2014 establishing the Clean Sky 2 Joint Undertaking¹, and in particular Article 12 thereof,

Having regard to the Financial Rules of the Clean Sky 2 Joint Undertaking adopted by its Governing Board on 19 April 2016,

Having examined the revenue and expenditure accounts for the financial year 2018 and the balance sheet as at 31 December 2018 of the Clean Sky 2 Joint Undertaking, hereinafter referred to as the "Joint Undertaking", as well as the Court of Auditors' report on the annual accounts of the Joint Undertaking for the financial year 2018, accompanied by the Joint Undertaking's replies to the Court's observations²,

¹ OJ L 169, 7.6.2014, p. 77.

² OJ C 426, 18.12.2019, p. 32.

Whereas the Council welcomes the fact that the observations in the Court of Auditors' report in relation to the financial year 2018 do not call for any comments,

Whereas, following the above examination, the implementation of the budget of the Joint Undertaking is such as to allow a discharge to be given in respect of that implementation,

HEREBY RECOMMENDS to 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 2018.

Done at Brussels,

For the Council

The President

COUNCIL RECOMMENDATION
of
on the discharge to be given to the Executive Director
of the Innovative Medicines Initiative 2 Joint Undertaking
in respect of the implementation of the budget
of the Innovative Medicines Initiative 2 Joint Undertaking
for the financial year 2018

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Council Regulation (EU) No 557/2014 of 6 May 2014 establishing the Innovative Medicines Initiative 2 Joint Undertaking¹, and in particular Article 12 thereof,

Having regard to the Financial Rules of the Innovative Medicines Initiative 2 Joint Undertaking adopted by its Governing Board on 22 December 2015,

Having examined the revenue and expenditure accounts for the financial year 2018 and the balance sheet as at 31 December 2018 of the Innovative Medicines Initiative 2 Joint Undertaking, hereinafter referred to as the "Joint Undertaking", as well as the Court of Auditors' report on the annual accounts of the Joint Undertaking for the financial year 2018, accompanied by the Joint Undertaking's replies to the Court's observations²,

¹ OJ L 169, 7.6.2014, p. 54.

² OJ C 426, 18.12.2019, p. 37.

Whereas the observations in the Court of Auditors' report in relation to the financial year 2018 call for certain comments by the Council, which are annexed to this recommendation; whereas the Council stresses the importance it attaches to these comments being followed up,

Whereas, following the above examination, the implementation of the budget of the Joint Undertaking is such as to allow a discharge to be given in respect of that implementation,

HEREBY RECOMMENDS to 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 2018.

Done at Brussels,

For the Council

The President

COMMENTS ACCOMPANYING
THE COUNCIL RECOMMENDATION ON THE DISCHARGE TO BE GIVEN TO THE
INNOVATIVE MEDICINES INITIATIVE 2 JOINT UNDERTAKING

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 2018 and the results of its operations, its cash flows, and the changes in net assets for the year then ended, in accordance with the provisions of the Joint Undertaking's Financial Rules, and that the underlying transactions for 2018 are legal and regular in all material respects. Nevertheless, some observations need to be made.

The Council notes with concern that at the end of 2018 the members' contributions to Horizon 2020 activities have only achieved 15 % of the targets set. Therefore, the Council calls for continued efforts to meet the targets set for members' contributions.

Furthermore, the Council encourages the Joint Undertaking to improve its planning and monitoring of the need for new payment appropriations.

COUNCIL RECOMMENDATION
of
on the discharge to be given to the Executive Director
of the Fuel Cells and Hydrogen 2 Joint Undertaking
in respect of the implementation of the budget
of the Fuel Cells and Hydrogen 2 Joint Undertaking
for the financial year 2018

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Council Regulation (EU) No 559/2014 of 6 May 2014 establishing the Fuel Cells and Hydrogen 2 Joint Undertaking¹, and in particular Article 12 thereof,

Having regard to the Financial Rules of the Fuel Cells and Hydrogen 2 Joint Undertaking adopted by its Governing Board on 20 May 2016,

Having examined the revenue and expenditure accounts for the financial year 2018 and the balance sheet as at 31 December 2018 of the Fuel Cells and Hydrogen 2 Joint Undertaking, hereinafter referred to as the "Joint Undertaking", as well as the Court of Auditors' report on the annual accounts of the Joint Undertaking for the financial year 2018, accompanied by the Joint Undertaking's replies to the Court's observations²,

¹ OJ L 169, 7.6.2014, p. 108.

² OJ C 426, 18.12.2019, p. 42.

Whereas the observations in the Court of Auditors' report in relation to the financial year 2018 call for a certain comment by the Council, which is annexed to this recommendation; whereas the Council stresses the importance it attaches to this comment being followed up,

Whereas, following the above examination, the implementation of the budget of the Joint Undertaking is such as to allow a discharge to be given in respect of that implementation,

HEREBY RECOMMENDS to 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 2018.

Done at Brussels,

For the Council
The President

COMMENT ACCOMPANYING
THE COUNCIL RECOMMENDATION ON THE DISCHARGE TO BE GIVEN TO THE
FUEL CELLS AND HYDROGEN 2 JOINT UNDERTAKING

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 2018 and the results of its operations, its cash flows, and the changes in net assets for the year then ended, in accordance with the provisions of the Joint Undertaking's Financial Rules, and that the underlying transactions for 2018 are legal and regular in all material respects. Nevertheless, one observation needs to be made.

The Council notes with concern that at the end of 2018 the private members' contributions to Horizon 2020 activities to a large extent consisted of contributions to projects outside of the Joint Undertaking's work plan (additional activities).

COUNCIL RECOMMENDATION
of
on the discharge to be given to the Executive Director
of the Electronic Components and Systems for European Leadership (ECSEL) Joint
Undertaking
in respect of the implementation of the budget
of the ECSEL Joint Undertaking
for the financial year 2018

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Council Regulation (EU) No 561/2014 of 6 May 2014 establishing the ECSEL Joint Undertaking¹, and in particular Article 12 thereof,

Having regard to the Financial Rules of the ECSEL Joint Undertaking adopted by its Governing Board on 10 October 2016,

Having examined the revenue and expenditure accounts for the financial year 2018 and the balance sheet as at 31 December 2018 of the ECSEL Joint Undertaking, hereinafter referred to as the "Joint Undertaking", as well as the Court of Auditors' report on the annual accounts of the Joint Undertaking for the financial year 2018, accompanied by the Joint Undertaking's replies to the Court's observations²,

¹ OJ L 169, 7.6.2014, p.152.

² OJ C 426, 18.12.2019, p. 47.

Whereas the observations in the Court of Auditors' report in relation to the financial year 2018 call for certain comments by the Council, which are annexed to this recommendation; whereas the Council stresses the importance it attaches to these comments being followed up,

Whereas, following the above examination, the implementation of the budget of the Joint Undertaking is such as to allow a discharge to be given in respect of that implementation,

HEREBY RECOMMENDS to 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 2018.

Done at Brussels,

For the Council
The President

COMMENTS ACCOMPANYING

**THE COUNCIL RECOMMENDATION ON THE DISCHARGE TO BE GIVEN TO THE
ELECTRONIC COMPONENTS AND SYSTEMS FOR EUROPEAN LEADERSHIP (ECSEL)
JOINT UNDERTAKING**

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 2018 and the results of its operations, its cash flows, and the changes in net assets for the year then ended, in accordance with the provisions of the Joint Undertaking's Financial Rules, and that the underlying transactions for 2018 are legal and regular. Nevertheless, some observations need to be made.

The Council notes the risk that private members' contributions to Horizon 2020 activities can only be validated at the end of the programme.

Furthermore, the Council encourages the Joint Undertaking to improve the accuracy of its budget for payment appropriations.

COUNCIL RECOMMENDATION
of
on the discharge to be given to the Executive Director
of the Bio-based Industries Joint Undertaking
in respect of the implementation of the budget
of the Bio-based Industries Joint Undertaking
for the financial year 2018

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Council Regulation (EU) No 560/2014 of 6 May 2014 establishing the Bio-based Industries Joint Undertaking¹, and in particular Article 12 thereof,

Having regard to the Financial Rules of the Bio-based Industries Joint Undertaking adopted by its Governing Board on 23 December 2015,

Having examined the revenue and expenditure accounts for the financial year 2018 and the balance sheet as at 31 December 2018 of the Bio-based Industries Joint Undertaking, hereinafter referred to as the "Joint Undertaking", as well as the Court of Auditors' report on the annual accounts of the Joint Undertaking for the financial year 2018, accompanied by the Joint Undertaking's replies to the Court's observations²,

¹ OJ L 169, 7.6.2014, p. 130.

² OJ C 426, 18.12.2019, p. 52.

Whereas the observations in the Court of Auditors' report in relation to the financial year 2018 call for certain comments by the Council, which are annexed to this recommendation; whereas the Council stresses the importance it attaches to these comments being followed up,

Whereas, following the above examination, the implementation of the budget of the Joint Undertaking is such as to allow a discharge to be given in respect of that implementation,

HEREBY RECOMMENDS to 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 2018.

Done at Brussels,

For the Council
The President

COMMENTS ACCOMPANYING
THE COUNCIL RECOMMENDATION ON THE DISCHARGE TO BE GIVEN TO THE
BIO-BASED INDUSTRIES JOINT UNDERTAKING

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 2018 and the results of its operations, its cash flows, and the changes in net assets for the year then ended, in accordance with the provisions of the Joint Undertaking's Financial Rules, and that the underlying transactions for 2018 are legal and regular in all material respects. Nevertheless, some observations need to be made.

The Council notes with concern that at the end of 2018 the members' contributions to Horizon 2020 activities have only achieved 28 % of the targets set. Therefore, the Council calls for continued efforts to meet the targets set for members' contributions.

Furthermore, the Council encourages the Joint Undertaking to improve the accuracy of its budget for payment appropriations.

COUNCIL RECOMMENDATION
of
on the discharge to be given to the Executive Director
of the Shift2Rail Joint Undertaking
in respect of the implementation of the budget
of the Shift2Rail Joint Undertaking
for the financial year 2018

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Council Regulation (EU) No 642/2014 of 16 June 2014 establishing the Shift2Rail Joint Undertaking ¹, and in particular Article 12 thereof,

Having regard to the Financial Rules of the Shift2Rail Joint Undertaking adopted by its Governing Board on 11 December 2015,

Having examined the revenue and expenditure accounts for the financial year 2018 and the balance sheet as at 31 December 2018 of the Shift2Rail Joint Undertaking, hereinafter referred to as the "Joint Undertaking", as well as the Court of Auditors' report on the annual accounts of the Joint Undertaking for the financial year 2018, accompanied by the Joint Undertaking's replies to the Court's observations²,

¹ OJ L 177, 17.6.2014, p. 9.

² OJ C 426, 18.12.2019, p. 57.

Whereas the Council welcomes the fact that the observations in the Court of Auditors' report in relation to the financial year 2018 do not call for any comments,

Whereas, following the above examination, the implementation of the budget of the Joint Undertaking is such as to allow a discharge to be given in respect of that implementation,

HEREBY RECOMMENDS to 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 2018.

Done at Brussels,

For the Council

The President
