



EU budget management: innovation agency and ITER project fail 2013 discharge test

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The European Institute of Innovation and Technology (EIT) and four EU/private new-technology partnerships must do more to show that their EU funds for 2013 were well spent before the European Parliament approves their accounts, said Budgetary Control Committee MEPs on Monday.

Parliament should also postpone granting a “discharge” (i.e. approving spending) by the Council of Ministers and the European Council (EU leaders) for the same year, it added.

EIT: audit doubts, public procurement problems

The [European Institute of Innovation and Technology](#) (Budapest, Hungary) failed the first round of the “discharge” test because MEPs were not satisfied with its verification of payments before and after it contracted projects. MEPs also questioned the EIT's use of by-invitation-only public procurement procedures.

The EIT has until September to convince legislators that it has improved its management of EU resources.

ARTEMIS, ENIAC, IMI, and ITER projects fail discharge test

Four out of seven projects set up as EU partnerships with private companies (known as “joint undertakings”) failed to convince budgetary control MEPs that they had managed EU funds appropriately. The committee recommends that Parliament as whole should postpone granting them a discharge.

The Stockholm-based ARTEMIS project (now renamed Electronic Components and Systems for European Leadership. - ECSEL), the Brussels-based Innovative Medicines Initiative (IMI) and the similarly Brussels-based nanoelectronics project ENIAC (European Nanoelectronics Initiative Advisory Council) were all criticised for insufficient checks on money transfers. The Cadarache-based ITER (International Thermonuclear Experimental Reactor) project was criticised for delayed disbursements and growing budget costs.

Council and European Council

For the fifth consecutive year, the Budgetary Control Committee recommended (this time, unanimously) that Parliament as a whole should postpone granting a discharge to the [Council of Ministers](#) and the [European Council](#) (heads of state or government) due to their failure to cooperate with Parliament by supplying the figures it needs.

Next steps

The Budgetary Control Committee voted Monday on the management of EU funds at 32 EU agencies, 7 joint undertakings and 8 institutions. The votes continue on Tuesday 24 March with the European Commission and the European Parliament. The Budgetary Control Committee's recommendations will be put to a vote by Parliament as a whole between 28 and 30 April. Parliament will take its final decision on the postponed discharges in October.

Background

Press release

In the [annual “discharge” procedure](#), Parliament, as the EU's sole discharge authority, verifies whether EU funds were spent according to the rules. It may grant, postpone or refuse to grant a discharge, which is the seal of approval required for the formal closure of institutional accounts.

Useful information

- Committee on Budgetary Control: <http://www.europarl.europa.eu/committees/en/cont/home.html>
- All draft discharge reports and amendments voted on 23-24 March : http://www.europarl.europa.eu/meetdocs/2014_2019/organes/cont/cont_20150323_1500.htm
- The budgetary control committee's 2013 discharge page: <http://www.europarl.europa.eu/committees/en/cont/discharge-2013.html>
- Rapporteur on agencies, joint undertakings and institutions: Ryszard Czarnecki (ECR, PL): http://www.europarl.europa.eu/meps/en/28372/RYSZARD_CZARNECKI_home.html
- Rapporteur on joint undertakings: Anders Primdahl Vistisen (ECR, DK): http://www.europarl.europa.eu/meps/en/124875/ANDERS+PRIMDAHL_VISTISEN_home.html
- EP research: Discharge procedure for the EU budget: [http://www.europarl.europa.eu/RegData/bibliotheque/briefing/2014/130699/LDM_BRI\(2014\)130699_REV1_EN.pdf](http://www.europarl.europa.eu/RegData/bibliotheque/briefing/2014/130699/LDM_BRI(2014)130699_REV1_EN.pdf)
- Discharge of the Council's budget: documents of a workshop (27.09.2012): [http://www.europarl.europa.eu/RegData/etudes/workshop/join/2012/490664/IPOL-JOIN_AT\(2012\)490664_EN.pdf](http://www.europarl.europa.eu/RegData/etudes/workshop/join/2012/490664/IPOL-JOIN_AT(2012)490664_EN.pdf)
- Consolidated annual accounts of the European Union in 2013: http://www.europarl.europa.eu/document/activities/cont/201408/20140806ATT87442/20140806ATT87442_EN.pdf
- The 2013 annual report page of the European Court of Auditors: http://www.eca.europa.eu/en/Pages/AR_2013.aspx

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