



TEXTS ADOPTED

Provisional edition

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Discharge 2014 : Fuel Cells and Hydrogen Joint Undertaking

1. European Parliament decision of 28 April 2016 on discharge in respect of the implementation of the budget of the Fuel Cells and Hydrogen Joint Undertaking for the financial year 2014 (2015/2201(DEC))

The European Parliament,

- having regard to the final annual accounts of the Fuel Cells and Hydrogen Joint Undertaking for the financial year 2014,
- having regard to the Court of Auditors' report on the annual accounts of the Fuel Cells and Hydrogen Joint Undertaking for the financial year 2014, together with the Joint Undertaking's reply¹,
- having regard to the statement of assurance² as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2014, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of 12 February 2016 on discharge to be given to the Joint Undertaking in respect of the implementation of the budget for the financial year 2014 (05587/2016 – C8-0057/2016),
- having regard to Article 319 of the Treaty on the Functioning of the European Union,
- having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002³, and in particular Article 209 thereof,
- having regard to Council Regulation (EC) No 521/2008 of 30 May 2008 setting up the Fuel Cells and Hydrogen Joint Undertaking⁴,

¹ OJ C 422, 17.12.2015, p. 51.

² OJ C 422, 17.12.2015, p. 53.

³ OJ L 298, 26.10.2012, p. 1.

⁴ OJ L 153, 12.6.2008, p. 1.

- 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 1(2) and Article 12 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities²,
 - having regard to Commission Delegated Regulation (EU) No 110/2014 of 30 September 2013 on the model financial regulation for public-private partnership bodies referred to in Article 209 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council³,
 - having regard to Rule 94 of and Annex V to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A8-0083/2016),
1. Grants the Executive Director of the Fuel Cells and Hydrogen 2 Joint Undertaking discharge in respect of the implementation of the Fuel Cells and Hydrogen Joint Undertaking's budget for the financial year 2014;
 2. Sets out its observations in the resolution below;
 3. Instructs its President to forward this decision and the resolution forming an integral part of it to the Executive Director of the Fuel Cells and Hydrogen 2 Joint Undertaking, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

¹ OJ L 169, 7.6.2014, p. 108.

² OJ L 357, 31.12.2002, p. 72.

³ OJ L 38, 7.2.2014, p. 2.

2. European Parliament decision of 28 April 2016 on the closure of the accounts of the Fuel Cells and Hydrogen Joint Undertaking for the financial year 2014 (2015/2201(DEC))

The European Parliament,

- having regard to the final annual accounts of the Fuel Cells and Hydrogen Joint Undertaking for the financial year 2014,
- having regard to the Court of Auditors' report on the annual accounts of the Fuel Cells and Hydrogen Joint Undertaking for the financial year 2014, together with the Joint Undertaking's reply¹,
- having regard to the statement of assurance² as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2014, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of 12 February 2016 on discharge to be given to the Joint Undertaking in respect of the implementation of the budget for the financial year 2014 (05587/2016 – C8-0057/2016),
- having regard to Article 319 of the Treaty on the Functioning of the European Union,
- having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002³, and in particular Article 209 thereof,
- having regard to Council Regulation (EC) No 521/2008 of 30 May 2008 setting up the Fuel Cells and Hydrogen Joint Undertaking⁴,
- having regard to Council Regulation (EU) No 559/2014 of 6 May 2014 establishing the Fuel Cells and Hydrogen 2 Joint Undertaking⁵, and in particular Article 1(2) and Article 12 thereof,
- having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities⁶,
- having regard to Commission Delegated Regulation (EU) No 110/2014 of 30 September 2013 on the model financial regulation for public-private partnership bodies referred to in

¹ OJ C 422, 17.12.2015, p. 51.

² OJ C 422, 17.12.2015, p. 53.

³ OJ L 298, 26.10.2012, p. 1.

⁴ OJ L 153, 12.6.2008, p. 1.

⁵ OJ L 169, 7.6.2014, p. 108.

⁶ OJ L 357, 31.12.2002, p. 72.

Article 209 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council¹,

- having regard to Rule 94 of and Annex V to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A8-0083/2016),
1. Approves the closure of the accounts of the Fuel Cells and Hydrogen Joint Undertaking for the financial year 2014;
 2. Instructs its President to forward this decision to the Executive Director of the Fuel Cells and Hydrogen 2 Joint Undertaking, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

¹ OJ L 38, 7.2.2014, p. 2.

3. European Parliament resolution of 28 April 2016 with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the Fuel Cells and Hydrogen Joint Undertaking for the financial year 2014 (2015/2201(DEC))

The European Parliament,

- having regard to its decision on discharge in respect of the implementation of the budget of the Fuel Cells and Hydrogen Joint Undertaking for the financial year 2014,
 - having regard to Rule 94 of and Annex V to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A8-0083/2016),
- A. whereas the Fuel Cells and Hydrogen Joint Undertaking (“FCH”) was set up in May 2008 as a public-private partnership by Council Regulation (EC) No 521/2008¹ for the period until 31 December 2017 to focus on developing market applications and thereby facilitating additional industrial efforts towards a rapid deployment of fuel cells and hydrogen technologies;
- B. whereas Regulation (EC) No 521/2008 was amended by Council Regulation (EU) No 559/2014²;
- C. whereas Regulation (EU) No 559/2014 established the Fuel Cells and Hydrogen 2 Joint Undertaking (“FCH2”) in May 2014 to replace and succeed FCH for the period until 31 December 2024;
- D. whereas the members of FCH are the Union, represented by the Commission, the Fuel Cell and Hydrogen Joint Technology Initiative Industry Grouping (“FCH Industry Grouping”), and the Research Grouping N.ERGHY (“N.ERGHY”);
- E. whereas the members of FCH2 are the Union, represented by the Commission, the New Energy World Industry Grouping (“NEW Industry Grouping”) and the New European Research Grouping on Fuel Cells and Hydrogen AISBL (“Research Grouping”);
- F. whereas the maximum Union contribution for the entire period is EUR 470 000 000 to FCH and EUR 665 000 000 to FCH2, to be paid from the budget of the Seventh Framework Programme (“FP7”) and Horizon 2020, as applicable, of which the proportion earmarked for running costs are not to exceed EUR 20 000 000 and EUR 38 000 000 respectively;
- G. whereas the FCH Industry Grouping and N.ERGHY are, together, to contribute 50 % of the running costs of FCH; whereas N.ERGHY is to contribute one-twelfth of the running costs, and the FCH Industry Grouping and N.ERGHY both are to contribute to operational costs through in-kind contributions at least equal to the financial contribution of the Union;

¹ Council Regulation (EC) No 521/2008 of 30 May 2008 setting up the Fuel Cells and Hydrogen Joint Undertaking (OJ L 153, 12.6.2008, p. 1).

² Council Regulation (EU) No 559/2014 of 6 May 2014 establishing the Fuel Cells and Hydrogen 2 Joint Undertaking, (OJ L 169, 7.6.2014, p. 108).

- H. whereas the NEW Industry Grouping and the Research Grouping members of FCH2 are to contribute, respectively, 43 % and 7 % of the running costs and both are to contribute to operational costs through in-kind contributions at least equal EUR 285 000 000;

General

1. Notes that the Court of Auditors (the “Court”), in its 2014 report (the “Court’s report”), makes too many general, to the detriment of viable, specific remarks; therefore calls for an audit with a more accentuated 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 relevant year and for previous years, their results and their implementation;
2. Notes that the institutions and bodies are required to produce each year a report on budgetary and financial management and that the information provided by FCH and FCH2 in that report lack harmonisation and is often incomplete; notes that guidance is required from the Commission as to the nature and content of that report;
3. Takes note that the Court's 2016 work programme includes a special report on the performance audit of FCH and FCH2;

Budget and financial management

4. Notes that, according to the Court’s report, FCH’s 2014 annual accounts present fairly, in all material respects, its financial position on 31 December 2014 and the results of its operations and cash flows for the year then ended, in accordance with the provisions of its Financial Rules;
5. Notes the lack of information regarding the *ex-post* audits performed by FCH and FCH2; calls on the Court to include in future reports information regarding the number of *ex-post* audits, the total amounts covered and the findings;
6. Acknowledges from its 2014 Annual Activity Report that FCH2 continued the *ex-post* audits with the launch of 22 new audits; welcomes the positive results, which mean that the residual error rate is below 2 %;
7. Notes that the FCH programmes which were funded from the FP7 are ongoing; takes note that those appropriations remain available until the end of 2016 because of FCH's financial rules which allow it to re-enter its commitment and payment appropriations up to three years after they have been cancelled from FCH's budget; encourages FCH to conduct its budget planning carefully, duly taking into account the parallel process;
8. Takes note of the fact that, according to its 2014 Annual Activity Report, FCH's final budget for the financial year 2014 included commitment appropriations of EUR 112 064 990 and payment appropriations of EUR 95 952 176;
9. Points out that, according to its 2014 Annual Activity Report, the budget execution by year end for all fund sources reached 98,48 % as regards commitment appropriations and 74,52 % in terms of payment executions; considers that, in the absence of a clear separation between FP7 and Horizon 2020 implementation-related information, those indicators do not assure a real evaluation of performance; calls on the Court to include in future reports information regarding, separately, the execution of the budget under FP7 and Horizon 2020;

10. Notes that, according to its 2014 Annual Activity Report, the execution of budget allocated to FP7 is 98,13 % for commitments (EUR 252 106 348,47 out of EUR 256 893 749,15) and 65,84 % for payments (EUR 44 981 766,61 out of EUR 68 309 937,03); notes that the execution of budget allocated to Horizon 2020 is 100 % for commitments (EUR 96 154 619,50 out of EUR 96 154 619,50) and 0 % for payments;
11. Regrets the absence of information regarding in-kind and cash contribution; calls on the Court to include in its future reports separate provisions regarding the evaluation procedure and level of in-kind and cash paid contribution for FP7 and for Horizon 2020;
12. Welcomes FCH's annual assessment of the level of in-kind contribution as well as the accomplishment of its members' tasks with regard to FP7;

Calls for proposals

13. Welcomes the fact that, according to its 2014 Annual Activity Report, in the signed grant agreements, 61 cost claims involving 551 beneficiaries related to FP7 were validated in 2014; points out that from January to December 2014, a reporting period ended for 71 projects;
14. Takes note of the fact that, according to the Court's report, FCH's FP7 programme consisted of 155 grant agreements resulting from seven annual calls organised over the years 2008 to 2013; takes note of the fact that, according to the Court's report, the first grant agreements under the Horizon 2020 programme were to be signed in 2015;
15. Welcomes FCH's efforts to have a clear estimation of the demand for fuel cells buses in Europe;
16. Points out that in May 2014 FCH2 took over the activity of FCH; notes that there is not enough clear information regarding the implementation status of FCH (level of payments, payments plan for the following years);

Legal Framework

17. Takes note of the fact that FCH2's financial rules were adopted on 30 June 2014 on the basis of the model financial regulation for public-private partnership bodies and taking into account the requirements of Regulation (EU) No 559/2014;

Internal control systems

18. Takes note of FCH2's Internal Audit Service Draft Limited Review Report on Use and Dissemination of Research results, which set new guidelines and templates for midterm review meetings with external reviewers;

Monitoring and reporting

19. Welcomes the fact that, according to the Court's report, FCH2 has, since 2011, published its Programme Review Report annually, aiming to estimate the achievements of the portfolio projects funded by FCH2 against their strategic objectives;
20. Welcomes the publication by FCH2 of the Report on the Socio-Economic Impact of FCH activities;

21. Welcomes the fact that, according to its 2014 Annual Activity Report, due to transition to FCH2, the main priorities for 2014 were revitalising the visual identity and redeveloping the website, as well as improving branding and visibility.