



2018/2217(DEC)

22.1.2019

OPINION

of the Committee on Transport and Tourism

for the Committee on Budgetary Control

on discharge in respect of the implementation of the budget of the Shift2Rail
Joint Undertaking for the financial year 2017
(2018/2217(DEC))

Rapporteur for opinion: Innocenzo Leontini

PA_NonLeg

SUGGESTIONS

The Committee on Transport and Tourism calls on the Committee on Budgetary Control, as the committee responsible, to incorporate the following suggestions into its motion for a resolution:

1. Welcomes the finding of the Court of Auditors that the transactions underlying the accounts of the Shift2Rail Joint Undertaking ('S2R JU') for the financial year 2017 are legal and regular in all material respects;
2. Notes that the S2R JU annual budget for 2017 was EUR 68,6 million in commitment appropriations and EUR 44,1 million in payment appropriations;
3. Notes that, for the operational budget, the S2R JU attained a rate of implementation of 94 % for the commitment appropriations and a rate of payment appropriations of 79 %; notes that, most of the payments made by the Joint Undertaking in 2017 were pre-financing payments for Horizon 2020 projects selected under the 2017 calls for proposals; notes the low (55,2%) implementation of payment appropriations in Title 2 (administrative expenditure) due to the use of multi-annual framework contracts; regrets that there were weaknesses in the budget planning process and that the S2R JU had around EUR 7,6 million unused from the previous year;
4. Regrets that, by the deadline of 31 January 2018, none of the Other Members was in the position to have its costs related to 2017 in-kind operational contributions (IKOP) and in-kind other activities contributions (IKAA) certified; notes that the 2017 IKOP estimates amounted to EUR 21,3 million, which represented a positive trend in line with the usual Programme Management S-Curve; is satisfied that the declared cumulative IKAA declared by Other Members by the end of 2017 amounted to EUR 130,0 million, which is above the minimum amount of EUR 120,0 million established in accordance to the S2R JU Regulation;
5. Underlines the fact that research and innovation in the rail sector are decisive for the development of a safe and globally competitive rail sector and play an important role in order to achieve a significant reduction of the life-cycle cost of the railway transport system and to achieve significant increases in capacity of the railway transport system, in reliability and punctuality, as well as in order to remove the remaining technical obstacles to interoperability and to reduce the negative externalities linked to transport; highlights also that the objectives of the S2R JU are to achieve a Single European Railway Area and to enhance the attractiveness and competitiveness of the European railway system; stresses that the S2R JU needs to be given the necessary financial, material and human resources to reach these key objectives effectively and efficiently;
6. Recalls that research and innovation is not an isolated process using a simple rule for process management; stresses therefore that it is significantly important to identify among the research and innovation projects those that are capable to bring innovative solutions to the market; highlights that changes in the Regulation establishing the S2R JU and in its Statutes will be very important for the next S2R JU development in order to improve its efficiency; stresses, in particular that there is a need to foresee the use of the principle of multiannual financing and to adopt flexible timetables for publishing

projects proposals;

7. Insists on the importance of the cooperation between the S2R JU and the Union Agency for Railways (ERA); welcomes the involvement of ERA in meetings of the JU governing board; asks the S2R JU to provide more concrete information on the main achievements of this cooperation in its annual activity report;
8. Notes that, in 2017, the S2R JU awarded 17 grants as a result of the 2017 call launched in November 2016 to be co-funded by S2R JU up to 60.1 million; notes further that the Founding Members other than the Union and the Associated Members agreed to limit their request for co-funding to 44,44% of the total project costs, which is the lowest overall for H2020 Programme; welcomes the fact that 120 SMEs participated to the 2017 call and 50 SMEs were retained for funding (25%);
9. Welcomes the S2R JU willingness to experiment in 2018 a simplification of the administrative procedures through the implementation of the pilot Lump Sum Grant in a confined Programme control framework;
10. Notes that for the Ex-post controls in 2017 the representative sample of the S2R JU was identified at 15 participations representing EUR 1.3 million in terms of S2R co-funding validated; regrets that no specific error rate is provided in relation to audits performed for the representative sample of the S2R JU;
11. Welcomes the fact that the S2R JU has established its own anti-fraud strategy and action plan, as remedy action to the main comments of the Court of Auditors with the framework of the 2016 discharge;
12. Notes that the S2R JU has adopted rules governing conflicts of interest in respect of its members, bodies, staff and seconded staff, as well as its S2R Governing Board members and has put in place a tailor-made anti-fraud strategy complementing the H2020 strategy, including an assessment of its risks and opportunities;
13. Proposes that Parliament grants discharge to the Executive Director of S2R JU in respect of the implementation of the S2R JU's budget for the financial year 2017.

INFORMATION ON ADOPTION IN COMMITTEE ASKED FOR OPINION

Date adopted	22.1.2019
Result of final vote	+: 37 -: 4 0: 0
Members present for the final vote	Daniela Aiuto, Lucy Anderson, Georges Bach, Izaskun Bilbao Barandica, Deirdre Clune, Michael Cramer, Luis de Grandes Pascual, Andor Deli, Isabella De Monte, Ismail Ertug, Jacqueline Foster, Dieter-Lebrecht Koch, Innocenzo Leontini, Bogusław Liberadzki, Peter Lundgren, Elżbieta Katarzyna Łukacijewska, Marian-Jean Marinescu, Georg Mayer, Gesine Meissner, Francisco José Millán Mon, Gabriele Preuß, Christine Revault d'Allonnes Bonnefoy, Dominique Riquet, Massimiliano Salini, Claudia Țapardel, Keith Taylor, Pavel Telička, Marita Ulvskog, Wim van de Camp, Marie-Pierre Vieu, Janusz Zemke, Roberts Zīle, Kosma Złotowski
Substitutes present for the final vote	Jakop Dalunde, Markus Ferber, Maria Grapini, Karoline Graswander-Hainz, Peter Kouroumbashev, João Pimenta Lopes
Substitutes under Rule 200(2) present for the final vote	Christelle Lechevalier, Julie Ward

FINAL VOTE BY ROLL CALL IN COMMITTEE ASKED FOR OPINION

37	+
ALDE	Izaskun Bilbao Barandica, Gesine Meissner, Dominique Riquet, Pavel Telička
ECR	Jacqueline Foster, Innocenzo Leontini, Roberts Zile, Kosma Złotowski
EFDD	Daniela Aiuto
GUE/NGL	Marie-Pierre Vieu
PPE	Georges Bach, Wim van de Camp, Deirdre Clune, Andor Deli, Markus Ferber, Luis de Grandes Pascual, Dieter-Lebrecht Koch, Elżbieta Katarzyna Łukacijewska, Marian-Jean Marinescu, Francisco José Millán Mon, Massimiliano Salini
S&D	Lucy Anderson, Isabella De Monte, Ismail Ertug, Maria Grapini, Karoline Graswander-Hainz, Peter Kouroumbashev, Bogusław Liberadzki, Gabriele Preuß, Christine Revault d'Allonnes Bonnefoy, Claudia Țapardel, Marita Ulvskog, Julie Ward, Janusz Zemke
VERTS/ALE	Michael Cramer, Jakop Dalunde, Keith Taylor

4	-
ECR	Peter Lundgren
ENF	Christelle Lechevalier, Georg Mayer
GUE/NGL	João Pimenta Lopes

0	0

Key to symbols:

+ : in favour

- : against

0 : abstention