



2019/2105(DEC)

22.1.2020

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 2018
(2019/2105(DEC))

Rapporteur for opinion: Maria Grapini

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 ('the Undertaking') for the financial year 2018 are legal and regular in all material respect;
2. Highlights that the objectives of the Undertaking are to achieve a Single European Railway Area and to enhance the attractiveness and competitiveness of the European railway system; points out that the rail mode of transport will be key in the future EU actions to promote a shift to low-emission mobility and tackling negative externalities; stresses that the Undertaking needs to be given the necessary financial, material and human resources to reach these key objectives and to contribute to a real modal shift;
3. Notes that the undertaking is a public-private partnership established in 2014 under the Horizon 2020's Framework Programme; notes that the Shift2Rail Programme is jointly funded through contributions of the European Union (through the operational budget of the Undertaking) and in-kind contributions from the Other members, i.e. the eight Founding members (other than the EU) and the nineteen Associated members;
4. Notes that during 2018, the Undertaking has progressed towards achieving its targets, delivering the Shift2Rail Programme implementation ensuring an effective and efficient sound financial management; notes that 2018 saw the progress of the Research and Innovation (R&I) activities launched in the previous years that are now well on track and largely proceeding at cruise speed; notes that new wave of R&I activities (Call 2018) started at year end; notes that it is estimated that the total project cost of the activities performed in 2018 amounts to EUR 83.4 million;
5. Stresses the need to increase the attractiveness of rail for transport operators and passengers in order to achieve a lasting shift from road to rail, and notes that the next five years will be critical for the success of rail and that the Undertaking plays a key role in making rail cheaper, more efficient and more attractive;
6. Stresses that points, or faulty points, alone account for 25-30% of all maintenance on the rail network and are responsible for a significant part of infrastructure costs; welcomes the Undertaking's efforts to increase the reliability of the system and reduce costs;
7. Welcomes the Undertaking's objectives of halving the life-cycle costs of the rail system, doubling capacity and improving reliability and punctuality by 50%; calls for the Undertaking to have the human and financial resources necessary to achieve these objectives at its full disposal;
8. Welcomes the Undertaking's efforts to introduce Automatic Train Operation (ATO); warns that the road transport sector has made greater progress with automation;
9. Notes that the Undertaking's annual budget for 2018 was EUR 84,7 million in

commitment appropriations and EUR 81,6 million in payment appropriations; notes that the budget implementation rate was 100% for the commitment appropriations and a rate of payment appropriations of 82,3%; notes that lower than expected payment appropriations' implementation is due to a pending legal decision concerning the membership of the Undertaking; notes the low (63.4%) rate of implementation of payment appropriation in Title 2 (administrative expenditures, representing 3% of the Undertaking's budget) due to delays in invoicing by the suppliers under multi-annual framework contracts;

10. Notes that by the deadline of 31 January 2019, none of the Other members was in a position to have its costs related to 2018 In-Kind Operational contributions (IKOP) certified; notes that the 2018 certificates entering validation process in 2019 are foreseen to result in EUR 52,6 million in IKOP (in addition to EUR 18,6 million already certified for 2018); notes that the Other members declared EUR 160,4 million in cumulative In-Kind contributions to Additional Activities (IKAA) by the end of 2018, of which EUR 118,6 million have already been certified by the Undertaking;
11. Notes that, in 2018, the Undertaking awarded 19 grants as a result of the 2018 call launched in January 2018 to be co-funded by the Undertaking up to EUR 77,3 million (for a total value of EUR 152,6 million); notes that the Other 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; notes with regret that only 76 SMEs participated to the 2018 call (120 in 2017) and 40 SMEs (50 in 2017) were retained for funding (21,6% of all retained participants for funding);
12. Welcomes the Undertaking's decision to propose to its Governing Board, as part of the Annual Working Programme 2018, the adoption of the Lump Sum Grant, which was subsequently implemented through the Lump Sum Pilot in the CFM (Call for Members) part of the 2018 Call;
13. Considers that in order to ensure the legal clarity of the decision-making process and of the overall governance of the Undertaking, it is of utmost importance to clarify the provisions of the legal framework of the Undertaking regarding corporate acquisitions among its industry members and their consequences for the membership of the Governing Board; therefore invites the Council to address this issue in possible amendments to Council Regulation (EU) No 642/2014¹ ;
14. Notes that in 2018 the Undertaking launched 14 representative audits on its population and one risk based audit (in addition to the 15 representative audits and one risk based audit launched in 2017) bringing the direct coverage of the Undertaking's audits to EURO 4,66 million; notes that the overall detected error rate for the 3 representative audits and the risk based audit finalised by 31 December 2018 is 0,94% by simple average and 1,19% by applying weighted average; notes that all other error rates (representative and residual), although limited in respect their coverage, are also below the targeted threshold of 2%;
15. Welcomes the continued implementation of the Undertaking's Anti-Fraud Strategy 2017-

¹ Council Regulation (EU) No 642/2014 of 16 June 2014 establishing the Shift2Rail Joint Undertaking (OJ L 177, 17.6.2014, p. 9).

2020 that resulted in no case of close monitoring due to an assessment of high risk of fraud and no files sent to OLAF for investigation;

16. Proposes that Parliament grants discharge to the Executive Director of the Undertaking in respect of the implementation of the Undertaking budget for the financial year 2018.

INFORMATION ON ADOPTION IN COMMITTEE ASKED FOR OPINION

Date adopted	21.1.2020
Result of final vote	+: 39 -: 10 0: 0
Members present for the final vote	Scott Ainslie, Izaskun Bilbao Barandica, David Bull, Marco Campomenosi, Ciarán Cuffe, Johan Danielsson, Andor Deli, Anna Deparnay-Grunenberg, Ismail Ertug, Gheorghe Falcă, Giuseppe Ferrandino, Søren Gade, Isabel García Muñoz, Jens Gieseke, Kateřina Konečná, Elena Kountoura, Julie Lechanteux, Bogusław Liberadzki, Peter Lundgren, Benoît Lutgen, Elżbieta Katarzyna Łukacijewska, Marian-Jean Marinescu, Tilly Metz, Cláudia Monteiro de Aguiar, June Alison Mummery, Caroline Nagtegaal, Jan-Christoph Oetjen, Philippe Olivier, Dominique Riquet, Vera Tax, Barbara Thaler, Petar Vitanov, Elissavet Vozemberg-Vrionidi, Lucia Vuolo, Roberts Zīle, Kosma Złotowski
Substitutes present for the final vote	Clotilde Armand, Leila Chaibi, Angel Dzhambazki, Markus Ferber, Maria Grapini, Pierre Karleskind, Andrey Novakov, Catherine Rowett, Henna Virkkunen
Substitutes under Rule 209(7) present for the final vote	Tiziana Beghin, Elena Lizzi, Juozas Olekas, Tsvetelina Penkova

FINAL VOTE BY ROLL CALL IN COMMITTEE ASKED FOR OPINION

39	+
ECR	Angel Dzhambazki, Roberts Zīle, Kosma Złotowski
GUE/NGL	Elena Kountoura
NI	Tiziana Beghin
PPE	Andor Deli, Gheorghe Falcă, Markus Ferber, Jens Gieseke, Elżbieta Katarzyna Łukacijewska, Benoît Lutgen, Marian-Jean Marinescu, Cláudia Monteiro de Aguiar, Andrey Novakov, Barbara Thaler, Henna Virkkunen, Elissavet Vozemberg-Vrionidi
RENEW	Clotilde Armand, Izaskun Bilbao Barandica, Søren Gade, Pierre Karleskind, Caroline Nagtegaal, Jan-Christoph Oetjen, Dominique Riquet
S&D	Johan Danielsson, Ismail Ertug, Giuseppe Ferrandino, Isabel García Muñoz, Maria Grapini, Bogusław Liberadzki, Juozas Olekas, Tsvetelina Penkova, Vera Tax, Petar Vitanov
VERTS/ALE	Scott Ainslie, Ciarán Cuffe, Anna Deparnay-Grunenberg, Tilly Metz, Catherine Rowett

10	-
ECR	Peter Lundgren
GUE/NGL	Leila Chaïbi, Kateřina Konečná
ID	Marco Campomenosi, Julie Lechanteux, Elena Lizzi, Philippe Olivier, Lucia Vuolo
NI	David Bull, June Alison Mummery

0	0

Key to symbols:

+ : in favour

- : against

0 : abstention