



TEXTS ADOPTED

Provisional edition

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Discharge 2014: Clean Sky Joint Undertaking

1. European Parliament decision of 28 April 2016 on discharge in respect of the implementation of the budget of the Clean Sky Joint Undertaking for the financial year 2014 (2015/2198(DEC))

The European Parliament,

- having regard to the final annual accounts of the Clean Sky Joint Undertaking for the financial year 2014,
- having regard to the Court of Auditors' report on the annual accounts of the Clean Sky Joint Undertaking for the financial year 2014, together with the Joint Undertaking's replies¹,
- 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 – C8-0054/2016),
- 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 71/2008 of 20 December 2007 setting up the Clean Sky Joint Undertaking⁴,

¹ OJ C 422, 17.12.2015, p. 17.

² OJ C 422, 17.12.2015, p. 19.

³ OJ L 298, 26.10.2012, p. 1.

⁴ OJ L 30, 4.2.2008, p. 1.

- having regard to Council Regulation (EU) No 558/2014 of 6 May 2014 establishing the Clean Sky 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 (A8-0094/2016),
1. Grants the Executive Director of the Clean Sky 2 Joint Undertaking discharge in respect of the implementation of the Clean Sky 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 Clean Sky 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. 77.

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 Clean Sky Joint Undertaking for the financial year 2014 (2015/2198(DEC))

The European Parliament,

- having regard to the final annual accounts of the Clean Sky Joint Undertaking for the financial year 2014,
- having regard to the Court of Auditors' report on the annual accounts of the Clean Sky Joint Undertaking for the financial year 2014, together with the Joint Undertaking's replies¹,
- 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 – C8-0054/2016),
- 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 71/2008 of 20 December 2007 setting up the Clean Sky Joint Undertaking⁴,
- having regard to Council Regulation (EU) No 558/2014 of 6 May 2014 establishing the Clean Sky 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. 17.

² OJ C 422, 17.12.2015, p. 19.

³ OJ L 298, 26.10.2012, p. 1.

⁴ OJ L 30, 4.2.2008, p. 1.

⁵ OJ L 169, 7.6.2014, p. 77.

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 (A8-0094/2016),
1. Approves the closure of the accounts of the Clean Sky Joint Undertaking for the financial year 2014;
 2. Instructs its President to forward this decision to the Executive Director of the Clean Sky 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 Clean Sky Joint Undertaking for the financial year 2014 (2015/2198(DEC))

The European Parliament,

- having regard to its decision on discharge in respect of the implementation of the budget of the Clean Sky 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 (A8-0094/2016),
- A. whereas the Clean Sky Joint Undertaking ("the Joint Undertaking") started to work autonomously on 16 November 2009;
- B. whereas, with the aim of finalising the research activities of the Seventh Framework Programme (FP7), Council Regulation (EU) No 558/2014¹ replaced the Clean Sky Joint Undertaking by the Clean Sky 2 Joint Undertaking with effect from 27 June 2014, and extended the lifetime of the Joint Undertaking for the period up to 31 December 2024;
- C. whereas the founding members of the Joint Undertaking are the European Union, represented by the European Commission, and industrial partners, such as the leaders of the 'Integrated Technology Demonstrators' (ITDs) for Clean Sky, together with their associate members, along with the Leaders and the Associates listed and the Core Partners selected in accordance with Regulation (EU) No 558/2014;
- D. whereas the maximum contribution from the European Union to the Clean Sky JU is EUR 800 000 000 to be paid from the budget of the Seventh Framework Programme and to the Clean Sky 2 JU is EUR 1 755 000 000 to be paid from the budget of Horizon 2020, of which the proportion earmarked for running costs must not exceed EUR 39 000 000;
- E. whereas the Members of the Clean Sky JU other than the Commission have to contribute 50 % of the running costs and should contribute to operational costs through in-kind contributions equal to the financial contribution of the Union;
- F. whereas the Leaders and Core Partners of Clean Sky 2 JU have to contribute EUR 2 193 700 000 over the period of duration of the Joint Undertaking including contributions for Additional Activities of at least EUR 965 200 000 over the same period consisting of in-kind contribution and 50 % of the running costs in cash;

General

1. Notes that the Court of Auditors' report is based on too many general remarks to the detriment of viable, specific ones; therefore calls for an audit with a sharper 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 respective year and for previous years) and on the results and their implementation;

¹ Council Regulation (EU) No 558/2014 of 6 May 2014 establishing the Clean Sky 2 Joint Undertaking (OJ L 169, 7.6.2014, p. 77).

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 the Joint Undertaking in this report lacked harmonisation and was often incomplete; guidance is required from the Commission as to the nature and content of the report;
3. Takes note that the 2016 Court of Auditors working programme includes a special report on performance audit of Joint Undertakings;

Budgetary and financial management

4. Notes that the Court of Auditors stated that the 2014 annual accounts of the Joint Undertaking fairly present, in all material respects, its financial position as of 31 December 2014, as well as the results of its operations and its cash flows for the year then ended, in accordance with the provisions of its Financial Rules¹;
5. Notes that the Court of Auditors, in its report in the annual accounts of the Joint Undertaking ("the Court's report"), indicated that the transactions underlying the annual accounts were legal and regular in all material aspects²;
6. Notes the lack of information regarding the ex-post audits performed by Clean Sky JU and Clean Sky 2 JU; calls on the Court of Auditors to include in the future years' reports information regarding the number of ex-post audits, the total amounts covered and the findings; notes that the Joint Undertaking's Annual Report includes such information;
7. Takes note that the Joint Undertaking's final budget for 2014 amounted to EUR 229 241 765, including EUR 27 640 836 of unused appropriations carried forward from 2013; notes furthermore that the Joint Undertaking implemented commitment appropriations of EUR 189 316 793 (82,58 %) and payment appropriations of EUR 153 567 377 (90,19 %)³;
8. Notes that the programme of the Clean Sky JU funded under FP7 is still ongoing; takes note that those appropriations remain available till 2016 because of the Joint Undertaking's financial rules which allow it to re-enter its commitment and payment appropriations up to three years after they have been cancelled from the Joint Undertaking's budget; encourages the Joint Undertaking to conduct its budget planning carefully, taking into due account the parallel process;
9. Considers that those indicators (appropriations and commitments) do not ensure a real evaluation of performance because the Court's report is not providing a clear separation between FP7 and Horizon 2020 implementation-related information; calls on the Court of Auditors to include in the reports to come information regarding the execution of the budget under FP7 and separately, under Horizon 2020; notes that the Joint Undertaking's annual report is presenting such information;
10. Notes that the execution of budget allocated to FP7 (Title III) is 95,2 % for commitments (EUR 87 800 000 out of EUR 92 200 000) and 92,5 % for payments (EUR 112 900 000 out of EUR 122 200 000); execution of budget allocated to Horizon 2020 (Title IV) is 92,5 % for commitments (EUR 95 300 000 out of EUR 103 000 000) and 81,1 % for

¹ 2014 Court's report, p. 7.

² 2014 Court's report, p. 7.

³ Final accounts & Budgetary Implementation report of the Clean Sky 2 Joint Undertaking for the year 2014, p. 56.

payments (EUR 20 500 000 out of EUR 25 000 000)¹; expects the Joint Undertaking to provide further clarification to the discharge authority on this issue;

11. Regrets the limited amount of information regarding in-kind/cash contributions provided by the Court's report; calls on the Court of Auditors to include, in the future reports, provisions regarding the evaluation procedure and the level of in-kind/cash paid contributions for FP7 and Horizon 2020, which should be presented separately;
12. Notes that private members can provide their in-kind contribution in two ways under the Horizon 2020 programme; notes that after the launch of the Clean Sky 2 JU programme the total of in-kind contributions was EUR 87 413 513; takes note furthermore that the validated in-kind contribution under the FP7 programme was EUR 448 424 340,47²³;
13. Notes from the Court's report that payment time limits were not always respected, especially in the area of Grant Agreements for Partners, which lead to penalties of EUR 41 000 in 2014; acknowledges the Joint Undertaking's effort to address this issue;

Calls for proposals

14. Takes note that the Joint Undertaking launched the first call for proposals (where the allocation of budget for partners shall be at least 30 % of available operational EU funding together with calls for tender) in December 2014⁴;
15. Notes that in terms of volume of operational activities a total of seventy-four agreements have been signed in 2014 (64 signed Grant Agreements for Partners (GAP) and 10 Grant Agreements for Members (GAM) finalized) and 302 payments executed (276 for Partners and 26 for Members - covering individual payments to 201 beneficiaries)⁵;
16. Points out that in June 2014 Clean Sky 2 JU took over the activity of Clean Sky JU; notes that the Court's report does not include clear information regarding the state of play of implementation of Clean Sky JU projects (level of payments, payments plan for the coming years);

Legal framework

17. Takes into consideration that the financial rules of the Clean Sky 2 Joint Undertaking were adopted on 3 July 2014 on the basis of the model financial regulation for public-private partnership bodies Internal audit function and the Commission's Internal Audit Service (IAS) and taking into account the requirements of Regulation (EU) 558/2014⁶;

Internal control systems

18. Notes that, in the financial year 2014, the IAS finalised an audit of the financial aspects of grant management; based on that audit, the IAS issued two very important recommendations, to which the Joint Undertaking responded by implementing a dedicated

¹ 2014 Annual Activity Report, p. 149.

² 2014 Annual Activity Report, p. 154.

³ Discharge 2014 - Report on the contributions provided by CSJU Members other than the Commission to the CS programmes under FP7 and H2020, p. 4.

⁴ Report on budgetary and financial management 2014, p. 10.

⁵ 2014 Annual Activity Report, p. 7.

⁶ 2014 Court's report, p. 8.

action plan; notes that the recommendations were in connection with the ex-ante validation guidelines and the approval process of project deliverables; notes that, by the end of 2014, the agreed actions have been implemented for both recommendations¹;

Conflicts of interest

19. Notes, from the Court's report, that the Joint Undertaking's procedures remain in force in the field of conflict of interest until the Commission develops a common template for all Joint Undertakings²;

Monitoring and reporting

20. Notes, from the Court's report, that the Horizon 2020 legal framework requires specific monitoring on research results, based on quantitative and, where appropriate, qualitative evidence; in order to meet the requirements of Horizon 2020, the cooperation between the Joint Undertaking and the Commission is to be enhanced to improve the reporting and dissemination of research results³; takes note that the Joint Undertaking has launched joint activities with the Commission services on the general approach to implement the Horizon 2020 guidelines and on dissemination of the research results and encourages the Joint Undertaking to further improve the cooperation with the Commission in this regard;
21. Welcomes the publication by the Joint Undertaking of the Report on the Socio-Economic Impact of the Clean Sky Activities;
22. Welcomes the signature of a memorandum of cooperation with SESAR Joint Undertaking, aimed at strengthening links and reinforcing synergies;
23. Welcomes the achievements, as early as 2014, of some of the important demonstrators of the Clean Sky Programme, under FP7 financing, such as the Large Engines Demonstrator.

¹ 2014 Annual Activity Report, p. 142.

² 2014 Court's report, p. 10.

³ 2014 Court's report, p. 9.