



Report on budgetary and financial management 2019

This report is provided in accordance with Article 20.3 of Annex I (Statutes of the Clean Sky 2 Joint Undertaking) of the Council Regulation (EU) No 558/2014 establishing the Clean Sky 2 Joint Undertaking and with Article 39 of the Financial Rules of the Clean Sky 2 Joint Undertaking.

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INTRODUCTION

Legal basis and objectives

Clean Sky is a unique public-private partnership between the European Union (represented by the European Commission) and the aeronautic industry, managed by the Clean Sky 2 Joint Undertaking. Its mission is to develop breakthrough technologies to significantly increase the environmental performance of aeroplanes and air transport, resulting in less noisy and more fuel efficient aircraft, hence bringing a key contribution in achieving the Single European Sky environmental objectives. The programme is leveraged by further research activities funded at national and regional level and by large private investments.

The Clean Sky Joint Undertaking was set up as an independent legal entity by Council Regulation (EC) No 71/2008 of 20 December 2007, originally for the period up to 31 December 2017. The Council Regulation No 71/2008 was repealed by the Council Regulation (EU) No 558/2014 of 6 May 2014¹ establishing the Clean Sky 2 Joint Undertaking. The new Regulation entrusted the Joint Undertaking with new tasks under the Horizon 2020 Framework Programme for Research and Innovation and extended its lifetime for the period up to 31 December 2024. The seat of the Clean Sky 2 Joint Undertaking is located in Brussels, Belgium.

The objectives of the Clean Sky 2 Joint Undertaking are to contribute to the finalisation of the research activities initiated under Regulation (EC) No 71/2008 and to the implementation of Regulation (EU) No 1291/2013 establishing Horizon 2020 (in particular the Smart, Green and Integrated Transport Challenge under Part III — Societal Challenges of Decision 2013/743/EU), and to contribute to improving the environmental impact of aeronautical technologies, including those relating to small aviation as well as contributing to the development of a strong and globally competitive aeronautical industry and supply chain in Europe.

These objectives can be realised through speeding up the development of cleaner air transport technologies for the earliest possible deployment and, in particular, the integration, demonstration and validation of technologies capable of:

- (a) increasing aircraft fuel efficiency, thus reducing CO₂ emissions by 20 to 30% compared to 'state-of-the-art' aircraft entering into service as from 2014;
- (b) reducing aircraft NO_x and noise emissions by 20 to 30% compared to 'state-of-the-art' aircraft entering into service as from 2014.

¹ OJ L 169, 7.6.2014.

Clean Sky 2 members and contributors

The Clean Sky 2 Joint Undertaking is built on a membership, complemented by activities performed by Partners. The membership of the Clean Sky 2 Joint Undertaking is comprised of:

- The **European Commission**, representing the European Union and ensuring EU public policy;
- **Leaders** (and their Affiliates) as defined in the Statutes and committed to achieving the full research and demonstrator activities of the Programme; and
- **Core Partners** (and their Affiliates) as selected through the Calls for Core Partners and duly accepted by the Governing Board of the CS2JU upon successful selection and negotiation², who bring a further substantial long-term commitment towards the Programme.

The members of the Clean Sky 2 Joint Undertaking other than the European Union are referred to as the 'private members'.

The Clean Sky 2 Joint Undertaking is jointly funded by the Union and the private members and their affiliated entities through financial contributions paid in instalments by the Union and contributions consisting of the costs incurred by the private members in implementing indirect actions that are not reimbursed by the Clean Sky 2 Joint Undertaking (in-kind contributions). In addition, the Union and private members contribute financially to the administrative costs of the JU.

According to the Clean Sky 2 Regulation, the Union's financial contribution to the Clean Sky 2 Joint Undertaking under Horizon 2020 (to cover both administrative and operational costs) is up to 1.755 million €. The total in-kind contributions from the private members shall be of at least 2.193,75 million €. The administrative costs of the Clean Sky 2 Joint Undertaking under Horizon 2020 shall not exceed 78 million € and are covered through financial contributions divided equally on an annual basis between the Union and the private members. If part of the contribution for administrative costs is not used, it may be made available to cover the operational costs of the Clean Sky 2 Joint Undertaking.

The financial reporting is governed by the provisions of the Financial Rules of the Clean Sky 2 Joint Undertaking³, which take into account the particular needs to combine public and private funding.

The presented financial information covers the period from 1 January to 31 December 2019.

² The last selection for Core Partners was concluded in 2017.

³ Governing Board decision CS-GB-2014-03-07.

Content of the 2019 report

PART A of the report analyses the year at budgetary level including:

- a summary of the Clean Sky 2 Joint Undertaking budget evolution through the year 2019, with a description and reasons for the amendments implemented;
- an overview of the evolution of statement of revenue and statement of expenditure;
- the main highlights of the 2019 budget execution as well as the implementation of expenditure in 2019;
- a description of unused appropriations in 2019 and of the outstanding commitments (*RAL – reste à liquider*).

PART B of the report describes the Clean Sky 2 programme implementation and a multi-annual overview on:

- the budget to completion for private members and partners;
- the implementation of commitment appropriations;
- the implementation of payment appropriations;
- the outstanding amounts.

PART C of the report describes the nature of the revenues as well as the breakdown per contributor. The amounts due to be recovered by the CS2JU in 2019 are listed in Annex I to this report.

PART D of the report gives an overview of the contribution from private members (in-kind contributions) that they have to provide in accordance with the Clean Sky 2 Regulation.

Date of extraction

The implementation data is the data serving as a basis for the CS2JU provisional accounts at the end of February 2020.

The figures presented in PART D of the report – which presents a status of the private members' contribution for the Clean Sky 2 programme – are based on the CS2JU provisional accounts 2019 (which were drawn up in accordance with the estimates received from the private members) and will be revised in the final accounts based on the actual costs claimed for the year 2019.

Definitions applied in this report

- **Amending budget:** budget amendment voted by the CS2 Governing Board.
- **CfP:** Call for Proposals.
- **Clean Sky programme (CS programme):** Clean Sky Joint Undertaking operational activities funded under FP7 programme.
- **Clean Sky 2 programme (CS2 programme):** Clean Sky 2 Joint Undertaking operational activities funded under H2020 programme.
- **CS2GB:** CS2 Governing Board, the main internal body of the CS2JU that is responsible for taking decisions on financial and budgetary matters. It is composed of the European Commission, with 50% of the voting rights; the 16 Leaders of Clean Sky 2 JU and Core Partner representatives of the ITDs/IADPs in the Clean Sky 2 programme.
- **CS2JU:** Clean Sky 2 Joint Undertaking.
- **FP7:** 7th Framework Programme for Research and Technological Development. This was the European Union's Research and Innovation funding programme for 2007-2013.
- **GAM:** Grant Agreement for Members.
- **GAP:** Grant Agreement for Partners.
- **H2020:** EU Research and Innovation programme between 2014 and 2020.
- **IKC:** In-Kind Contributions – co-financing contribution of the private members. For the Clean Sky 2 programme, the IKC is subdivided into two categories of contribution – IKOP and IKAA. This does not include the cash contribution from the private members to the administrative costs of the JU.
- **IKOP:** In-Kind Contributions for Operational Activities – this consists of the unfunded part of the costs incurred by the Leaders and the Core Partners or their affiliated entities in implementing activities described in the Work Plan of the JU.
- **IKAA:** In-Kind Contributions for Additional Activities – this consists of the costs incurred by the Leaders and the Core Partners or their affiliated entities in implementing additional activities outside the Work Plan of the JU but which contribute to the objectives of the Clean Sky 2 programme.
- **SPDs:** Systems and Platforms Demonstrators. This terminology is used to cover all four elements of the Clean Sky 2 programme:
 - Three Integrated Technology Demonstrators (ITDs): Airframe (AIR), Engines (ENG) and Systems (SYS).
 - Three Innovative Aircraft Demonstrator Platforms (IADPs): Fast Rotorcraft (FRC), Large Passenger Aircraft (LPA) and Regional Aircraft (REG).
 - Two Transverse Activities (TAs), integrating the knowledge of different ITDs and IADPs for specific applications and enabling synergies to be exploited between different platforms through shared projects and results: Eco-Design (ECO) and Small Air Transport (SAT).
 - The Technology Evaluator (TE), monitoring and assessing the environmental impact of the technologies developed in the IADPs and ITDs.

PART A – BUDGET 2019 OVERVIEW

The Clean Sky 2 JU uses four fund sources for its budgetary management through its budgetary and accounting system. A short explanation of each fund source is provided below.

- **C1:** This represents the EU budget subsidy received from the European Commission and the private members' contribution to the administrative costs for the current financial year.
- **C2:** This represents the cancelled appropriations from the previous year(s) re-entered to the next financial year. In Clean Sky, these can be used within the following three financial years.
- **C4:** This represents the appropriations which can be used again as a result of recovery orders issued by the JU (otherwise known as internal assigned revenue) and received (cashed) within the same year.
- **C8:** This represents the appropriations which are automatically carried forward to meet obligations arising from previous years. For administrative expenditure and operational expenditure, only commitment appropriations can be carried forward and used until they are no longer needed for payment purposes. Any difference between what is carried forward and paid shall be de-committed and converted into C2 fund source for the JU (see above).

A.1 Initial budget, amending budgets and final budget

At the end of October 2018 the Governing Board adopted the second amendment to the original budget 2018-2019 of the Clean Sky 2 Joint Undertaking for the global amount of 294,9 million € in commitment appropriations and 327,8 million € in payment appropriations (initial Budget 2019).

In April 2019, it required a specific amendment ('third amendment to the 2018-2019 budget') in order to inscribe the carry-over related to the financial year 2018 (unused commitment and payment appropriations) and reallocate it to the administrative and operational expenses of year 2019.

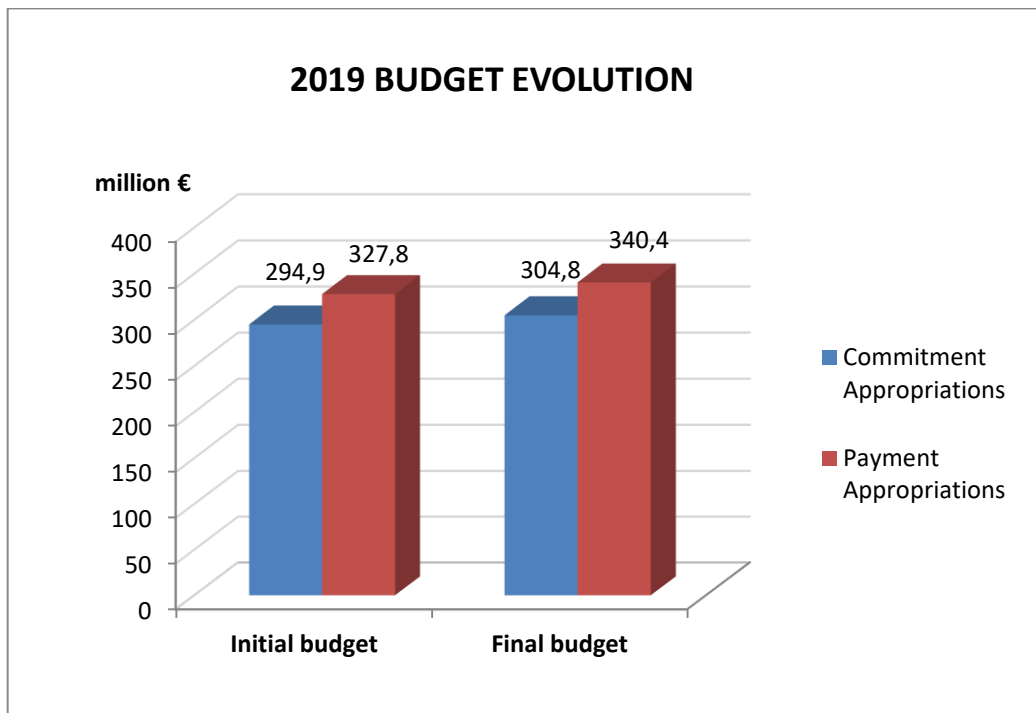
In November 2019, a fourth budget amendment was adopted in order to optimize the use of all the funds available for operational expenditures. This translated into the transfer of 2,0 million € of commitment appropriations and 4,5 million € of payment appropriations from Title 1 (Staff), Title 2 (Infrastructure) and Title 3 (Operational CS1) to Title 5 (Unused) for administrative expenditures.

Lastly, some internal transfers (as decided by the Executive Director in accordance with the CS Financial Rules) were operated in order to better allocate the resources needed for the running costs and operational activities implementation.

Note: The Clean Sky 2 Joint Undertaking budget uses chapters for each type of expenditure and no further breakdown of budget is presented in this report.

Heading of the Budget 2019		Initial Budget 31/10/2018 (Annual Budget 2018-2019) (1)	Third Amending Budget 09/04/2019 (Annual Budget 2018-2019) (2)	Fourth Amending Budget 21/11/2019 (Annual Budget 2018-2019) (3)	Final Budget to implement (4) = SUM (1 to 3)
100	SUBSIDY OF THE COMMISSION	290.114.107	0	0	290.114.107
200	CONTRIBUTION FROM MEMBERS (NON-EC)	4.760.172	0	0	4.760.172
300	CARRY-OVER FROM PREVIOUS YEARS	0	9.920.408	0	9.920.408
500	FINANCIAL REVENUES	0	0	0	0,00
TOTAL REVENUE CS2JU (Commitments)		294.874.279	9.920.408	0	304.794.687

100	SUBSIDY OF THE COMMISSION	323.005.259	0	0	323.005.259
200	CONTRIBUTION FROM MEMBERS (NON-EC)	4.760.172	0	0	4.760.172
300	CARRY-OVER FROM PREVIOUS YEARS	0	12.651.069	0	12.651.069
500	FINANCIAL REVENUES	0	0	0	0
TOTAL REVENUE CS2JU (Payments)		327.765.431	12.651.069	0	340.416.500



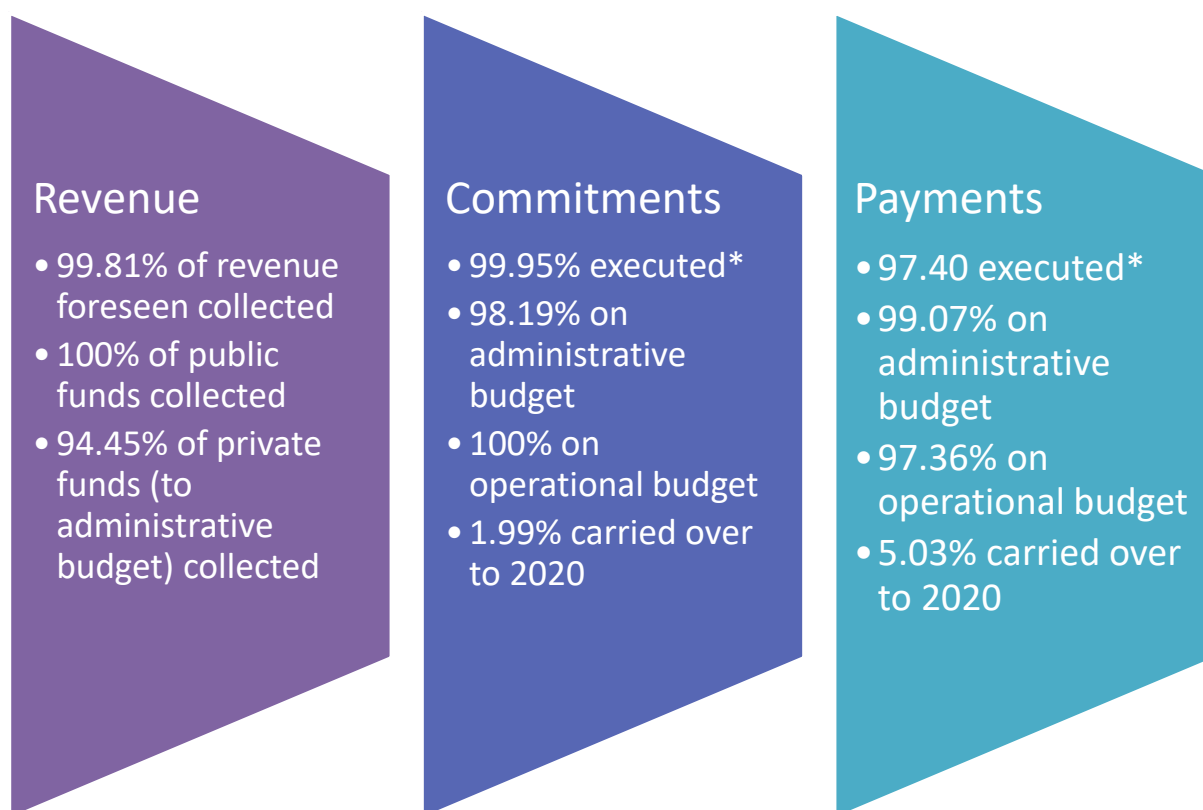
Overview of amending budgets and transfers per Chapter

Heading of the Budget 2019		Initial Budget 31/10/2018 (Annual Budget 2018-2019) (1)	Third Amending Budget 09/04/2019 (Annual Budget 2018-2019) (2)	Fourth Amending Budget 21/11/2019 (Annual Budget 2018-2019) (3)	Transfers adopted by CS2JU Director (4)	Final Budget to implement (5) = SUM (1 to 4)
CH 1	STAFF EXPENDITURE - COMMITMENTS					
CH 11	STAFF IN ACTIVE EMPLOYMENT	4.400.000	0	-100.000	-131.191	4.168.809
CH 12	MISCELLANEOUS EXPENDITURE ON STAFF	300.000	0	0	195.000	495.000
CH 13	MISSIONS AND DUTY TRAVEL	350.000	0	-50.000	-60.000	240.000
CH 14	SOCIOMEDICAL INFRASTRUCTURE	120.000	0	-40.000	-18.000	62.000
CH 17	RECEPTIONS AND EVENTS	70.000	0	0	-47.000	23.000
	TITLE 1 - Commitments	5.240.000	0	-190.000	-61.191	4.988.809
CH 1	STAFF EXPENDITURE - PAYMENTS					
CH 11	STAFF IN ACTIVE EMPLOYMENT	4.400.000	0	-100.000	-131.191	4.168.809
CH 12	MISCELLANEOUS EXPENDITURE ON STAFF	300.000	217.244	-177.244	150.000	490.000
CH 13	MISSIONS AND DUTY TRAVEL	350.000	25.213	-135.213	-20.000	220.000
CH 14	SOCIOMEDICAL INFRASTRUCTURE	120.000	42.283	-102.283	-13.000	47.000
CH 17	RECEPTIONS AND EVENTS	70.000	7.670	-7.670	-47.000	23.000
	TITLE 1 - Payments	5.240.000	292.410	-522.410	-61.191	4.948.809
CH 2	INFRASTRUCTURE EXPENDITURE - COMMITMENTS					
CH 20	RENTAL OF BUILDINGS AND ASSOCIATED COSTS	570.000	0	0	0	570.000
CH 21	INFORMATION TECHNOLOGY PURCHASES	550.000	0	-50.000	19.000	519.000
CH 22	MOVABLE PROPERTY AND ASSOCIATED COSTS	15.000	0	0	0	15.000
CH 23	CURRENT EXPENDITURE FOR RUNNING COSTS	65.000	0	0	0	65.000
CH 24	POSTAGE AND TELECOMMUNICATIONS	50.000	0	-25.000	0	25.000
CH 25	FORMAL AND OTHER MEETINGS	300.000	0	0	-164.000	136.000
CH 27	COMMUNICATION ACTIVITIES	600.000	0	0	206.191	806.191
CH 28	EXTERNAL SERVICES	1.000.000	0	-600.000	0	400.000
CH 29	COSTS ASSOCIATED WITH CALLS	1.130.346	0	-1.130.346	0	0
	TITLE 2 - Commitments	4.280.346	0	-1.805.346	61.191	2.536.191
CH 2	INFRASTRUCTURE EXPENDITURE - PAYMENTS					
CH 20	RENTAL OF BUILDINGS AND ASSOCIATED COSTS	570.000	8.849	-23.849	-2.489	552.511
CH 21	INFORMATION TECHNOLOGY PURCHASES	550.000	353.923	-553.923	19.000	369.000
CH 22	MOVABLE PROPERTY AND ASSOCIATED COSTS	15.000	0	-12.000	-1.970	1.030
CH 23	CURRENT EXPENDITURE FOR RUNNING COSTS	65.000	38.787	-73.787	-6.455	23.545
CH 24	POSTAGE AND TELECOMMUNICATIONS	50.000	28.882	-56.882	-1.000	21.000
CH 25	FORMAL AND OTHER MEETINGS	300.000	14.073	-184.073	-44.852	85.148
CH 27	COMMUNICATION ACTIVITIES	600.000	225.823	-375.823	117.031	567.032
CH 28	EXTERNAL SERVICES	1.000.000	975.367	-1.505.205	-18.075	452.086
CH 29	COSTS ASSOCIATED WITH CALLS	1.130.346	0	-1.130.346	0	0
	TITLE 2 - Payments	4.280.346	1.645.704	-3.915.888	61.191	2.071.353

Heading of the Budget 2019		Initial Budget 31/10/2018 (Annual Budget 2018-2019) (1)	Third Amending Budget 09/04/2019 (Annual Budget 2018-2019) (2)	Fourth Amending Budget 21/11/2019 (Annual Budget 2018-2019) (3)	Transfers adopted by CS2JU Director (4)	Final Budget to implement (5) = SUM (1 to 4)
CH 3	CS1 OPERATIONAL EXPENDITURE - COMMITMENTS					
CH 30	SMART FIXED WING AIRCRAFT	0	0	0	0	0
CH 31	GREEN REGIONAL AIRCRAFT	0	0	0	0	0
CH 32	GREEN ROTORCRAFT	0	0	0	0	0
CH 33	SUSTAINABLE AND GREEN ENGINES	0	0	0	0	0
CH 34	SYSTEMS FOR GREEN OPERATIONS	0	0	0	0	0
CH 35	ECO-DESIGN	0	0	0	0	0
CH 36	TECHNOLOGY EVALUATOR	0	0	0	0	0
CH 37	CALLS FOR PROPOSALS	0	0	0	0	0
	TITLE 3 - Commitments	0	0	0	0	0
CH 3	CS1 OPERATIONAL EXPENDITURE - PAYMENTS					
CH 30	SMART FIXED WING AIRCRAFT	0	0	0	0	0
CH 31	GREEN REGIONAL AIRCRAFT	0	0	0	0	0
CH 32	GREEN ROTORCRAFT	0	0	0	0	0
CH 33	SUSTAINABLE AND GREEN ENGINES	0	0	0	0	0
CH 34	SYSTEMS FOR GREEN OPERATIONS	0	0	0	0	0
CH 35	ECO-DESIGN	0	0	0	0	0
CH 36	TECHNOLOGY EVALUATOR	0	0	0	0	0
CH 37	CALLS FOR PROPOSALS	0	103.477	-103.477	0	0
	TITLE 3 - Payments	0	103.477	-103.477	0	0
CH 4	CS2 OPERATIONAL EXPENDITURE - COMMITMENTS					
CH 40	LARGE PASSENGER AIRCRAFT	66.300.000	32.568.590	0	-32.288.590	66.580.000
CH 41	REGIONAL ARCRAFT	13.400.000	-6.943.773	0	14.372.773	20.829.000
CH 42	FAST ROTORCRAFT	32.000.000	-21.166.090	0	21.535.890	32.369.800
CH 43	AIRFRAME	36.250.000	-18.247.482	0	-18.002.518	0
CH 44	ENGINES	35.100.000	-19.251.473	0	23.894.848	39.743.375
CH 45	SYSTEMS	33.620.000	-18.541.339	0	33.712.204	48.790.865
CH 46	TECHNOLOGY EVALUATOR	1.100.000	-550.159	0	1.419.969	1.969.810
CH 47	ECO-DESIGN TA	800.000	-291.105	0	1.391.205	1.900.100
CH 48	SMALL AIR TRANSPORT TA	550.000	-300.168	0	1.494.508	1.744.340
CH 49	CALLS FOR PROPOSALS	66.233.934	58.694.810	0	-47.530.290	77.398.454
	TITLE 4 - Commitments	285.353.934	5.971.810	0	0	291.325.744
CH 4	CS2 OPERATIONAL EXPENDITURE - PAYMENTS					
CH 40	LARGE PASSENGER AIRCRAFT	67.500.000	0	0	14.932.561	82.432.561
CH 41	REGIONAL ARCRAFT	15.500.000	0	0	-244.156	15.255.844
CH 42	FAST ROTORCRAFT	17.100.000	0	0	9.773.090	26.873.090
CH 43	AIRFRAME	32.000.000	0	0	-10.062.066	21.937.934
CH 44	ENGINES	47.200.000	0	0	-11.172.145	36.027.855
CH 45	SYSTEMS	25.600.000	0	0	6.858.165	32.458.165
CH 46	TECHNOLOGY EVALUATOR	850.000	0	0	250.562	1.100.562
CH 47	ECO-DESIGN TA	976.000	0	0	-526.013	449.988
CH 48	SMALL AIR TRANSPORT TA	450.000	0	0	-239.179	210.821
CH 49	CALLS FOR PROPOSALS	111.069.086	6.660.879	0	-9.570.819	108.159.146
	TITLE 4 - Payments	318.245.086	6.660.879	0	0	324.905.965
CH5	UNUSED APPROPRIATIONS NOT REQUIRED IN CURRENT YEAR					
CH 50	TITLE 5 - Commitments	0	3.948.599	1.995.346	0	5.943.945
CH 50	TITLE 5 - Payments	0	3.948.599	4.541.775	0	8.490.374
TOTAL BUDGET - Commitment appropriations		294.874.280	9.920.408	0	0	304.794.688
TOTAL BUDGET - Payment appropriations		327.765.432	12.651.069	0	0	340.416.501

A.2 Implementation overview

A.2.1 Main highlights of the 2019 budget execution



** excluding appropriations foreseen as 'unused'*

In 2019, the budgetary execution remained at a high level of performance with 99,95% rate of implementation for the commitment appropriations and 97,40% for the payment appropriations⁴. For a comparison in 2018 the JU executed its commitment appropriations with a rate of 99,97% of the available funds and with 98,21% of payment appropriations.

Title 1 & 2 – Administrative expenditures

The running costs of the JU had a high rate of use in 2019 showing an efficient budget management for this part of the JU budget:

- For commitments, the execution rate was 98,19%, slightly lower than 99,92% in 2018;
- For payments, the rate achieved reached 99,07% in 2019 showing a significant increase compared to 79,23% in 2018.

Staff expenditure budget (Chapter 11) was mainly used for the statutory staff of the JU (40 posts filled in as of 31.12.2019), although other external support was also hired in by the JU to cope with the increased workload (Chapter 12 used).

⁴ The rates are calculated excluding Title 5 – Unused appropriations.

The other main budget items are allocated to rental of the building (Chapter 20), IT expenditures (Chapter 21), communication activities (Chapter 27) and external services (Chapter 28). The budget execution achieved on these budget lines in 2019 is high ranging from 95,75% to 100,00% for payment appropriations.

The 99,31% of payment execution in IT expenditure includes different 2020 IT services (e.g. IT support framework contract, hosting and cloud services, audio-visual equipment, DG DIGIT security support...). In the case of the communication activities, the 99,77% of payment execution is related to communication activities undertaken in 2019 as well as others that will take place during the first semester of 2020 (e.g. publication of a series of articles, preparation of CS2 annual event, participation at international air shows and congresses such as Berlin ILA and Farnborough FIA...). With regards to the external services, the 98,64% of payment execution includes the costs of external reviewers, legal services, the CS2 Scientific Committee and the CS2 Academia Working Group.

Title 3 – Operational expenditures CS

The CS1 programme was formally closed in 2017. In 2019 the CS2JU implemented a few remaining FP7 ex-post audits.

Title 4 – Operational expenditures CS2

As in the previous year, the objective of reaching 100% of commitment appropriations consumption was achieved in 2019.

The execution rate for payment appropriations also reached 97.40% (compared to 98.77% in 2018) with 99.91% for GAMs and 92.25% for GAPs respectively.

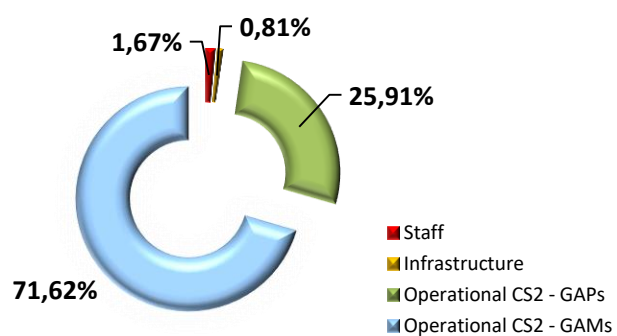
The above payment execution rates resulted in 8,5 million € of unused funds which will be used to cover operational payments early 2020 before receiving the first instalment of the EC contribution for 2020.

Details on the budget execution per Chapter are shown in section A.2.2.

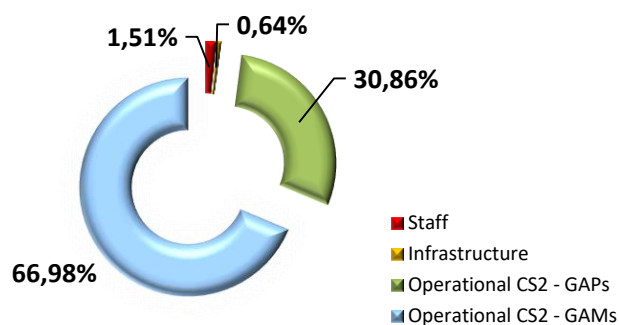
Overview implementation of the statement of expenditure 2019

Budget title	COMMITMENTS			PAYMENTS		
	Expenditure	% implem.	% budget	Expenditure	% implem.	% budget
1 - Staff	4.982.664,44	99,88%	1,67%	4.895.514,94	98,92%	1,51%
2 - Infrastructure	2.405.879,36	94,86%	0,81%	2.059.010,30	99,40%	0,64%
3 - Operational CS1	0,00	0,00%	0,00%	0,00	0,00%	0,00%
4 - Operational CS2 - GAP	77.398.453,61	100,00%	25,91%	99.782.173,70	92,25%	30,86%
4 - Operational CS2 - GAM	213.927.289,41	100,00%	71,62%	216.549.217,32	99,91%	66,98%
Total budget (*excluding title 5)	298.714.286,82	99,95%	100,00%	323.285.916,26	97,40%	100,00%

**Breakdown by type of expenditure
(Commitments)**



**Breakdown by type of expenditure
(Payments)**



A.2.2 Implementation per Chapters

Implementation of the statement of expenditure 2019 (fund sources C1 and C2)								
Heading of the Budget 2019		Final Budget for implementation (1)	Final implementation (2)	% of implementation (3)=(2)/(1)		Final Budget for implementation (1)	Final implementation (2)	% of implementation (3)=(2)/(1)
CH 1	STAFF EXPENDITURE	COMMITMENTS				PAYMENTS		
CH 11	STAFF IN ACTIVE EMPLOYMENT	4.168.808,93	4.168.808,93	100,00%		4.168.808,93	4.168.808,93	100,00%
CH 12	MISCELLANEOUS EXPENDITURE ON STAFF	495.000,00	494.898,85	99,98%		490.000,00	475.577,07	97,06%
CH 13	MISSIONS AND DUTY TRAVEL	240.000,00	240.000,00	100,00%		220.000,00	197.860,48	89,94%
CH 14	SOCIOMEDICAL INFRASTRUCTURE	62.000,00	60.000,00	96,77%		47.000,00	32.247,36	68,61%
CH 17	RECEPTIONS AND EVENTS	23.000,00	18.956,66	82,42%		23.000,00	21.021,10	91,40%
TITLE 1 - Commitment and Payment		4.988.808,93	4.982.664,44	99,88%		4.948.808,93	4.895.514,94	98,92%
CH 2	INFRASTRUCTURE EXPENDITURE	COMMITMENTS				PAYMENTS		
CH 20	RENTAL OF BUILDINGS AND ASSOCIATED COSTS	570.000,00	570.000,00	100,00%		552.511,43	552.511,43	100,00%
CH 21	INFORMATION TECHNOLOGY PURCHASES	519.000,00	488.909,45	94,20%		369.000,00	366.460,83	99,31%
CH 22	MOVABLE PROPERTY AND ASSOCIATED COSTS	15.000,00	1.030,46	6,87%		1.030,46	1.030,46	100,00%
CH 23	CURRENT EXPENDITURE FOR RUNNING COSTS	65.000,00	65.000,00	100,00%		23.545,41	22.545,41	95,75%
CH 24	POSTAGE AND TELECOMMUNICATIONS	25.000,00	25.000,00	100,00%		21.000,00	20.643,39	98,30%
CH 25	EXPENDITURE ON FORMAL AND OTHER MEETINGS	136.000,00	100.000,00	73,53%		85.147,85	84.147,85	98,83%
CH 27	COMMUNICATION ACTIVITIES	806.191,07	755.939,45	93,77%		567.031,55	565.751,08	99,77%
CH 28	EXTERNAL SERVICES	400.000,00	400.000,00	100,00%		452.086,12	445.919,85	98,64%
CH 29	COSTS ASSOCIATED WITH CALLS	0,00	0,00	-		0,00	0,00	-
TITLE 2 - Commitment and Payment		2.536.191,07	2.405.879,36	94,86%		2.071.352,82	2.059.010,30	99,40%
Total TITLE 1 & 2 - Commitment and Payment		7.525.000,00	7.388.543,80	98,19%		7.020.161,75	6.954.525,24	99,07%

Heading of the Budget 2019		Final Budget for implementation (1)	Final implementation (2)	% of implementation (3)=(2)/(1)
CH 3	CS OPERATIONAL EXPENDITURE	COMMITMENTS		
CH 30	SMART FIXED WING AIRCRAFT	0,00	0,00	-
CH 31	GREEN REGIONAL AIRCRAFT	0,00	0,00	-
CH 32	GREEN ROTORCRAFT	0,00	0,00	-
CH 33	SUSTAINABLE AND GREEN ENGINES	0,00	0,00	-
CH 34	SYSTEMS FOR GREEN OPERATIONS	0,00	0,00	-
CH 35	ECO-DESIGN	0,00	0,00	-
CH 36	TECHNOLOGY EVALUATOR	0,00	0,00	-
CH 37	CALLS FOR PROPOSALS	0,00	0,00	-
TITLE 3 - Commitment and Payment		0,00	0,00	-
CH 4	CS2 OPERATIONAL EXPENDITURE	COMMITMENTS		
CH 40	LARGE PASSANGER AIRCRAFT	66.580.000,00	66.580.000,00	100,00%
CH 41	REGIONAL ARCRAFT	20.829.000,03	20.829.000,03	100,00%
CH 42	FAST ROTORCRAFT	32.369.800,00	32.369.800,00	100,00%
CH 43	AIRFRAME	0,00	0,00	-
CH 44	ENGINES	39.743.375,00	39.743.375,00	100,00%
CH 45	SYSTEMS	48.790.865,00	48.790.865,00	100,00%
CH 46	TECHNOLOGY EVALUATOR	1.969.810,00	1.969.810,00	100,00%
CH 47	ECO-DESIGN TA	1.900.100,00	1.900.100,00	100,00%
CH 48	SMALL AIR TRANSPORT TA	1.744.340,00	1.744.339,38	100,00%
CH 49	CALLS FOR PROPOSALS	77.398.453,61	77.398.453,61	100,00%
TITLE 4 - Commitment and Payment		291.325.743,64	291.325.743,02	100,00%
CH5	UNUSED APPROPRIATIONS NOT REQUIRED IN CURRENT YEAR	COMMITMENTS		
CH 50	TITLE 5 - Commitment and Payment	5.943.944,62	0,00	0,00%
TOTAL BUDGET - Commitment and Payment		304.794.688,26	298.714.286,82	98,01%
TOTAL BUDGET excluding TITLE 5		298.850.743,64	298.714.286,82	99,95%

Final Budget for implementation (1)	Final implementation (2)	% of implementation (3)=(2)/(1)
PAYMENTS		
0,00	0,00	-
0,00	0,00	-
0,00	0,00	-
0,00	0,00	-
0,00	0,00	-
0,00	0,00	-
0,00	0,00	-
0,00	0,00	-
0,00	0,00	-
PAYMENTS		
82.432.560,55	82.432.560,55	100,00%
15.255.844,26	15.255.759,31	100,00%
26.873.089,91	26.872.988,55	100,00%
21.937.933,53	21.937.933,53	100,00%
36.027.854,88	36.027.781,20	100,00%
32.458.165,29	32.261.107,37	99,39%
1.100.562,25	1.100.443,13	99,99%
449.987,50	449.987,50	100,00%
210.821,24	210.656,18	99,92%
108.159.145,63	99.782.173,70	92,25%
324.905.965,04	316.331.391,02	97,36%
PAYMENTS		
8.490.374,11	0,00	0,00%
340.416.500,90	323.285.916,26	94,97%
331.926.126,79	323.285.916,26	97,40%

A.3 Assigned revenues

<i>Implementation of the statement of expenditure 2019 (fund sources C4)</i>									
Heading of the Budget 2019		Final Budget for implementation (1)	Final implementation (2)	% of implementation (3)=(2)/(1)		Final Budget for implementation (1)	Final implementation (2)	% of implementation (3)=(2)/(1)	
CH 1	STAFF EXPENDITURE	COMMITMENTS				PAYMENTS			
CH 12	MISCELLANEOUS EXPENDITURE ON STAFF	60,00	0,00	0,00%		60,00	0,00	0,00%	
CH 13	MISSIONS AND DUTY TRAVEL	1.580,00	0,00	0,00%		1.580,00	0,00	0,00%	
CH 17	RECEPTIONS AND EVENTS	3.168,50	0,00	0,00%		3.168,50	0,00	0,00%	
TITLE 1 - Commitment and Payment		4.808,50	0,00	0,00%		4.808,50	0,00	0,00%	
CH 2	INFRASTRUCTURE EXPENDITURE	COMMITMENTS				PAYMENTS			
CH 21	INFORMATION TECHNOLOGY PURCHASES	1.736,02	0,00	0,00%		1.736,02	0,00	0,00%	
CH 24	POSTAGE AND TELECOMMUNICATIONS	11.305,52	0,00	0,00%		11.305,52	0,00	0,00%	
CH 27	COMMUNICATION ACTIVITIES	1.856,25	0,00	0,00%		1.856,25	0,00	0,00%	
TITLE 2 - Commitment and Payment		14.897,79	0,00	0,00%		14.897,79	0,00	0,00%	
Total TITLE 1 & 2- Commitment and Payment		19.706,29	0,00	0,00%		19.706,29	0,00	0,00%	
CH 3	CS OPERATIONAL EXPENDITURE	COMMITMENTS				PAYMENTS			
CH 30	SMART FIXED WING AIRCRAFT	133.689,82	0,00	0,00%		133.689,82	0,00	0,00%	
CH 31	GREEN REGIONAL AIRCRAFT	81.066,34	0,00	0,00%		81.066,34	0,00	0,00%	
CH 32	GREEN ROTORCRAFT	181.552,12	0,00	0,00%		181.552,12	0,00	0,00%	
CH 33	SUSTAINABLE AND GREEN ENGINES	69.380,67	0,00	0,00%		69.380,67	0,00	0,00%	
CH 34	SYSTEMS FOR GREEN OPERATIONS	0,00	0,00	-		0,00	0,00	-	
CH 35	ECO-DESIGN	0,00	0,00	-		0,00	0,00	-	
CH 36	TECHNOLOGY EVALUATOR	99.040,32	0,00	0,00%		99.040,32	0,00	0,00%	
CH 37	CALLS FOR PROPOSALS	0,00	0,00	-		0,00	0,00	-	
TITLE 3 - Commitment and Payment		564.729,27	0,00	0,00%		564.729,27	0,00	0,00%	

Heading of the Budget 2019		Final Budget for implementation (1)	Final implementation (2)	% of implementation (3)=(2)/(1)	Final Budget for implementation (1)	Final implementation (2)	% of implementation (3)=(2)/(1)
CH 4	CS2 OPERATIONAL EXPENDITURE	COMMITMENTS			PAYMENTS		
CH 40	LARGE PASSENGER AIRCRAFT	41.548,42	0,00	0,00%	41.548,42	0,00	0,00%
CH 41	REGIONAL ARCRAFT	56.437,98	0,00	0,00%	56.437,98	0,00	0,00%
CH 42	FAST ROTORCRAFT	141.443,55	0,00	0,00%	141.443,55	0,00	0,00%
CH 43	AIRFRAME	28.590,41	0,00	0,00%	28.590,41	0,00	0,00%
CH 44	ENGINES	0,00	0,00	-	0,00	0,00	-
CH 45	SYSTEMS	39.358,54	0,00	0,00%	39.358,54	0,00	0,00%
CH 46	TECHNOLOGY EVALUATOR	0,00	0,00	-	0,00	0,00	-
CH 47	ECO-DESIGN TA	0,00	0,00	-	0,00	0,00	-
CH 48	SMALL AIR TRANSPORT TA	0,00	0,00	-	0,00	0,00	-
CH 49	CALLS FOR PROPOSALS	116.114,75	0,00	0,00%	116.114,75	0,00	0,00%
TITLE 4 - Commitment and Payment		423.493,65	0,00	0,00%	423.493,65	0,00	0,00%
CH5	UNUSED APPROPRIATIONS NOT REQUIRED IN CURRENT YEAR	COMMITMENTS			PAYMENTS		
CH 50	TITLE 5 - Commitment and Payment	0,00	0,00	-	0,00	0,00	-
TOTAL BUDGET - Commitment and Payment		1.007.929,21	0,00	0,00%	1.007.929,21	0,00	0,00%

This table shows a combination of two main factors for the funds which can be re-entered in the JU budget. First due to the aforementioned recovery of ex-post audit corrections, secondly due to the recovery of the overpaid pre-financing as a result of under execution. The JU also recovered miscellaneous small administrative expenses.

The amounts entered on this funds source present the situation as 'cash' by the JU at year end and will be incorporated into the 2020 JU budget as part of the re-entered appropriations.

A.4 RAL overview

<i>Implementation of the statement of expenditure 2019 (fund sources C8)</i>				
Heading of the Budget 2019		Final Budget for implementation (1)	Final implementation (2)	% of implementation (3)=(2)/(1)
CH 1	STAFF EXPENDITURE	COMMITMENTS		
CH 12	MISCELLANEOUS EXPENDITURE ON STAFF	217.243,55	137.862,12	63,46%
CH 13	MISSIONS AND DUTY TRAVEL	25.213,27	12.747,61	50,56%
CH 14	SOCIOMEDICAL INFRASTRUCTURE	42.283,05	10.089,48	23,86%
CH 17	RECEPTIONS AND EVENTS	7.670,00	3.707,98	0,00%
TITLE 1 - Commitment		292.409,87	164.407,19	56,22%
CH 2	INFRASTRUCTURE EXPENDITURE	COMMITMENTS		
CH 20	RENTAL OF BUILDINGS AND ASSOCIATED COSTS	8.849,27	0,00	0,00%
CH 21	INFORMATION TECHNOLOGY PURCHASES	353.923,13	283.773,13	80,18%
CH 23	CURRENT EXPENDITURE FOR RUNNING COSTS	38.787,02	7.574,90	19,53%
CH 24	POSTAGE AND TELECOMMUNICATIONS	28.881,80	16.831,02	58,28%
CH 25	EXPENDITURE ON FORMAL AND OTHER MEETINGS	14.072,73	6.236,43	44,32%
CH 27	COMMUNICATION ACTIVITIES	225.823,18	161.738,80	71,62%
CH 28	EXTERNAL SERVICES	975.366,56	972.611,75	99,72%
CH 29	COSTS ASSOCIATED WITH CALLS	0,00	0,00	-
TITLE 2 - Commitment		1.645.703,69	1.448.766,03	88,03%
Total TITLE 1 & 2- Commitment		1.938.113,56	1.613.173,22	83,23%
CH 3	CS OPERATIONAL EXPENDITURE	COMMITMENTS		
CH 30	SMART FIXED WING AIRCRAFT	0,00	0,00	-
CH 31	GREEN REGIONAL AIRCRAFT	0,00	0,00	-
CH 32	GREEN ROTORCRAFT	0,00	0,00	-
CH 33	SUSTAINABLE AND GREEN ENGINES	0,00	0,00	-
CH 34	SYSTEMS FOR GREEN OPERATIONS	0,00	0,00	-
CH 35	ECO-DESIGN	0,00	0,00	-
CH 36	TECHNOLOGY EVALUATOR	0,00	0,00	-
CH 37	CALLS FOR PROPOSALS	103.477,10	0,00	0,00%
TITLE 3 - Commitment		103.477,10	0,00	0,00%
CH 4	CS2 OPERATIONAL EXPENDITURE	COMMITMENTS		
CH 40	LARGE PASSANGER AIRCRAFT	28.763.348,32	28.763.348,32	100,00%
CH 41	REGIONAL ARCRAFT	11.151.901,94	11.151.901,94	100,00%
CH 42	FAST ROTORCRAFT	21.761.026,61	21.761.026,61	100,00%
CH 43	AIRFRAME	30.713.106,94	30.713.106,94	100,00%
CH 44	ENGINES	30.964.646,83	30.964.646,83	100,00%
CH 45	SYSTEMS	21.533.771,41	21.533.771,41	100,00%
CH 46	TECHNOLOGY EVALUATOR	575.417,15	575.417,15	100,00%
CH 47	ECO-DESIGN TA	629.982,50	629.982,50	100,00%
CH 48	SMALL AIR TRANSPORT TA	81.820,20	81.820,20	100,00%
CH 49	CALLS FOR PROPOSALS	184.367.607,47	183.649.255,68	99,61%
TITLE 4 - Commitment		330.542.629,37	329.824.277,58	99,78%
TOTAL BUDGET - Commitment		332.584.220,03	331.437.450,80	99,66%

The C8 funds source shows the open commitments in the JU for previously committed funds for administrative expenditure and grant agreements to beneficiaries.

The remaining commitment appropriations are needed to meet expected future payments for the administrative expenditure, for the interim and final reports of the projects. Once the projects are closed, these funds can be de-committed and converted to C2 funds source for re-use up to the following 3 financial years (according to Art. 6 of the CS2JU Financial rules).

A.4.1 Evolution of commitments outstanding

These tables show the evolution of past and current outstanding commitments (RAL: *Reste à liquider*).

Outstanding commitments from previous years				
Title	Initial amount outstanding from previous year(s)	Amounts paid	Amounts cancelled	Final Amount from previous year(s)
Title 1	292.409,87	164.407,19	128.002,68	-
Title 2	1.645.703,69	598.707,08	196.937,66	850.058,95
Title 3	103.477,10	-	103.477,10	-
Title 4	330.542.629,37	187.252.613,05	718.351,79	142.571.664,53
TOTAL	332.584.220,03	188.015.727,32	1.146.769,23	143.421.723,48

Current outstanding commitments				
Title	Initial amount from the current financial year	Amounts paid	Amounts cancelled	Amount of commitments outstanding from the current financial year
Title 1	5.016.083,34	4.731.107,75	33.418,90	251.556,69
Title 2	2.548.654,72	1.460.303,22	142.775,36	945.576,14
Title 3	-	-	-	-
Title 4	291.423.212,87	129.078.777,97	97.469,85	162.246.965,05
TOTAL	298.987.950,93	135.270.188,94	273.664,11	163.444.097,88

RAL TOTAL at the end of the financial year 306.865.821,36

PART B – BUDGET MULTI-ANNUAL OVERVIEW

The maximum funding available as defined in the Council Regulation 558/2014 establishing the Clean Sky 2 Joint Undertaking is 1.755 million €, of which a maximum of 39 million € corresponds to the contribution towards the JU administrative costs. This leads to an estimated net funding available for the Clean Sky 2 research and innovation operations of 1.716 million €.

In addition, the CS2JU needs to ensure the allocation of operational funds according to the CS2JU Council Regulation Annex I art. 16:

- Up to 40% of the Union's available funding of 1.716 million € (net of administrative costs) shall be allocated to the Leaders (and their Affiliates);
- Up to 30% shall be allocated to the Core Partners (and their Affiliates); and
- At least 30% shall be awarded via Calls for Proposals and Calls for Tenders.

The Clean Sky 2 programme was launched in 2014 with the opening of the first call for Core Partners. The first Grant Agreements for Members (GAMs) for the period 2014-2015 were signed in December 2014 with only CS2 Leaders. Subsequently, four calls for new Core Partners were published with accession of new selected members to the CS2 GAMs. The last wave of Core Partners joined the CS2 GAMs in 2017.

Similarly, since the start of the programme, eleven calls for proposals (CfPs) have been successfully launched, with nine calls closed (CfP01-CfP09, grant preparation completed), one call under grant preparation (CfP10) and one call open at the time of this report's compilation (CfP11, where closure is foreseen by the end of November 2020).

The table below shows the distribution of estimated funding between Leaders, Core Partners and for Calls for Proposals/Tenders:

Funding envelope to completion	Allocation according to Regulation		2019 CS2 Development Plan	
Leaders	< 40%	< 686,4	39,3%	684,28
Core Partners	< 30%	< 514,8	28,5%	496,75
Calls for Proposals / Tenders	> 30%	> 514,8	32,2%	561,64
Total	1.716,00 million €		1.742,68 million € (max. funding of 1.716 million €)	
Of which Thematic Topics in CfPs			approx. 45 million €	
Of which ‘over commitment’			approx. 27 million €	

(*Status July 2019)

Currently, there is a deviation with reference to the maximum funding value of 1.716 million € of 26,68 million € ('over commitment'). This extra funding allocation will serve as a buffer to absorb incomplete/failed activities and thus ensure that the funding allocated through

competitive calls for proposals and calls for tenders will reach the minimum 30% established in the CS2JU Council Regulation.

The table below shows the indicative allocation of funding per System and Platform Demonstrator (SPD). The results currently estimated are shown for the distribution of 1.181 million € available for the Leaders and Core Partners activity and 562 million € for Calls for Proposals.

SPD	Allocation (million €)
Large Passenger Aircraft (LPA)	494,80
Regional Aircraft (REG)	105,20
Fast Rotorcraft (FRC)	189,36
Airframe (AIR)	320,85
Engines (ENG)	305,03
Systems (SYS)	251,56
Technology Evaluator (TE)	17,16
Eco-Design (ECO)	11,06
Small Air Transport (SAT)	3,00
Thematic topics	44,66
Total	1.742,68
Over commitment	-26,68

(*Status October 2019)

Implementation of CS2 programme commitment appropriations

Year	Commitments for GAMs* (€)	Commitments for GAPs (€)	TOTAL (€)
2014	77.819.417,35	0,00	77.819.417,35
2015	85.913.398,90	153.456.861,53	239.370.260,43
2016	168.990.423,45	58.631.838,00	227.622.261,45
2017	140.583.168,27	156.562.020,00	297.145.188,27
2018	257.650.092,81	99.340.073,45	356.990.166,26
2019	210.769.100,79	77.398.453,61	288.167.554,40
Total	941.725.601,57	545.389.246,59	1.487.114.848,16
Operational envelope			1.716.000.000
% of programme consumption			86,66%

*including all decommitments until 31.12.2019

The 2019 GAM commitments represent the amounts committed for the signature of the extension of the LPA GAM 2019 and SAT GAM 2019 (signed at the beginning of 2019) in addition to the commitments needed for the new GAMs 2020-2021 for all SPDs except AIR, ECO and LPA.

The 2019 GAP commitments represent the amounts committed for the calls CfP09 and CfP10.

Implementation of CS2 programme payment appropriations

Year	Payments for GAMs (€)	Payments for GAPs (€)	TOTAL (€)
2014	20.460.992,77	0,00	20.460.992,77
2015	58.285.612,45	11.052.718,27	69.338.330,72
2016	155.412.003,68	36.659.384,51	192.071.388,19
2017	123.204.969,20	69.846.786,33	193.051.755,53
2018	227.417.900,78	96.648.738,08	324.066.638,86
2019	216.549.217,32	99.782.173,70	316.331.391,02
Total	801.330.696,20	313.989.800,89	1.115.320.497,09
Operational envelope			1.716.000.000
% of programme paid			65,00%

The 2019 GAM payments represent the payments made for the Leaders and Core Partners activities of the year 2018 (interim payment of the GAMs 2018-2019) and the pre-financing payments to the SPDs for their activities of 2019 (extension of GAM 2018-2019 for LPA and SAT) and 2020 (all SPDs except AIR, ECO and LPA).

The 2019 GAP payments represent the pre-financing paid to Partners selected in the calls CfP08 and CfP09 as well as interim / final payments for previous calls.

PART C – REVENUE

C.1 Nature of Revenue

TYPE OF REVENUE	Revenue budget	Entitlements established	Revenue received	Outstanding at the end of the year
EC contribution 2019	323.005.259,37	323.005.259,00	323.005.259,00	0,00
Non-EC Members' contribution for running cost 2019	4.760.172,08	4.759.560,41	4.495.517,31	264.043,10
Non-EC Members' contribution for running cost previous years	0,00	799,77	0,00	799,77
Recovery of overpaid pre-financing	0,00	414.441,18	116.114,75	298.326,43
Recovery of ex-post audit results	0,00	963.855,23	892.181,86	71.673,37
Miscellaneous admin recoveries	0,00	19.706,29	19.706,29	0,00
Re-entered cancelled appropriations from previous years	12.651.068,99	12.651.068,90	12.651.068,90	0,00
Total REVENUE (€)	340.416.500,44	341.814.690,78	341.179.848,11	634.842,67

EU contribution

This refers to the subsidy which the JU receives from the European Commission as part of the 1.755 million € foreseen in the Council Regulation establishing the CS2JU. This is composed of the contribution for the annual operational payment needs and the administrative costs.

Private members' contribution to administrative costs 2019

For the CS2 Programme the administrative costs shall not exceed 78 million €. In accordance with Article 15 (2) of the Statutes, the administrative costs shall be shared equally between the EC and the private members and thus each year the JU sends out debit notes to its non-EC members to receive their respective contributions. The allocations per member are set out in their respective funding agreements. In case of non-collected funds, the JU applies offsetting against future payments to the debtor beneficiaries.

Recovery of overpaid pre-financing

The 2019 outstanding amount is due to rejected costs of closed FP7 GAPs.

Recovery of ex-post audit results

In 2019, the JU continued to close ex-post audits launched during the previous years. A consequence of the audits is to recover the over-payments made to beneficiaries following the detection of errors during the ex-post audit exercise. If the payments are not received by the deadline of the debit note, the JU applies the offsetting according to its financial rules (with at least 2 opportunities each year namely with the pre-financing payments and interim payments for the GAMs). In 2019, the JU used the above opportunities several times to recover the over-payments.

Carry-over of cancelled appropriations from previous years

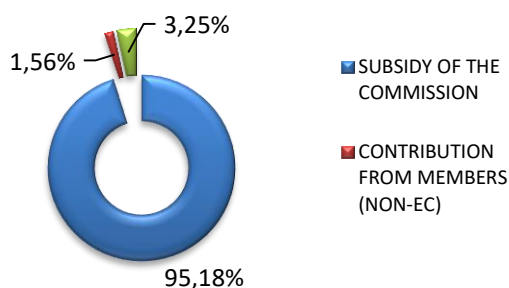
In accordance with Article 6 of the Clean Sky 2 Joint Undertaking Financial Rules, the JU may carry over appropriations which have been cancelled for up to the 3 following financial years.

Note: In accordance with article 31.2 of the CS2 financial rules, the list of amounts due to be recovered by the CS2JU in 2019 has been compiled in Annex I to this report.

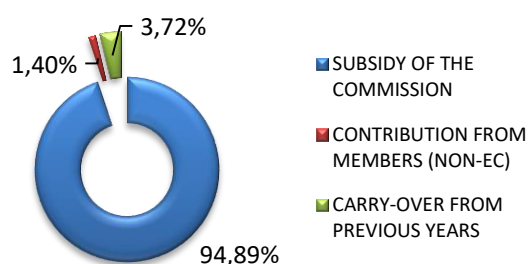
C.2 Overview per contributors

ORIGIN OF CONTRIBUTION	COMMITMENTS		PAYMENTS	
	Revenue (€)	%	Revenue (€)	%
SUBSIDY OF THE COMMISSION 2019 (EC)	290.114.107	95,18%	323.005.259	94,89%
CONTRIBUTION FROM MEMBERS 2019 (NON-EC)	4.760.172	1,56%	4.760.172	1,40%
CARRY-OVER FROM PREVIOUS YEARS	9.920.408	3,25%	12.651.069	3,72%
FINANCIAL REVENUES	0	0,00%	0	0,00%
TOTAL REVENUE	304.794.687	100%	340.416.500	100%

**Breakdown of revenue by contributors
(Commitment appropriations)**



**Breakdown of revenue by contributors
(Payment appropriations)**



PART D – IN-KIND CONTRIBUTIONS

For the Clean Sky 2 Joint Undertaking, the contributions from the private members⁵ shall consist of **in-kind contributions (IKC)** incurred when carrying out research and innovation actions supported by the JU and costs associated with additional activities outside the Work Plan of the Clean Sky 2 Joint Undertaking. In addition, the private members co-finance the administrative costs of the Clean Sky 2 Joint Undertaking.

According to the CS2 Regulation, the total in-kind contribution (IKC) from the private members shall be of at least 2.193,75 million € (including up to 39 million € of running costs). The private members can provide their in-kind contributions in two different ways:

- **In-Kind Contribution for Operational Activities (IKOP)** – this consists of the unfunded part of the costs incurred by the Leaders and the Core Partners or their affiliated entities in implementing activities described in the Work Plan of the Joint Undertaking.
- **In-Kind Contribution for Additional Activities (IKAA)** – this consists of the costs incurred by the Leaders and the Core Partners or their affiliated entities in implementing additional activities outside of the Work Plan of the Joint Undertaking but which contribute to the objectives of the Clean Sky Joint Technology Initiative.

CS2 FINANCIAL CONTRIBUTION	Million €
Max. total EU contribution (administrative and operational costs)	1.755
- <i>Max. EU contribution to the CS2JU administrative costs</i>	39
- <i>Max. total EU contribution for operational expenditure, out of which</i>	1.716
▪ <i>Max. EU contribution to operational costs of private members (Leaders / Core-Partners / Associates)</i>	1.201
Min. expected contribution from private members to the JU (in-kind):	2.194
- <i>Max. private members' contribution to the CS2JU running costs</i>	39
- <i>Private members' contribution for operational activities (IKOP)</i>	1.190 ⁶
- <i>Min. private members' contribution for additional activities (IKAA)</i>	965

The following sections present a status of the private members' contribution for the Clean Sky 2 programme with a breakdown per category of contribution for all members (including the Union)⁷.

⁵ Private members are defined as the Leaders, Associates and Core Partners of the CS2JU and their participating affiliates as defined in Article 3.1(b), respectively Article 1(f) of the Statutes.

⁶ This figure is an estimation.

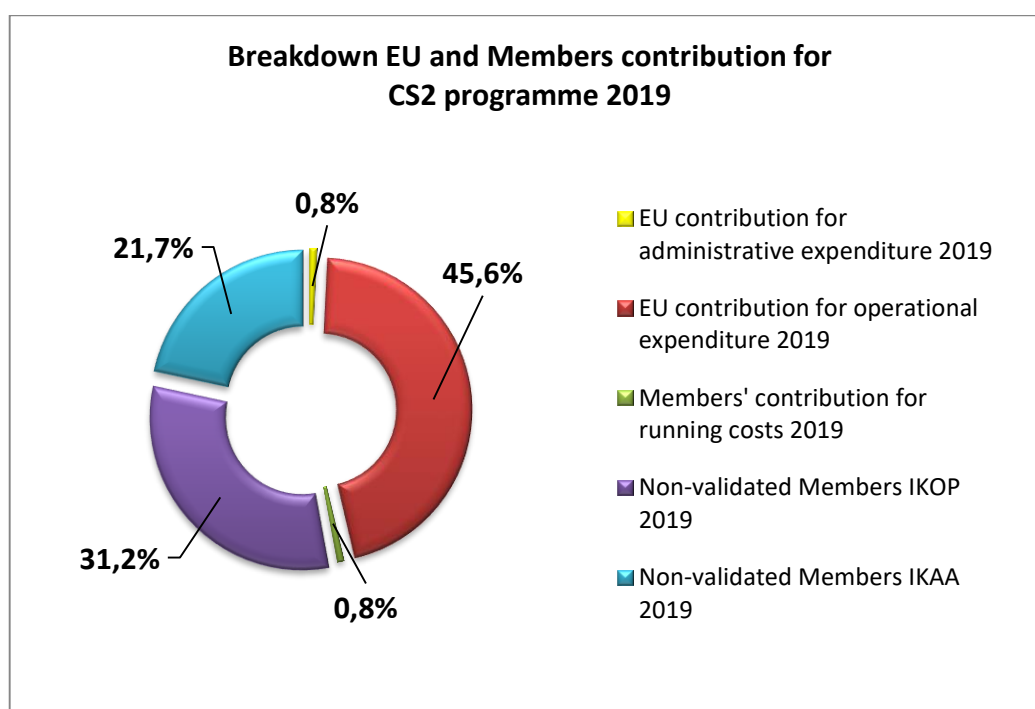
⁷ The figures presented in the following sections are based on the CS2JU Provisional Accounts 2019 (which were drawn up in accordance with the estimates received from the private members) and will be revised in the Final accounts based on the actual costs claimed for the year 2019.

D.1 Breakdown of EU and private members' contributions in 2019

The contribution by the EU and the private members for the Clean Sky 2 programme in 2019, considering the information as presented in the CS2JU provisional accounts, is as follows:

CS2 Breakdown EU and members' contribution 2019 (€)	
EU contribution for administrative expenditure 2019*	3.472.369,81
EU contribution for operational expenditure 2019*	206.527.428,74
Members' contribution for running costs 2019*	3.472.369,81
Non-validated members IKOP 2019	141.482.224,79
Non-validated members IKAA 2019	98.121.478,59

* Expenditure recognised in the provisional accounts



D.1.1 IKOP certification and validation

According to the Clean Sky 2 JU Regulation, all costs to be taken into account as IKOP must be certified. The IKOP values mentioned in the table below show both the reported as well as the certified and validated amounts to date. As of the cut-off date of the Provisional Accounts 2019, the private members have reported 572,6 million € IKOP and the JU has validated certified contributions to the value of 273,9 million €. A breakdown per SPD is provided below⁸.

The difference between the reported and certified values is linked to the grant reporting cycle, as for 2018 and 2019 only the estimates received from members are available and the certification of these amounts will occur in the final period of the on-going GAMs⁹.

System and Platform Demonstrator (SPD)	GAM 2014 – 2019 JU contribution*	Reported IKOP by private members 2014-2019*	Certified and validated IKOP 2014-2017	Still to be certified IKOP
AIRFRAME	148.442.666,11	104.346.864,09	56.971.531,10	47.375.332,99
ECO-DESIGN	2.512.756,62	3.049.321,49	1.583.132,62	1.466.188,87
ENGINES	155.467.123,65	139.672.193,89	79.542.405,64	60.129.788,25
FAST ROTORCRAFT	83.062.925,90	63.499.750,47	25.886.797,56	37.612.952,91
LARGE PASSENGER AIRCRAFT	167.093.226,48	129.771.222,48	43.621.358,21	86.149.864,27
REGIONAL AIRCRAFT	48.577.461,46	40.083.454,13	18.936.109,37	21.147.344,76
SMALL AIR TRANSPORT	678.190,27	502.189,22	254.349,09	247.840,13
SYSTEMS	105.297.249,04	90.678.131,81	46.684.565,55	43.993.566,26
TECHNOLOGY EVALUATOR	2.100.276,55	978.744,46	371.350,86	607.393,60
TOTAL (€)	713.231.876,09	572.581.872,04	273.851.600,00	298.730.272,04

D.1.2 IKAA certification and validation

The IKAA value of 899,8 million € reported for the period 2014-2019 includes a total amount of 620,0 million € fully certified by the members' external auditors and validated by the JU for the period 2014-2017. This value has also been provided to the Governing Board for its opinion in accordance with Article 8 (2) (j) of the Statutes of the CS2JU.

⁸ Including the estimated amounts by private members for 2019.

⁹ The duration of the current GAMs is 2018-19 and the final reporting will take place in March 2020.

D.2 Multi-annual overview

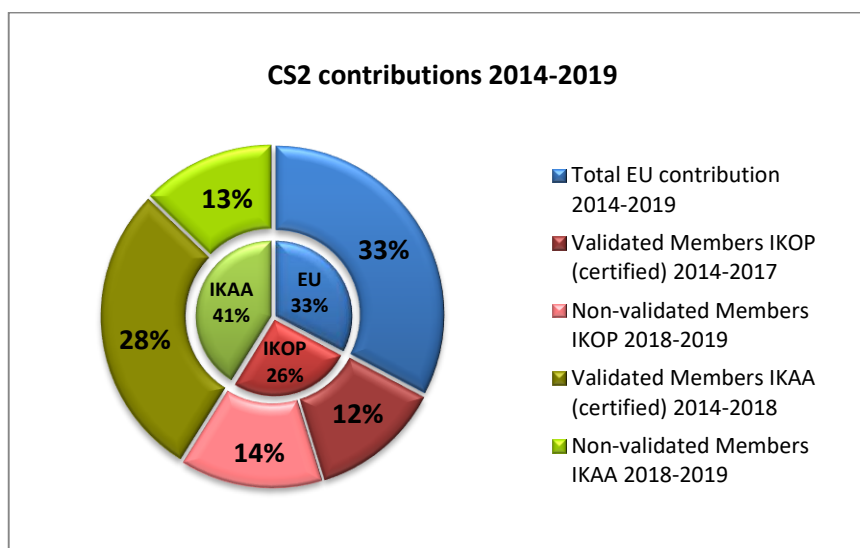
The CS2 Regulation sets out that the total private contribution shall be at least 2.155 million € whilst receiving up to 1.716 million € as EU funding (excluding administrative costs).

The consolidated contribution of the EU and the private members for the Clean Sky 2 programme for the period 2014-2019, based on the information provided through the costs statements submitted and validated until the end of 2019, is as follows:

Cumulated EU contribution and members IKC 2014-2019 (€)	
EU contribution for operational expenditure 2014 - 2018	509.509.997,95
EU contribution for operational expenditure 2019	206.527.428,74
Total EU contribution 2014-2019	716.037.426,69
Validated members IKOP 2014 - 2017 (certified)	273.851.600,00
Non-validated members IKOP 2018 - 2019	298.730.272,04
Total IKOP reported 2014 - 2019	572.581.872,04
Validated members IKAA 2014 - 2017 (certified)	619.989.839,09
Non-Validated members IKAA 2018 - 2019	279.853.462,69
Total IKAA reported 2014 - 2019	899.843.301,78
Total IKC (IKOP + IKAA) reported 2014 - 2019	1.472.425.173,82
Minimum IKC target for CS2 programme	2.154.750.000,00
% IKC target achieved 2014-2019	68,3%

For the period 2014 – 2019, the in-kind contributions provided by the private members (1.472 million €) are significantly surpassing the Union contribution to members and Partners (1.115 million € in payment appropriations, as indicated in section B.2 of this report).

An overview of the EU and the private members' contributions for the period 2014-2019 is shown below.



In-kind contribution vs. Programme implementation

At the end of 2019, at programme implementation level, the JU incurred 56% of the total programme expenditure, whereas the members already provided 68% of the expected total IKC¹⁰.

	Targets CS2 Regulation (million €)	Actual * 2014-2019 (million €)	Progress %
Max. Union contribution for operational expenditure	1.716,00	967.25	56%
Max. total EU contribution to operational cost of private members (Leaders/Core-Partners)	1.201,00	716,04	60%
Min. expected in-kind contribution from private members for operational activities (IKOP + IKAA)	2.155,00	1.472,43	68%
Private members in-kind contribution for operational expenditure for funded projects (IKOP)	1.190,00	572,58	48%
Minimum private members in-kind contribution for additional activities (IKAA)	965,00	899,84	93%

Looking at the breakdown of IKC, on the level of IKOP the provided contribution (48%) is below the overall programme progress rate (56%), however on the IKAA level the provided contribution rate is very high (93%).

Assuming that the current trend will be constant for the remaining years of the H2020 programme, the private members will exceed the overall 2.155 million € IKC obligation as required by the Council Regulation.

¹⁰ *2014-2017 are validated and certified figures, the 2018 and 2019 figures are based on reported values provided by the members.