

# EUROPEAN PARLIAMENT

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*Committee on Budgets*

**2007/0118(CNS)**

13.11.2007

## **OPINION**

of the Committee on Budgets

for the Committee on Industry, Research and Energy

on the proposal for a Council regulation setting up the "Clean Sky Joint Undertaking"

(COM(2007)0315 – C6-0226/2007 – 2007/0118(CNS))

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## SHORT JUSTIFICATION

### **Commission proposal**

Joint Technology Initiatives (JTIs) are introduced in the Seventh Framework Programme<sup>1</sup> (FP7) as a new way of realising public-private partnerships in research at European level. JTIs arise primarily from the work of European Technology Platforms (ETPs). In a small number of cases, ETPs have reached such an ambitious scale and scope that they will require the mobilisation of considerable public and private investments as well as substantial research resources to implement important elements of their Strategic Research Agendas. JTIs are proposed as an effective means of meeting the needs of this small number of ETPs.

In the Cooperation Specific Programme<sup>2</sup> six areas are identified where a JTI could have particular relevance: hydrogen and fuel cells, aeronautics and air transport, innovative medicines, embedded computing systems, nanoelectronics and GMES (global monitoring for environment and security).

Against this background, the Clean Sky Joint Undertaking (CLEAN SKY JU) is the legal entity that will be responsible for implementation of the Joint Technology Initiative in aeronautics and air transport (CLEAN SKY JTI). The aim is to create a CLEAN SKY JU as a public-private partnership which would promote strong links between different organisations and build-up on European R&D capabilities in the field of aeronautics and air transport.

Projections for air traffic development in Europe show that it will more than double in the next 20 years. Clean Sky will develop innovative technologies with reduced environmental impact and will set social and market based technological goals impacting the whole of the air transport system. The European Community will participate in and co-fund the programme to help achieve these goals.

The present Commission proposal relates to the setting-up of the CLEAN SKY JU under Article 171 of the Treaty. It should be considered as a Community body and be established for a period ending on 31 December 2017. It will have its seat in Brussels, Belgium.

### **Financial implications**

The maximum Community contribution to the CLEAN SKY JU covering running costs and Research Activities shall be EUR 800 million. The preliminary budgetary assessment indicates Community expenditure of € 47 million in year 1, a raising annual spending profile peaking at € 140 million in years 5 and a winding up budget of € 267 million in year 6 and 7.

Two new budget lines will be created for the EU contribution:

08 07 01 10 "Operational expenditures for research activities of the Clean Sky Joint Undertaking"

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<sup>1</sup> OJ L 412, 30.12.2006, p. 1.

<sup>2</sup> OJ L 400, 30.12.2006, p. 66-241.

08 07 01 20 "Support Expenditures for running costs of the Clean Sky Joint Undertaking"  
with the following expenditure profile:

EUR million (to 3 decimal places)

Expenditure type	Section no.		2008	2009	2010	2011	2012	2013 and later	Total
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**Operational expenditure<sup>1</sup>**

Commitment Appropriations (CA)	8.1.	a	45,000	86,375	119,375	129,375	136,375	259,500	776,000
Payment Appropriations (PA)		b	38,250	80,169	114,425	127,875	135,325	279,956	776,000

**Administrative expenditure within reference amount<sup>2</sup>**

Technical & administrative assistance (NDA)	8.2.4.	c	2,000	3,625	3,625	3,625	3,625	7,500	24,000
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**TOTAL REFERENCE AMOUNT**

<b>Commitment Appropriations</b>		a+c	47,000	90,000	123,000	133,000	140,000	267,000	800,000
<b>Payment Appropriations</b>		b+c	40,250	83,794	118,050	131,500	138,950	287,456	800,000

**Assessment**

The draftswoman's amendments are mainly based on two concerns:

1) The JU is established for an initial period ending on 31 December 2017 (which may even be extended to a later date), whereas the MFF only covers the period up to 2013. Therefore, any request for Community funding for the CLEAN SKY JU after 2013 has to be newly evaluated in the context of the negotiations for a new financial framework.

As for the current period, the proposal - although falling under Heading 1a with its dwindling margins - is compatible with the MFF, for the simple reason that the EU contribution required is taken from the 7th FP and has as such already been included in the Commission's financial programming.

Nevertheless, your draftswoman would like to point out that no financial commitments can be

<sup>1</sup> Expenditure 08.07.01 01 – Cooperation – Transport (incl. Aeronautics)"Operational expenditures for research activities of the Clean Sky Joint Undertaking".

<sup>2</sup> Expenditure 08.01.04 60 – "Support Expenditures for running costs of the Clean Sky Joint Undertaking".

made for the time after the current MFF (Amendment 1).

2) By analogy with the negotiations on the ITER Joint Undertaking at the beginning of 2007, which led to the Conclusions agreed at the Trilogue of 7 March 2007, the CLEAN SKY JU has to be considered as an agency within the meaning of Article 185 FR and is therefore subject to an agreement by the budgetary authority on its financing (Amendments 2, 3, 7 and 11).

At the same time, if the basic assumption is that the CLEAN SKY JU is to be treated as an agency for budgetary purposes, it has to be consistent with the general approach on agencies that the Committee on Budgets has developed over the past years. Your draftsman therefore presents a series of amendments which guarantee such a consistent approach (Amendments 4-6, 8-10, 12-16).

## AMENDMENTS

The Committee on Budgets calls on the Committee on Industry, Research and Energy, as the committee responsible, to incorporate the following amendments in its report:

### Draft legislative resolution

#### Amendment 1 Paragraph 1 a (new)

***1a. Considers that the reference amount indicated in the legislative proposal must be compatible with the ceiling of heading 1a of the current multiannual financial framework 2007 - 2013 and with the provisions of Point 47 of the Interinstitutional Agreement (IIA) of 17 May 2006; notes that any financing beyond 2013 shall be evaluated in the context of the negotiations for the next financial framework;***

#### Amendment 2 Paragraph 1 b (new)

***1b. Recalls that the opinion delivered by the Committee on Budgets does not pre-empt the outcome of the procedure laid down in Point 47 of the IIA of 17 May 2006 which applies to the setting up of the Clean Sky Joint Undertaking;***

### Proposal for a regulation

Text proposed by the Commission

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Amendments by Parliament

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Amendment 3  
Citations 1 a and 1 b (new)

*Having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities<sup>1</sup> (Financial Regulation), and in particular Article 185 thereof,*

*Having regard to the Interinstitutional Agreement of 17 May 2006 between the European Parliament, the Council and the Commission on budgetary discipline and sound financial management<sup>2</sup> (IIA), and in particular Point 47 thereof,*

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<sup>1</sup> OJ L 248, 16.9.2002, p. 1. Regulation as amended by Regulation (EC, Euratom) No 1995/2006 (OJ L 390, 30.12.2006, p. 1).

<sup>2</sup> OJ C 139, 14.6.2006, p. 1.

*Justification*

*By analogy with the conclusions of the trilogue of 7 March 2007 on the Joint Undertaking for ITER, the CLEAN SKY JU is also to be considered a Community agency for the purpose of the application of point 47 of the IIA. This has to be reflected in the legal bases referred to in the Regulation.*

Amendment 4  
Recital 16

(16) The Clean Sky Joint Undertaking should be a body set up by the Communities and discharge for the implementation of its budget should be given by the European Parliament, *on the recommendation of the Council, taking however into account the specificities resulting from the nature of JTIs as public-private partnerships and in particular from the private sector contribution to the budget.*

(16) The Clean Sky Joint Undertaking should be a body set up by the Communities and discharge for the implementation of its budget should be given by the European Parliament, *taking into account a recommendation from the Council.*

*Justification*

*By analogy with the conclusions of the trilogue of 7 March 2007 on the Joint Undertaking for*

*ITER, the European Parliament should be given full and unconditional responsibility for the discharge of the implementation of the budget of the CLEAN SKY JU.*

Amendment 5  
Recital 23

***(23) The Clean Sky Joint Undertaking should have, subject to prior concertation with the Commission, a distinct Financial Regulation based on the principles of the framework financial regulation<sup>1</sup> which takes into account its specific operating needs arising, in particular, from the need to combine Community and private funding to support research and development activities in an efficient and timely manner.***

***(23) The financial rules applicable to the Clean Sky Joint Undertaking should not depart from Commission Regulation (EC, Euratom) No 2343/2002 of 23 December 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of the Financial Regulation<sup>1</sup>, unless specifically required for its operating needs, in particular the need to combine Community and private funding to support research and development activities in an efficient and timely manner. The prior consent of the Commission should be required for the adoption of any rules which derogate from Regulation (EC, Euratom) No 2343/2002. The budgetary authority should be informed of such derogations.***

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<sup>1</sup> ***Commission Regulation (EC, Euratom) No 2343/2002 of 23 December 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 budget of the European Communities*** (OJ L 357, 31.12.2002, p. 72; corrigendum in OJ L 2, 7.1.2003, p. 39).

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<sup>1</sup> OJ L 357, 31.12.2002, p. 72; corrigendum in OJ L 2, 7.1.2003, p. 39.

*Justification*

*Derogations from Regulation (EC, Euratom) No 2343/2002 should be kept to an absolute minimum. The Joint Undertaking has to prove beyond any doubt that such a derogation is the only way to guarantee its proper functioning within the limits of its founding regulation.*

Amendment 6  
Recital 32

***(32) The Clean Sky Joint Undertaking should be established in Brussels, Belgium.***

***(32) The Clean Sky Joint Undertaking should be established in Brussels, Belgium.***

A host agreement should be concluded between the Clean Sky Joint Undertaking and Belgium concerning office accommodation, privileges and immunities and other support to be provided by Belgium to the Clean Sky Joint Undertaking.

A host agreement should be concluded between the Clean Sky Joint Undertaking and Belgium concerning ***the host country's assistance with regard to*** office accommodation, privileges and immunities and other support to be provided by Belgium to the Clean Sky Joint Undertaking.

*Justification*

*It should be clearly stipulated that the host country of any agency or similar Community body is expected to provide financial and all other assistance necessary to facilitate the setting-up and running of the Community body.*

Amendment 7  
Article 1, paragraph 1

1. For the implementation of the Joint Technology Initiative on "Clean Sky", a Joint Undertaking within the meaning of Article 171 of the Treaty, whose name is "Clean Sky Joint Undertaking", is hereby set up for a period up to 31 December 2017 (hereinafter referred to as "Clean Sky Joint Undertaking"). This period may be extended by a revision of this Regulation.

1. For the implementation of the Joint Technology Initiative on "Clean Sky", a Joint Undertaking within the meaning of Article 171 of the Treaty, whose name is "Clean Sky Joint Undertaking", is hereby set up for a period up to 31 December 2017 (hereinafter referred to as "Clean Sky Joint Undertaking"). This period may be extended by a revision of this Regulation. ***The Clean Sky Joint Undertaking is a body set up in accordance with Article 185 of the Financial Regulation and Point 47 of the IIA of 17 May 2006.***

*Justification*

*See Amendment 3.*

Amendment 8  
Article 8, paragraph 1

***1. The Clean Sky Joint Undertaking shall adopt a distinct Financial Regulation based on the principles of the Framework Financial Regulation . It may depart from***

***1. The financial rules applicable to the Clean Sky Joint Undertaking may not depart from Regulation (EC, Euratom) No 2343/2002, unless specifically required for***



***the Framework Financial Regulation where the specific operating needs of the Clean Sky Joint Undertaking so require*** and subject to prior consent of the Commission.

***its operating needs*** and subject to prior consent of the Commission. ***The budgetary authority shall be informed of such derogations.***

*Justification*

*See Amendment 5.*

Amendment 9  
Article 13, paragraph 5

5. Discharge for the implementation of the budget of the Clean Sky Joint Undertaking shall be given by the European Parliament, ***upon recommendation of the Council, in accordance with a procedure provided for by the Financial Regulations of the Clean Sky Joint Undertaking.***

5. Discharge for the implementation of the budget of the Clean Sky Joint Undertaking shall be given by the European Parliament, ***taking into account a recommendation from*** the Council.

*Justification*

*See Amendment 4.*

Amendment 10  
Article 19

A host agreement shall be concluded between the Clean Sky Joint Undertaking and Belgium concerning office accommodation, privileges and immunities and other support to be provided by Belgium to the Clean Sky Joint Undertaking.

A host agreement shall be concluded between the Clean Sky Joint Undertaking and Belgium concerning ***the host country's assistance with regard to*** office accommodation, privileges and immunities and other support to be provided by Belgium to the Clean Sky Joint Undertaking.

*Justification*

*See Amendment 6.*

Amendment 11  
Annex, Article 1, paragraph 3, subparagraph 1 a (new)

***The Clean Sky Joint Undertaking is a body set up in accordance with Article 185 of the Financial Regulation and Point 47 of the IIA of 17 May 2006.***

*Justification*

*See Amendment 3.*

Amendment 12  
Annex, Article 14

Financial **regulation**

1. The Clean Sky Joint Undertaking's financial **regulation** shall be **agreed and** adopted by the Clean Sky Executive Board.

2. The Clean Sky Joint Undertaking's **Financial Regulation shall be based on the principles of the Framework Financial Regulation<sup>1</sup>. It may depart from the Framework Financial Regulation where the specific operating needs of the Clean Sky Joint Undertaking so require and subject to** prior consent of the Commission.

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<sup>1</sup> OJ L 357, 31.12.2002, p. 72; corrigendum in OJ L 2 7.1.2003, p. 39.

Financial **rules**

1. The Clean Sky Joint Undertaking's financial **rules** shall be adopted by the Clean Sky Executive Board **after having consulted the Commission.**

2. The Clean Sky Joint Undertaking's **financial rules may not depart from Regulation (EC, Euratom) No 2343/2002, unless necessary for its** specific operating needs. **The prior consent of the Commission shall be required for the adoption of any rules which derogate from Regulation (EC, Euratom) No 2343/2002. The budgetary authority shall be informed of such derogations.**

*Justification*

*See Amendment 5.*

Amendment 13  
Annex, Article 16, paragraph 5

5. Within two months after the end of each financial year the provisional accounts of the Joint Undertaking shall be submitted to the Commission and the Court of Auditors of the European Communities ('the Court of

5. Within two months after the end of each financial year the provisional accounts of the Joint Undertaking shall be submitted to the Commission and the Court of Auditors of the European Communities ('the Court of

Auditors'). The Court of Auditors shall, by 15 June after the end of each financial year, make its observations on the provisional accounts of the Joint Undertaking.

Auditors') **and to the budgetary authority**. The Court of Auditors shall, by 15 June after the end of each financial year, make its observations on the provisional accounts of the Joint Undertaking.

*Justification*

*Accounts and balance sheets need to be sent to the two arms of the budgetary authority for information.*

Amendment 14  
Annex, Article 18, paragraph 1

1. The staff resources shall be determined in the establishment plan of the Clean Sky Joint Undertaking that will be set out in the annual budget.

1. The staff resources shall be determined in the establishment plan of the Clean Sky Joint Undertaking that will be set out in the annual budget **and be forwarded by the Commission to the European Parliament and the Council together with the preliminary draft budget of the European Union.**

*Justification*

*As is the case with the Joint Undertakings already in existence, the CLEAN SKY JU's establishment plan should be published by the Commission together with the PDB.*

Amendment 15  
Annex, Article 23, paragraph 2

2. Amendment to these Statutes shall be approved by the Board, and shall be decided by the Commission. If such amendment affects the overall *principals* and objectives of these Statutes, they shall require *the* approval by the Council. Any amendment to Article 1, paragraph 3, and Article 10, paragraph 3, shall be subject to a revision of the Regulation setting up the Clean Sky Joint Undertaking.

2. Amendment to these Statutes shall be approved by the Board, and shall be decided by the Commission **after consultation of the European Parliament**. If such amendment affects the overall *principles* and objectives of these Statutes, they shall require approval by the Council. Any amendment to Article 1, paragraph 3, and Article 10, paragraph 3, shall be subject to a revision of the Regulation setting up the Clean Sky Joint Undertaking.

*Justification*

*The European Parliament needs to be consulted on any important changes to the JU's statutes.*

Amendment 16  
Annex, Article 24 a (new)

***Article 24a***

***Host agreement***

***A host agreement shall be concluded  
between the Clean Sky Joint Undertaking  
and the host state.***

*Justification*

*For the sake of consistency, the traditional host agreement clause should also be included in the statutes. See also Amendment 6.*

## PROCEDURE

<b>Title</b>	Setting up the Clean Sky joint undertaking
<b>References</b>	COM(2007)0315 - C6-0226/2007 - 2007/0118(CNS)
<b>Committee responsible</b>	ITRE
<b>Opinion by</b> Date announced in plenary	BUDG 12.7.2007
<b>Drafts(wo)man</b> Date appointed	Jutta Haug 20.9.2004
<b>Discussed in committee</b>	12.11.2007
<b>Date adopted</b>	12.11.2007
<b>Result of final vote</b>	+: 15 -: 0 0: 0
<b>Members present for the final vote</b>	Reimer Böge, Gérard Deprez, Valdis Dombrovskis, Brigitte Douay, James Elles, Salvador Garriga Polledo, Catherine Guy-Quint, Jutta Haug, Alain Lamassoure, Janusz Lewandowski, Vladimír Maňka, Margaritis Schinas, László Surján, Gary Titley, Kyösti Virrankoski