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RESOLUTION (EU) 2024/2359 OF THE EUROPEAN PARLIAMENT

of 11 April 2024

with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the Clean Aviation Joint Undertaking for the financial year 2022

THE EUROPEAN PARLIAMENT,

— having regard to its decision on discharge in respect of the implementation of the budget of the Clean Aviation Joint Undertaking for the financial year 2022,

— having regard to Rule 100 of and Annex V to its Rules of Procedure,

— having regard to the opinion of the Committee on Transport and Tourism,

— having regard to the report of the Committee on Budgetary Control (A9-0087/2024),

A. whereas the Clean Aviation Joint Undertaking (the 'Joint Undertaking'), located in Brussels, was set up in November 2021 by Regulation (EU) 2021/2085 [1] (the 'Single Basic Act') under the Horizon Europe programme for the period ending on 31 December 2031; whereas the Joint Undertaking replaced and succeeded the Joint Undertaking for the implementation of the Joint Technology Initiative in Aeronautics, that was set up in December 2007 under the Seventh Research Framework Programme for a period of 10 years [2] (Clean Sky 1) and extended in May 2014 under the Horizon 2020 programme for a period until 31 December 2024 [3] (Clean Sky 2);

B. whereas the Joint Undertaking is a public-private partnership focusing on research and innovation for transforming aviation towards a sustainable and climate neutral future;

C. whereas the founding members of the Joint Undertaking are the Union, represented by the Commission, and the organisations from the aviation sector listed in the Annex I of the Single Basic Act; whereas, in addition, the Joint Undertaking has associated members selected by calls for expression of interest;

D. whereas, to increase transparency, the Joint Undertaking should disclose in its annual accounts, relevant information regarding members' contributions at programme level; whereas, for each programme under which they operate, the Joint Undertaking should present per member category up to the year-end, all relevant information including the legal contribution targets set for the respective programme, the volume of contributions received, and the volume of legal commitments; whereas, the Joint Undertaking should continue to improve transparency;

Budgetary and financial management

1. Notes that, according to the report of the Courts of Auditors (the 'Court's report') the annual accounts of the Joint Undertaking for the financial year that ended on 31 December 2022 present fairly, in all material respects, the financial position of the Joint Undertaking at 31 December 2022, the results of its operations, its cash flows, and the changes in net assets for the year then ended, in accordance with its Financial Regulation and with the accounting rules adopted by the Commission's accounting officer; notes that the underlying transactions to the accounts are legal and regular in all material respects;

2. Commends the launch of the Clean Aviation programme (the 'CA programme') in 2022 and the role of the Joint Undertaking in developing innovative technologies to reduce aircraft emissions and noise;

3. Notes that the Joint Undertaking's final available budget for 2022 (including re-entered unused appropriations of previous years, assigned revenues, and reallocations to the next year) comprised commitment appropriations of EUR 411,2 million (compared to EUR 182,6 million in 2021) and payment appropriations of EUR 415,3 million (compared to EUR 189,9 million in 2021);

4. Notes that the changes in the size of the Joint Undertaking's budget largely depend on the implementation phase of the multiannual research and innovation programmes; notes that, in 2022, the Joint Undertaking started with the implementation of the Horizon Europe programme, therefore, the 2022 budget includes the commitment budget for the first Horizon Europe calls planned for 2022, and the payment budget for the related pre-financing payments;

(1) Council Regulation (EU) 2021/2085 of 19 November 2021 establishing the Joint Undertakings under Horizon Europe and repealing Regulations (EC) No 219/2007, (EU) No 557/2014, (EU) No 558/2014, (EU) No 559/2014, (EU) No 560/2014, (EU) No 561/2014 and (EU) No 642/2014 (OJ L 427, 30.11.2021, p. 17).

(2) Council Regulation (EC) No 71/2008 of 20 December 2007 setting up the Clean Sky Joint Undertaking (OJ L 30, 4.2.2008, p. 1).

(3) 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).

5. Notes that in its 2022 annual accounts, the amounts of contributions recognised per member category (Union and private members) differ significantly from each other; notes that this is because Union cash contributions are validated and recognised when paid to the Joint Undertaking at the beginning of the project implementation, but members' in-kind contributions are only recognised after validation of the costs incurred and declared for project implementation; calls on the Joint Undertaking to address the gap between the recognised amount of cash contributions on the one hand and in-kind contributions on the other hand by providing information on the Joint Undertaking members' legal commitments at year end; welcomes the commitment of the Joint Undertaking to address the issue fully in the next year's annual accounts;

6. Notes, regarding the Horizon 2020 programme, that, at the end of 2022, the Joint Undertaking had fully committed EUR 1 716 million of the maximum Union operational contribution for signed grant agreements under the programme and that of this committed amount, around EUR 70,1 million (or 4,1 %) remains to be paid in the coming years for projects yet to be completed; notes, as well, that the private members had legally committed to provide in-kind contributions to the Joint Undertaking's operational activities of EUR 968,3 million, and in-kind contributions to additional activities of EUR 1 223,1 million or 101,6 % of the minimum target of EUR 2 154,9 million; notes, furthermore, that these committed amounts were fully reported at the end of 2022;

7. Notes that, for Horizon 2020 activities, the Joint Undertaking received no new operational commitment appropriations, as the Joint Undertaking had finished its last call for proposals by the end of 2020; notes that the implementation rate for the operational payment appropriations was 78 % (compared to 2021: 83 %);

8. Notes that for a considerable number of ongoing Horizon 2020 projects, the technical activities were delayed or reduced due to COVID-19 and the war of aggression against Ukraine, and that, therefore, these projects had to be amended or prolonged and final payments postponed to 2023;

9. Notes, as regards Horizon Europe, that, in 2022, the Commission made cash contributions of EUR 178 million and that the Joint Undertaking almost fully used the operational contribution of EUR 176 million for pre-financing payments related to the first grant agreements concluded under that programme;

10. Notes that, at the end of 2022, the implementation rate for the Joint Undertaking's administrative payment budget (Title 2) was low at 54 %; notes that, according to the Joint Undertaking's report on budgetary and financial management, this was mainly due to IT and communication services provided during the last quarter of 2022 and to be paid in 2023, and reduced costs for the services provided by the Commission;

Procurement and staff

11. Notes, from the Joint Undertaking's 2022 Consolidated Annual Activity Report, that in 2022, the Joint Undertaking published two open tender procedures of which the first one was launched to cover its own needs and the second one was launched on behalf of six Joint Undertakings as an inter-institutional call for tenders (Managed IT Services); notes in addition, that, at the beginning of 2022, the Joint Undertaking awarded and signed eleven inter-institutional framework service contracts in communication, which were a result of the inter-institutional open tender procedure launched on behalf of three Joint Undertakings in 2021;

12. Welcomes the first open call for proposals by the Joint Undertaking, resulting in 19 grant agreements by year-end, totalling EUR 654 million around three core thrusts: Hybrid Electric Regional aircraft, Hydrogen-powered aircraft and Ultra-Efficient Short and Medium Range aircraft; the call for proposals comprised 14 topics covering 13 Innovation Actions and one Coordination Support Action; in total 244 participants were selected across 24 different countries;

13. Welcomes the 20 projects to steer aviation towards a sustainable future; notes that the call for proposals has brought together a wide array of public and private partners, research centres and academia to find impactful solutions that can deliver sustainable aircraft and, climate-neutral aviation future, supported by a budget of EUR 654 million in Union grant funding;

14. Notes that the Joint Undertaking's establishment plan for 2022 contained a total of 44 statutory staff (temporary agents, contract agents and seconded national experts) with 40 posts filled at the end of the 2022; notes that the two seconded national expert posts were not filled in because the establishment plan for 2023 foresees only 41 posts and no seconded national experts;

Management and control systems

15. Notes that, for Horizon 2020 and Horizon Europe expenditure, the Common Audit Service of the Commission's Directorate-General for Research and Innovation (DG RTD) performed the *ex post* audits; notes that for Horizon 2020 expenditure (clearings and final payments), the Joint Undertaking reported a representative error rate of 1,6 % and a residual error rate of 0,4 % ([4]) and that for the Horizon Europe programme, *ex post* audits have yet to be carried out, as the first interim payments are only expected in 2024;

16. Notes that to assess the operational payment controls of the Joint Undertaking, the Court audited randomly sampled Horizon 2020 payments made in 2022, at the level of the final beneficiaries ([5]); notes that, for one case, the Court found and quantified a serious error resulting from overclaimed personnel cost because the beneficiary submitted a cost declaration based on budgeted staff costs;

17. Welcomes that, at the end of 2022, the Joint Undertaking had developed and implemented a complete risk-based approach to *ex ante* controls in line with the guidance of the Common Implementation Centre of the Commission's DG RTD, considering the risk circumstances specific for the Joint Undertaking; notes, to this end, that the Joint Undertaking identified the most relevant risk criteria and designed, based on them, a risk-based monitoring approach; notes that such an approach allowed the Joint Undertaking to assess the risk level of each project and beneficiary during the main phases of project implementation, such as grant agreement preparation, grant agreement amendment, reporting, and payment; notes, in this regard, that the Joint Undertaking also drew up internal guidelines on their risk-based approach and trained and guided its staff on applying it properly and consistently;

18. Notes that the Court's detailed analysis of a sample of the Joint Undertaking's reinforced monitoring cases revealed several weaknesses, which prevented their effective and efficient monitoring; notes that upon expiry of the defined due date, the reinforced monitoring flag was neither renewed nor closed and that the risk level was not reassessed by the officer after the implementation of the control actions;

19. Agrees with the Court that the Joint Undertaking should ensure that all reinforced monitoring actions are accompanied by specific control actions targeting the identified risks, and that they are followed-up at a pre-defined deadline;

20. Stresses, as does the Court, that the importance for the Joint Undertaking to implement their specific risk-based approach to grant management has increased under Horizon Europe;

21. Underlines that the beneficiary and/or project structure of the Joint Undertaking is changing significantly under the Horizon Europe programme, such as the increased number of small and medium-sized enterprises (SMEs), newcomers and larger consortia, as well as the requirement to only use open call procedures for Horizon Europe activities and that, as a result, the risk factors identified in previous programmes may no longer be relevant and new risk factors may emerge;

22. Welcomes that in September 2022, Clean Aviation became a founding member of the Alliance for Zero-Emission Aviation (AZEA), which brings together public and private stakeholders from across the aeronautical sector to support the roll-out of hydrogen-powered and electric aircraft;

23. Notes the CS2 programme's transition to the delivery phase and acknowledges the increased workload in 2022 due to simultaneous management of several CS2 projects alongside the launch of the CA programme;

24. Notes an independent study revealing a EUR 8,6 billion estimated socioeconomic benefit for Europe from Clean Sky 2 Programme; further highlights the study's findings that the Clean Aviation programme's Strategic Research and Innovation Agenda is both 'resilient' and 'fit for purpose'; points out that this would apply even in a wide range of possible economic scenarios, potential developments and structural changes to the aviation system;

25. Calls to expand and foster integration of climate-neutral aviation research and innovation value chains, including academia, research organisations, industry and SMEs, exploiting synergies with national and European programmes, while facilitating the uptake of industry-related skills across the value chain;

([4]) Clean Aviation Joint Undertaking 2022 Consolidated Annual Activity Report, chapter 4.1.1.
([5]) For grant payment transactions tested at the beneficiaries, the reporting threshold for quantifiable errors is 1 % of the audited costs.

Follow-up of previous years’ observations

26. Notes that ‘observations’ in the Joint Undertakings specific annual reports are in fact ‘not timed recommendations’ by the Court; notes that the Court of Auditors annually follows-up on those observations by assessing their status as ‘open’ or ‘closed’;

27. Notes that out of the three Court’s observations (one in 2020 and two on 2022), two are closed: notes that the open observation refers to the use of interim staff, which the Joint Undertaking justifies with the limitations of the fixed staff establishment plan and the workload caused by the parallel implementation of the Horizon 2020 and Horizon Europe programmes.