

RESOLUTION (EU) 2019/1537 OF THE EUROPEAN PARLIAMENT**of 26 March 2019****with observations forming an integral part of the decision on discharge in respect of the implementation of the budget for the Clean Sky 2 Joint Undertaking for the financial year 2017**

THE EUROPEAN PARLIAMENT,

- having regard to its decision on discharge in respect of the implementation of the budget of the Clean Sky 2 Joint Undertaking for the financial year 2017,
- having regard to Rule 94 of and Annex IV to its Rules of Procedure,
- having regard to the report of the Committee on Budgetary Control (A8-0095/2019),

- A. whereas the Joint Undertaking started to work autonomously on 16 November 2009;
- B. whereas the Clean Sky 2 Joint Undertaking (the 'Joint Undertaking') established by Regulation (EU) No 558/2014 ⁽¹⁾ replaced, with effect from 27 June 2014, the Clean Sky Joint Undertaking under Horizon 2020;
- C. whereas the main objectives of the Joint Undertaking are to improve significantly the environmental impact of aeronautical technologies and to enhance the competitiveness of European aviation; whereas the lifetime of the Joint Undertaking has been extended until 31 December 2024;
- D. whereas the founding members of the Joint Undertaking are the Union, represented by the Commission, the leaders of the Integrated Technology Demonstrators (ITDs), innovative aircraft development platforms (IADPs) and the transversal areas (TAs) together with the associate members of the ITDs;
- E. whereas the maximum contribution from the Union to the Joint Undertaking second phase of activities is EUR 1 755 000 000 to be paid from the budget of Horizon 2020;

Budgetary and financial management

- 1. Notes that the Court of Auditors (the 'Court') stated that the 2017 annual accounts of the Joint Undertaking for the year ended 31 December 2017 present fairly, in all material respects, the financial position of the Joint Undertaking at 31 December 2017, the results of its operations, its cash flows, and having regard to the Council's recommendation of 12 February 2019 on discharge to be given to the Joint Undertaking in respect of the implementation of the budget for the financial year 2017 (05827/2019 — C8-102/2019), 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;
- 2. Notes that the Court, in its report on the Clean Sky 2 (the 'Court's report'), indicated the transactions underlying the annual accounts as legal and regular in all material aspects;
- 3. Notes that the Joint Undertaking's final budget for 2017 included commitment appropriations of EUR 313 429 392 and payment appropriations of EUR 243 503 223;
- 4. Notes that the commitment appropriations utilisation rate was 99,6 % (compared to 97,5 % in 2016) and the rate of payment appropriations was 98,5 % (compared to 87,9 % in 2016);

Multiannual budget implementation under FP7

- 5. Notes that out of the total amount of EUR 817 200 000 for the operational and administrative activities to be funded under the Seventh Framework Programme (including EUR 800 000 000 of Union cash contributions, EUR 14 900 000 of private members' cash contribution to cover administrative costs and EUR 2 300 000 interest received on the pre-financed Seventh Framework Programme funds), the Joint Undertaking made commitments of EUR 815 200 000 (99,75 %) and payments of EUR 815 100 000 (99,74 %) by the end of 2017; notes that the Union had contributed with EUR 800 000 000 in cash; welcomes that the Clean Sky was the first European Joint Undertaking that successfully closed the FP7 Programme;

⁽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).

6. Takes note that by the end of 2017, the Governing Board validated in-kind contributions from other members of EUR 594 100 000, and that other members' cash contribution to the administrative costs were EUR 14 900 000;

Multiannual budget implementation under Horizon 2020

7. Notes that out of the total amount of EUR 1 794 000 000 for the operational and administrative activities to be funded under Horizon 2020 (including EUR 1 755 000 000 from the Union cash contribution and EUR 39 000 000 cash contribution from private members), the Joint Undertaking made commitments of EUR 1 009 600 000 and payments of EUR 493 000 000;
8. Notes that at the end of 2017, the governing board had validated in-kind contributions of EUR 54 000 000 and a further EUR 211 600 000 had been reported; notes, moreover, that the industry members' cash contributions to the administrative costs were EUR 9 500 000;

Calls for proposals

9. Notes that in 2017 the Joint Undertaking launched two calls for proposals, received 263 eligible proposals (out of the total of 265) and selected 73 proposals to be funded;
10. Welcomes the successful closure of the Clean Sky programme with the delivery in 2017 of a total of 28 significant demonstrators (ground and flight tested) together with having selected all its Core Partners and having achieved the addition of the Partners to the programme, bringing the total to 497 participants;
11. Notes with satisfaction that the final call for Core Partners, which led to the establishment of full complement of 245 private members of the programme (including their participating affiliates), 192 of which were selected via the calls for Core Partners;

Performance

12. Welcomes that the absence of established Key Performance Indicators (KPIs) is no longer an issue under Horizon 2020; regrets that information on third set of KPIs is not yet available due to nature of the projects; takes note that the experts call for further monitoring activity and analysis, making a clear distinction between the actually achieved KPIs at the end of each year and the projected KPIs;
13. Observes that the management cost ratio (administrative and operational budget) remains below the 5 %, thus pointing to rather lean and efficient organisational structure of the Joint Undertaking;
14. Welcomes the 2016 interim value of leverage effect of 1,55 exceeding the target leverage effect over the whole 2014-2020 period;
15. Welcomes the fact, that all calls for proposals were published and closed according to the respective work plans and that the results regarding 'time-to-grant' and 'time-to-pay' remained well below the defined targets;

Key controls and supervisory systems

16. Notes that the Joint Undertaking set up *ex ante* control procedures based on financial and operational desk reviews, *ex post* audits at beneficiaries of grants for Seventh Framework Programme interim and final payments and for Horizon 2020 project cost claims, it is the Commission the responsible of the *ex post* audits;
17. Notes that the residual error rate for the *ex post* audits reported by the Joint Undertaking were 1,40 % for Seventh Framework Programme projects and 1,6 % for Horizon 2020 projects, which is considered below materiality level;

Anti-fraud strategy

18. Observes that the Joint Undertaking decided in 2017 to focus on measures for preventing and detecting double funding, as a result of the outcome of an antifraud risk assessment following a dedicated staff survey;

Internal audit

19. Observes that the Commission's Final Evaluation on the Joint Undertaking for the period between 2008 and 2016 and the Interim Evaluation on the Joint Undertaking operating under Horizon 2020 covering the period from 2014 to 2016 were carried out and that an Action Plan has been endorsed by the Board to implement some recommendations for which several actions have already been initiated;
20. Notes that in 2017, the Internal Audit Service (IAS) finalised an audit on the performance management of the Joint Activities; notes that the audit identified two 'very important' issues, in the area of measuring the achievement of the strategic objectives and the impact of the Joint Undertaking activities; notes with regret that the IAS had not issued an internal audit report for 2017 on the implementation of the agreed actions stemming from previous years' audits and risk assessments;

Other comments

21. Welcomes the setup of a working group in 2017 on synergies between national and regional programmes and the Joint Undertaking, aiming at identifying areas of cooperation and contribute to the Joint Undertaking action plan and activities on synergies with the European Structural and Investment Funds and cooperation with Member States and Regions.
22. Welcomes the 2017 reinforcement of the Joint Undertaking's digital strategy at its website and social media channels and other activities leading to strengthened visibility of the Clean Sky 2 and further welcomes stronger coordination with its stakeholders;

Human resources

23. Notes that on 31 December 2017 the Joint Undertaking had 39 posts filled; notes that in 2017 the Joint Undertaking launched the recruitment procedure of 2 positions.
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