Basic information

2013/2249(DEC) DEC - Discharge procedure	Procedure completed
2012 discharge: Clean Sky Joint Undertaking **Subject** 8.70.03.07 Previous discharges	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
CONT Budgetary Control	RÜBIG Paul (PPE)	10/10/2013
	Shadow rapporteur STAVRAKAKIS Georgios (S&D) GERBRANDY Gerben-Jan (ALDE) STAES Bart (Verts/ALE) ANDREASEN Marta (ECR) DE JONG Dennis (GUE/NGL) VANHECKE Frank (EFD) EHRENHAUSER Martin (NI)	

Committee for opinion	Rapporteur for opinion	Appointed
ENVI Environment, Public Health and Food Safety	The committee decided not to give an opinion.	
ITRE Industry, Research and Energy	The committee decided not to give an opinion.	
TRAN Transport and Tourism	The committee decided not to give an opinion.	

European Commission

Commission DG	Commissioner
Budget	ŠEMETA Algirdas

Key events

Date	Event	Reference	Summary
26/07/2013	Non-legislative basic document published	COM(2013)0570	Summary
22/10/2013	Committee referral announced in Parliament		
18/03/2014	Vote in committee		
20/03/2014	Committee report tabled for plenary	A7-0210/2014	Summary
02/04/2014	Debate in Parliament		
03/04/2014	Decision by Parliament	T7-0332/2014	Summary
03/04/2014	Results of vote in Parliament		
03/04/2014	End of procedure in Parliament		
05/09/2014	Final act published in Official Journal		

Technical information

Procedure reference	2013/2249(DEC)
Procedure type	DEC - Discharge procedure
Other legal basis	Rules of Procedure EP 165
Stage reached in procedure	Procedure completed
Committee dossier	CONT/7/14232

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE521.706	28/01/2014	
Amendments tabled in committee		PE528.205	26/02/2014	
Committee report tabled for plenary, single reading		A7-0210/2014	20/03/2014	Summary
Text adopted by Parliament, single reading		T7-0332/2014	03/04/2014	Summary

Council of the EU

Document type	Reference	Date	Summary
Document attached to the procedure	05851/2014	05/02/2014	Summary

European Commission

Document type	Reference	Date	Summary
	COM(2013)0570		

Non-legislative basic document		26/07/2013	Summary

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
CofA	Court of Auditors: opinion, report	N7-0006/2014 OJ C 369 17.12.2013, p. 0010	22/10/2013	Summary

Additional information

Source	Document	Date
European Commission	EUR-Lex	

Final act

Budget 2014/0623
OJ L 266 05.09.2014, p. 0318 Summary

2012 discharge: Clean Sky Joint Undertaking

2013/2249(DEC) - 26/07/2013 - Non-legislative basic document

PURPOSE: presentation by the Commission of the consolidated annual accounts of the European Union for the financial year 2012, as part of the 2012 discharge procedure.

Analysis of the accounts of the **Clean Sky Joint Undertaking**.

CONTENT: this Commission document sets out the consolidated annual accounts of the European Union for the financial year 2012 as prepared on the basis of the information presented by the institutions, organisations and bodies of the EU, in accordance with Article 129 (2) of the Financial Regulation applicable to the EU's General Budget, including the Clean Sky Joint Undertaking.

In 2012, the tasks and budget of the Joint Undertaking were as follows:

- **description of the tasks of the Joint Undertaking**: the Clean Sky Joint Undertaking, which is located in Brussels, was established in 2007 by Regulation (EC) No 71/2008 for the period up to 31 December 2017. The aim of this entity is to accelerate the development, validation and demonstration of clean air transport technologies in the EU and in particular to create a radically innovative Air Transport System with the target of reducing the environmental impact of air transport.
- **budget of the Joint Undertaking for the 2012 financial year**: the maximum indicative contribution of the Commission amounts to EUR 800 million, paid out under the 7th Research Framework Programme for research and technological development until 2017. The cumulative unrecognised share of losses is EUR 48 million (62.89% ownership participation).

Please also consult Clean Sky Joint Undertaking's final accounts.

2012 discharge: Clean Sky Joint Undertaking

2013/2249(DEC) - 22/10/2013 - Court of Auditors: opinion, report

PURPOSE: presentation of the EU Court of Auditors' report on the annual accounts of the Clean Sky Joint Undertaking for the financial year 2012, together with the Joint Undertaking's reply.

CONTENT: in accordance with the tasks conferred on the Court of Auditors by the Treaty on the Functioning of the European Union, the Court presents to the European Parliament and to the Council, in the context of the discharge procedure, a Statement of Assurance as to the reliability of the annual accounts of each institution, body or agency of the EU, and the legality and regularity of the transactions underlying them, on the basis of an independent external audit.

This audit concerned, amongst others, the annual accounts of the Clean Sky Joint Undertaking.

In the Court's opinion, **the Clean Sky Joint Undertaking's Annual Accounts fairly present, in all material respects, its financial position as of 31 December 2012** and the results of its operations and its cash flows for the year then ended, in accordance with the provisions of its financial rules and the accounting rules adopted by the Commission's accounting officer.

It considers that the **transactions underlying the annual accounts** of the Centre for the financial year ended 31 December 2012 are, in all material respects, **legal and regular**.

The report confirms that the resources available to the Joint Undertaking in 2012 amount to EUR 205 364 690 in commitment appropriations.

The report also makes a series of observations on the budgetary and financial management of the Joint Undertaking, accompanied by the latter's response. The main observations may be summarised as follows:

Court's comments:

- implementation of the budget: the utilisation rate for commitment appropriations was 84%, while the rate for payment appropriations was 75%. The lower rate for payment appropriations reflects delays in the implementation of the budget, mainly as a result of delays in the implementation of activities and in the period between the publication of calls for proposals and the signing of grant agreements;
- audit procedures: during 2012 the Joint Undertaking further improved its management, administrative, financial and accounting procedures. One of the main achievements in 2012 was the implementation of the 'GMT tool', a specific application for managing financial information relating to the implementation of grant agreements with members. However, the GMT tool still presents some limitations as regards the completeness of the operational information managed. The Court notes that a certain number of weaknesses were noted in respect of the ex ante control of cost claims submitted by Clean Sky partners.

Joint Undertaking's replies:

- implementation of the budget: the JU points out that for the larger part of its operational expenditure, the actual implementation rate for commitment appropriations was 97% while the rate for PA was 84%. It acknowledges that for the expenditure relating to calls for proposals, further improvements need to be implemented to enable the JU to close more reports on time and execute higher payment appropriations overall. Overall the JU has experienced a descending trend in the last calls, by permanently seeking to improve its workflow and processes for the purpose of decreasing the time to grant;
- on internal audits, the JU's management has agreed actions to mitigate the observations issued by the auditors.

As regards the **activities of the Joint Undertaking in 2012**, the report refers to the Annual Activity Report 2012 which can be found at www.cleansky.eu

2012 discharge: Clean Sky Joint Undertaking

2013/2249(DEC) - 05/02/2014

Having examined the revenue and expenditure accounts for the financial year 2012 and the balance sheet at 31 December 2012 of the Clean Sky Joint Undertaking, and the report by the Court of Auditors on the annual accounts of the Joint Undertaking for the financial year 2012, accompanied by the Joint Undertaking's replies to the Court's observations, the Council recommends the European Parliament to give a discharge to the Executive Director of the Joint Undertaking in respect of the implementation of the budget for the financial year 2012.

The observations in the Court of Auditors' report in relation to the financial year 2012 call for some comments by the Council, which may be summarised as follows:

- **Excessive carry-overs**: in order to avoid excessive carry-overs, the Council calls on the Joint Undertaking to pay due attention to the proper implementation of commitment and payment appropriations in the course of the budgetary year and to decommit unused appropriations if necessary, in line with the budgetary principle of annuality. It welcomes the improvements achieved so far in the overall implementation rates.
- **Calls for proposals**: the Council invites the Joint Undertaking, to implement further improvements as regards the expenditure relating to calls for proposals, and in particular to closure of projects, in order to achieve a better execution rate of payment appropriations in the future.
- **Internal control systems**: the Council welcomes the Joint Undertaking's replies with regard to the completion of the financial application for the management of grants and invites the Joint Undertakings to continue efforts related to the improvement of its control systems and procedures, notably the ex-ante control of cost claims, and to provide more clarity to all actors through dedicated workshops and trainings. As regards the Court's remarks on the internal audit function, the Council invites the Joint Undertaking to bring its own Financial Rules concerning the internal audit arrangements, and in particular those regarding the powers of the Commission's internal auditor, in line with the revised Framework Financial Regulation. Moreover, the Council takes note of the weaknesses detected by the Commission's Internal Audit Service regarding delays in the implementation of the programme and the system of evaluating the utilisation of resources and asks the Joint Undertaking to remedy the detected weaknesses without delay.
- **Research results**: the Council also invites the Joint Undertaking to improve the monitoring and reporting of research results, in line with the provision of the relevant regulations of the Seventh Framework Programmes.

2012 discharge: Clean Sky Joint Undertaking

2013/2249(DEC) - 03/04/2014 - Text adopted by Parliament, single reading

The European Parliament adopted a decision concerning the discharge to be granted to the Executive Director of the Clean Sky Joint Undertaking in respect of the implementation of the Joint Undertaking's budget for the financial year 2012.The vote on the discharge decision covered the closure of the accounts (in accordance with Annex VI, Article 5(1) of Parliament's Rules of Procedure).

Noting that the Court of Auditors stated that the 2012 annual accounts of the Joint Undertaking present fairly, in all material respects, its financial position as of 31 December 2012 and the results of its operations and its cash flows for the year then ended, Parliament adopted by 476 votes to 72, with 16 abstentions, a resolution containing a series of recommendations that need to be taken into account when the discharge is granted, in addition to the general recommendations that appear in the draft resolution on performance, financial management and control of EU agencies.

- **Budgetary and Financial Management**: Parliament noted that the Joint Undertaking's final amended budget for the financial year 2012 included commitment appropriations of EUR 205.4 million and payment appropriations of EUR 167.9 million. It was concerned with the recurring low implementation of the budget of the Joint Undertaking and regretted the EUR 25.7 million cash balance at the end of the year, representing 15% of the available payment appropriations. For the Parliament, this is at odds with the budgetary principle of equilibrium. It reminded the Joint Undertaking of the need to implement concrete measures to attain budget equilibrium.
- **Utilisation rate and carryovers**: Parliament observed that while the utilisation rate for commitment appropriations was 84% overall, the rate for payment appropriations was 75%. It noted, moreover, that within this, the operational implementation rate was 97% for commitment appropriations and 84% for payment appropriations. It remained concerned that these rates reflect the significant delays in the implementation of the activities as compared with the initial plan and called on the Joint Undertaking to continue to improve its workflows and processes to shorten the period between the publication of calls for proposals and the signing of grant agreements.
- **Audit**: Parliament was concerned that while the audit certificates accompanying the cost claims of two beneficiaries were found to include reservations about the contracts of the staff employed on the project and in one of them, the audit certificate also included reservations on the indirect cost rates applied, the Joint Undertaking released the payments, underlining that these payments were not irregular.

Parliament also made a series of observations on transfers, procurement and recruitment procedures as well as comments on internal controls.

It invited the Court of Auditors to monitor the Joint Undertaking's policies as regards the management and prevention of conflicts of interests by drafting a Special Report on the matter by the next discharge procedure.

JTI: Parliament invited the Court of Auditors to **comprehensively analyse** the JTIs and the other joint undertakings in a separate report in light of the substantial amounts involved and the risks notably reputational – presented. Parliament noted that the Joint Undertakings' total 2012 forecasted budgeted income amounted to some EUR 2.5 billion or about 1.8% of the Union general budget for the financial year 2012, while approximately EUR 618 million came from the general budget (cash contribution from the European Commission) and approximately EUR 134 million came from the industrial partners and members of the Joint Undertakings. It recalled that the total Union contribution deemed necessary for the Joint Undertakings for their period of existence amounts to EUR 11.5 billion.

It recalled that Parliament has previously requested that the Court of Auditors draw up a special report on the capacity of the joint undertakings, together with their private partners, to ensure added value and efficient execution of Union research, technological development and demonstration programmes. Parliament agreed with the Court of Auditors' conclusion that the JTIs have been set up to support long-term industrial investment, in particular research areas but noted that it has taken on average two years to grant financial autonomy to a JTI, with the Commission usually remaining responsible for one third of the expected operational lifetime of the JTIs.

2012 discharge: Clean Sky Joint Undertaking

2013/2249(DEC) - 20/03/2014 - Committee report tabled for plenary, single reading

The Committee on Budgetary Control adopted the report by Petri SARVAMAA (EPP, FI) in which it recommended the European Parliament to grant discharge to the Executive Director of the Clean Sky Joint Undertaking in respect of the implementation of the Joint Undertaking's budget for the financial year 2012.

Noting that the Court of Auditors stated that it has obtained reasonable assurances that the annual accounts of the Undertaking for the financial year 2012 are reliable, and that the underlying transactions are legal and regular, Members approved the closure of the Undertaking's accounts. They made, however, a number of recommendations that needed to be taken into account when the discharge is granted, in addition to the general recommendations that appear in the draft resolution on performance, financial management and control of EU agencies.

- **Budgetary and Financial Management**: Members noted that the Joint Undertaking's final amended budget for the financial year 2012 included commitment appropriations of EUR 205.4 million and payment appropriations of EUR 167.9 million. They are concerned with the recurring low implementation of the budget of the Joint Undertaking and regretted the EUR 25.7 million cash balance at the end of the year, representing 15% of the available payment appropriations. For Members, this is at odds with the budgetary principle of equilibrium. They reminded the Joint Undertaking of the need to implement concrete measures to attain budget equilibrium.
- **Utilisation rate and carryovers**: Members observed that while the utilisation rate for commitment appropriations was 84% overall, the rate for payment appropriations was 75%. They noted, moreover, that within this, the operational implementation rate was 97% for commitment appropriations and 84% for payment appropriations. They remained concerned that these rates reflect the significant delays in the implementation of the activities as compared with the initial plan and called on the Joint Undertaking to continue to improve its workflows and processes to shorten the period between the publication of calls for proposals and the signing of grant agreements.

Members also made a series of observations on transfers, procurement and recruitment procedures as well as comments on internal controls.

They invited the Court of Auditors to monitor the Joint Undertaking's policies as regards the management and prevention of conflicts of interests by drafting a Special Report on the matter by the next discharge procedure.

JTI: Members invited the Court of Auditors to **comprehensively analyse** the JTIs and the other joint undertakings in a separate report in light of the substantial amounts involved and the risks notably reputational – presented. Members noted that the Joint Undertakings' total 2012 forecasted budgeted income amounted to some EUR 2.5 billion or about 1.8% of the Union general budget for the financial year 2012, while approximately EUR 618 million came from the general budget (cash contribution from the European Commission) and approximately EUR 134 million came from the industrial partners and members of the Joint Undertakings. They recalled that Parliament has previously requested that the Court of Auditors draw up a special report on the capacity of the joint undertakings, together with their private partners, to ensure added value and efficient execution of Union research, technological development and demonstration programmes. Members agreed with the Court of Auditors' conclusion that the JTIs have been set up to support long-term industrial investment, in particular research areas but noted that it has taken on average two years to grant financial autonomy to a JTI, with the Commission usually remaining responsible for one third of the expected operational lifetime of the JTIs.

2012 discharge: Clean Sky Joint Undertaking

2013/2249(DEC) - 03/04/2014 - Final act

PURPOSE: to grant discharge to the Clean Sky Joint Undertaking for the financial year 2012.

NON-LEGISLATIVE ACT: Decision 2014/623/EU of the European Parliament on discharge in respect of the implementation of the budget of the Clean Sky Joint Undertaking for the financial year 2012.

CONTENT: with the present decision, the European Parliament grants discharge to the Executive Director of the Clean Sky Joint Undertaking in respect of its budget for the financial year 2012.

This decision is in line with the European Parliament's resolution adopted on 3 April 2014 and comprises a series of observations that form an integral part of the discharge decision (please refer to the summary of the opinion of 3 April 2014).

Amongst the main observations made, Parliament made a number of **cross-cutting comments as regards all the Joint Undertakings (JUs)** and invited the Court of Auditors to conduct a detailed analysis of the JUs in a separate report in light of the substantial amounts involved and the risks - notably reputational - presented.