Basic information

2017/2182(DEC) DEC - Discharge procedure	Procedure completed
2016 discharge: Clean Sky 2 Joint Undertaking **Subject** 8.70.03.06 2016 discharge	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
CONT Budgetary Control	HAYES Brian (PPE)	20/09/2017
	Shadow rapporteur POCHE Miroslav (S&D) CZARNECKI Ryszard (ECR) DLABAJOVÁ Martina (ALDE) OMARJEE Younous (GUE/NGL) TARAND Indrek (Verts/ALE) VALLI Marco (EFDD) KAPPEL Barbara (ENF)	

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	OETTINGER Günther

Key events

Date	Event	Reference	Summary
26/06/2017	Non-legislative basic document published	COM(2017)0365	Summary
13/09/2017	Committee referral announced in Parliament		
20/03/2018	Vote in committee		
22/03/2018	Committee report tabled for plenary	A8-0070/2018	Summary
18/04/2018	Decision by Parliament	T8-0167/2018	Summary
18/04/2018	Results of vote in Parliament		
18/04/2018	Debate in Parliament		
18/04/2018	End of procedure in Parliament		
03/10/2018	Final act published in Official Journal		

Technical information

Procedure reference	2017/2182(DEC)
Procedure type	DEC - Discharge procedure
Stage reached in procedure	Procedure completed
Committee dossier	CONT/8/10866

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE613.432	25/01/2018	
Amendments tabled in committee		PE618.277	01/03/2018	
Committee report tabled for plenary, single reading		A8-0070/2018	22/03/2018	Summary
Text adopted by Parliament, single reading		T8-0167/2018	18/04/2018	Summary

Council of the EU

Document type	Reference	Date	Summary
Supplementary non-legislative basic document	05943/2018	09/02/2018	Summary

European Commission

Document type	Reference	Date	Summary
Non-legislative basic document	COM(2017)0365	26/06/2017	Summary

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
CofA	Court of Auditors: opinion, report	N8-0043/2018 OJ C 426 12.12.2017, p. 0015	19/09/2017	Summary

Additional information

Source	Document	Date
European Commission	EUR-Lex	

Final act

Budget 2018/1439
OJ L 248 03.10.2018, p. 0355 Summary

2016 discharge: Clean Sky 2 Joint Undertaking

2017/2182(DEC) - 03/10/2018 - Final act

PURPOSE: to grant discharge to the Clean Sky Joint Undertaking for the financial year 2016.

NON-LEGISLATIVE ACT: Decision (EU) 2018/1439 of the European Parliament on discharge in respect of the implementation of the budget of the Clean Sky 2 Joint Undertaking for the financial year 2016.

CONTENT: the European Parliament decided to **grant discharge** to the Executive Director of the Clean Sky Joint Undertaking for the implementation of the latters budget for the financial year 2016.

This decision is accompanied by a resolution of the European Parliament containing the observations which form an integral part of the discharge decision in respect of the implementation of the general budget of the European Union for the financial year 2016 (*please refer to the summary dated 18.4.2018*).

In this resolution, Parliament welcomed the fact that, the governing board adopted a common anti-fraud strategy action plan in 2016 and that the Joint Undertaking takes part in and implements the preventive and corrective measures in accordance with its 2015 anti-fraud strategy and anti-fraud action plan at Union level.

Parliament also noted that at the end of 2016, the Joint Undertaking had not yet cleared any of the pre-financing payments (EUR 176 million) made to its industrial members for projects under Horizon 2020 grant agreements. It called on the Commission to ensure the direct involvement of the Joint Undertaking in the process of the Horizon 2020 mid-term review in the sphere of further simplifications and harmonisation of joint undertakings.

2016 discharge: Clean Sky 2 Joint Undertaking

2017/2182(DEC) - 26/06/2017 - Non-legislative basic document

PURPOSE: presentation by the Commission of the consolidated annual accounts of the European Union for the financial year 2016, as part of the 2016 discharge procedure.

Analysis of the accounts of the **Clean Sky 2 Joint Undertaking**.

CONTENT: the organisational governance of the EU consists of institutions, agencies and other EU bodies whose expenditure is included in the general budget of the Union.

This Commission document concerns the EU's consolidated accounts for the year 2016 and details how spending by the EU institutions and bodies was carried out. The consolidated annual accounts of the EU provide financial information on the activities of the institutions, agencies and other bodies of the EU from an accrual accounting and budgetary perspective.

It is the responsibility of the Commission's Accounting Officer to prepare the EU's consolidated annual accounts and ensure that they present fairly, in all material aspects, the financial position, the result of the operations and the cash flows of the EU institutions and bodies, including the **Clean Sky 2 JU** , with a view to granting discharge.

Discharge procedure: the final step of a budget lifecycle is the discharge of the budget for a given financial year. It represents the political aspect of the external control of budget implementation and is the decision by which the European Parliament, acting on a Council recommendation, "**releases**" the Commission (and other EU bodies) from its responsibility for management of a given budget by marking the end of that budget's existence. The European Parliament is the discharge authority within the EU.

The discharge procedure may produce three outcomes: (i) the granting; (ii) postponement or; (iii) the refusal of the discharge.

The final discharge report including specific recommendations to the Commission for action is adopted in plenary by the European Parliament and are subject to an annual follow up report in which the Commission outlines the concrete actions it has taken to implement the recommendations made.

Each agency is subject to its own discharge procedure, including the **Clean Sky 2 JU**.

Clean Sky 2 JU: the Clean Sky 2 Joint Undertaking, which is located in Brussels (BE), was set up Council Regulation (EU) No 558/2014 for the period up to 31 December 2024. The Clean Sky 2 Joint Undertaking replaced and succeeded the Clean Sky Joint Undertaking and aims to contribute to improving the environmental impact of aeronautical technologies, including those relating to small aviation, as well as to developing a strong and globally competitive aeronautical industry and supply chain in Europe.

The year 2016 was a very important and busy year for the Clean Sky 2 Joint Undertaking and for the whole aeronautics sector. Two programmes – Clean Sky under FP7 and Clean Sky 2 in Horizon 2020 – were fully implemented and managed simultaneously by the Joint Undertaking and the stakeholders. The Clean Sky 2 JU continued in 2016 to engage actively with the European regions to seek and build synergies with their investments through the regional funds, in particular through the European Structural and Investment Funds. W

As regards the JU's accounts, these are presented in detail in the document published by the Joint Undertaking (please refer to the final accounts of the Clean Sky 2 JU).

2016 discharge: Clean Sky 2 Joint Undertaking

2017/2182(DEC) - 22/03/2018 - Committee report tabled for plenary, single reading

The Committee on Budgetary Control adopted the report by Brian HAYES (EPP, IE) on discharge in respect of the implementation of the budget of the Clean Sky 2 Joint Undertaking for the financial year 2016.

The committee called on the European Parliament to **grant the joint undertaking's Executive Director discharge** in respect of the implementation of the joint undertaking's budget for the financial year 2016.

Noting that the Court of Auditors issued a statement of assurance as to the reliability of the accounts and the legality and regularity of the underlying transactions for the financial year 2016, Members called on Parliament to **approve the closure of the joint undertaking's accounts**.

They made, however, a number of recommendations that need to be taken into account when the discharge is granted. They may be summarised as follows:

- **Follow-up of 2014 discharge**: Members took note that the Joint Undertaking incorporated into its procedures the common template for the declaration of absence of a conflict of interest as specified in the Commission´s guidelines.
- **Budgetary and financial management**: the Joint Undertaking's final budget for 2016 included commitment appropriations of EUR 310 498 422 and payment appropriations of EUR 287 755 748. The commitment appropriations utilisation rate was 97.5 % (compared to 99.5 % in 2015) and the rate of payment appropriations was 87.9 % (compared to 75.4 % in 2015). The lower implementation rate for payment appropriations was mainly due to delays in starting Horizon 2020 projects and, in particular, due to the delayed signature of one significant grant agreement. By the end of 2016, the Governing Board validated in-kind contributions from other members of EUR 554 682 257 and that a further EUR 33 503 466 had been reported by the other members, and that other members' cash contribution to the administrative costs were EUR 14 515 387.

Other observations: the report also contained a series of observations on calls for proposals, key controls, anti-fraud strategy and internal controls systems.

Members welcomed the fact that, the governing board adopted a common anti-fraud strategy action plan in 2016. They also welcomed the continued progress in the field of cooperation with Member States and Regions on synergies in aeronautics R&I with the Structural and Investment Funds.

Lastly, the Commission is called on to ensure the direct involvement of the Joint Undertaking in the process of the Horizon 2020 mid-term review in the sphere of further simplifications and harmonisation of joint undertakings.

2016 discharge: Clean Sky 2 Joint Undertaking

2017/2182(DEC) - 18/04/2018 - Text adopted by Parliament, single reading

The European Parliament decided to grant the Director of the Clean Sky 2 Joint Undertaking **discharge** for the implementation of the budget of the Joint Undertaking for the financial year 2016 and to approve the closure of the accounts of the Joint Undertaking for the same exercise.

Noting that the Court of Auditors has considered that the annual accounts of the Joint Undertaking for the financial year 2016 accurately reflect the financial position of the Joint Undertaking as at 31 December 2016, as well as the results of its operations, Parliament adopted by 564 votes in favor, 120 against and 13 abstentions, a resolution containing a series of observations which form an integral part of the discharge decision:

- **Follow-up of 2014 discharge**: Members took note that the Joint Undertaking incorporated into its procedures the common template for the **declaration of absence of a conflict of interest** as specified in the Commission´s guidelines.
- **Budgetary and financial management**: the Joint Undertaking's final budget for 2016 included commitment appropriations of EUR 310 498 422 and payment appropriations of EUR 287 755 748. The commitment appropriations utilisation rate was 97.5 % (compared to 99.5 % in 2015) and the rate of payment appropriations was 87.9 % (compared to 75.4 % in 2015). **The lower implementation rate** for payment appropriations was mainly due to delays in starting Horizon 2020 projects and, in particular, due to the delayed signature of one significant grant agreement. By the end of 2016, the Governing Board validated in-kind contributions from other members of EUR 554 682 257 and that a further EUR 33 503 466 had been reported by the other members, and that other members' cash contribution to the administrative costs were EUR 14 515 387.

Other observations: the resolution also contained a series of observations on calls for proposals, key controls, anti-fraud strategy and internal controls systems.

At the end of 2016, the Joint Undertaking had not yet cleared any of the prefinancing payments (EUR 176 million) made to its industrial members for projects under Horizon 2020 grant agreements. Members considered that **regular clearing of its prefinancing payments** against statements of reported costs from the members would decrease the exposure of the Joint Undertaking to financial risk.

Parliament welcomed the fact that, the governing board adopted a **common anti-fraud strategy** action plan in 2016. They also welcomed the continued progress in the field of cooperation with Member States and Regions on **synergies in aeronautics R&I** with the Structural and Investment Funds.

Lastly, the Commission was called on to ensure the direct involvement of the Joint Undertaking in the process of the Horizon 2020 mid-term review in the sphere of further simplifications and harmonisation of joint undertakings.

2016 discharge: Clean Sky 2 Joint Undertaking

2017/2182(DEC) - 19/09/2017 - Court of Auditors: opinion, report

PURPOSE: presentation of the EU Court of Auditors' report on the annual accounts of the Clean Sky 2 Joint Undertaking for the financial year 2016, 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 focused on the annual accounts of the **Clean Sky 2 Joint Undertaking**. The JU's lifetime has been extended to 31 December 2024. The objectives of the Clean Sky 2 Joint Undertaking are to improve significantly the environmental impact of aeronautical technologies and to enhance the competitiveness of European aviation.

Statement of assurance: pursuant to the provisions of Article 287 of the Treaty on the Functioning of the European Union (TFEU), the Court has audited:

- the annual accounts of the Clean Sky 2, which comprise the financial statements and the reports on the implementation of the budget for the financial year ended 31 December 2016;
- the legality and regularity of the transactions underlying those accounts.

Opinion on the reliability of the accounts: in the Court's opinion, the Joint Undertaking's annual accounts present fairly, in all material respects, its financial position as at 31 December 2016, 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 rules adopted by the Commission's accounting officer.

Opinion on the legality and regularity of the transactions underlying the accounts: in the Court's opinion, the transactions underlying the annual accounts for the year ended 31 December 2016 are, in all material respects, legal and regular.

The audit also revealed the following points:

- **budgetary and financial management**: the Court stated that the final 2016 budget available for FP7 and Horizon 2020 programme implementation included commitment appropriations of EUR 310.5 million and payment appropriations of EUR 287.8 million. The utilisation rates for commitment and payment appropriations were 97.5 % and 87.9 %, respectively. The lower implementation rate for payment appropriations is mainly due to delays in starting Horizon 2020 projects and, in particular, due to the delayed signature of one significant grant agreement with a member of the Joint Undertaking;
- **internal control**: at the end of 2016 - the third year of Horizon 2020 implementation - the Joint Undertaking had only partially completed the integration of its control systems with the Commission's common Horizon 2020 grant management and monitoring tools. In addition, it had not

yet cleared any of the pre-financing payments (EUR 176 million) made to its industrial members for projects under Horizon 2020 grant agreements. Regular clearing of its pre-financing payments against statements of reported costs from the members would decrease the exposure of the Joint Undertaking to financial risk.

Joint Undertaking's reply: the Joint Undertaking stressed that as regards pre-financing, it is only cleared at the final reporting period of the project or before, if the total amount of pre-financing and interim payments exceeds 90 % of the maximum grant amount. Until 2016, this general rule was followed by the CS2 JU for the signed Horizon 2020 grant agreement for members (GAMs). In order to mitigate the financial exposure, the CS2 JU took the initiative in 2017 to clear the pre-financing paid for the period 2014-2016 for the ongoing GAMs. This approach was agreed with the GAM's beneficiaries and is now being applied for the payment of the 2016 cost claims.

2016 discharge: Clean Sky 2 Joint Undertaking

2017/2182(DEC) - 09/02/2018 - Supplementary non-legislative basic document

Having examined the revenue and expenditure accounts for the financial year 2016 and the balance sheet as at 31 December 2016 of the Clean Sky 2 Joint Undertaking, as well as the Court of Auditors' report on the annual accounts of the Joint Undertaking for the financial year 2016, accompanied by the Joint Undertaking's replies to the Court's observations, the Council recommended 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 2016.

The Council welcomed the Court's opinion that, in all material respects, the Joint Undertaking's annual accounts present fairly its financial position as at 31 December 2016 and the results of its operations and its cash flows for the year then ended, in accordance with the provisions of the Joint Undertaking's Financial Rules, and that the underlying transactions for 2016 are legal and regular in all material respects.

Nevertheless, the following observations were made:

- **management**: the Council encouraged the Joint Undertaking to complete without delay the integration of its control systems with the Commission's common Horizon 2020 grant management and monitoring tools;
- **staff**: the Council invited the Joint Undertaking to regularly clear the pre-financing payments against statements of reported costs from the members.