



COMMISSION OF THE EUROPEAN COMMUNITIES

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2007/0118 (CNS)

Proposal for a

**COUNCIL REGULATION**

**SETTING UP THE CLEAN SKY JOINT UNDERTAKING**

(presented by the Commission)

{SEC(2007) 773}

{SEC(2007) 774}

## **EXPLANATORY MEMORANDUM**

### **1. CONTEXT OF THE PROPOSAL**

#### **Grounds for and objectives of the proposal**

Joint Technology Initiatives (JTIs) are introduced in the 7th Research Framework Programme (FP7) as a way of creating public-private partnerships in research at European level. JTIs are an expression of the EU's strong commitment to coordinating efforts, so contributing to set the European Research Area and Europe's competitiveness goals.

JTIs arise mainly from the work of European Technology Platforms (ETPs). In few cases, ETPs have achieved such scale and scope that they will require the mobilisation of high 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 these ETPs.

In the Co-operation Specific Programme, JTIs are identified potentially in six areas: hydrogen and fuel cells, aeronautics and air transport, innovative medicines, embedded computing systems, nano-electronics and GMES (global monitoring for environment and security).

The purpose of the proposal is to create a CLEAN SKY Joint Undertaking 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, in line with global economy requirements alongside growing environmental concerns and a push to curtail emission of noxious gases and noise.

Developing an environmentally friendly air transport system is a priority for European growth that relies and capitalises on the industrial network of the aeronautics sector, where the supply chain is geared to operate in a major high-tech industrial programme in line with Union initiatives such as JET and ITER (fusion) and Galileo (satellite navigation).

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.

#### **General context**

The aeronautics time scale is measured in decades. Air transport has grown on the basis of sectorial innovations meeting market demands without focusing on the impact of transport on the environment.

Major breakthroughs in clean air transport technologies for early implementation are critical for addressing climate change while at the same time promoting economic growth and social progress. However, due to market failures, reliance on the market mechanism will constrain aeronautics R&D to a sub-optimal level from the socio-economic viewpoint. As a result, important challenges confront aeronautics:

- environmental impact is becoming a major constraint for the development of mobility;
- the aeronautical industry has a high economic and social impact and a key role in ensuring mobility, is characterised by a high R&D intensity, a large trade balance and employs highly skilled personnel;
- the fleet renewal cycle identifies a window of opportunity for exploiting clean technologies in line with delivering R&D results before 2015;
- reduction of aviation impact on climate change, emissions and noise is a priority, requiring step changes in technology to reach set goals in emission reduction and to reduce the environmental impact of product life cycle;
- EU aeronautical industry is facing strong competition and the role of public R&D support is paramount. US public investment is about three times the one in Europe. The recent presidential Executive Order establishes the first US Aeronautics R&D policy, and other competitors are emerging on the market;
- public intervention is justified to address market failures discouraging aeronautics R&D investment due to long timescales, the positive externality associated with the gap between social and private rate of return, the negative externality related to social environmental costs.

#### **Existing provisions in the area of the proposal**

None.

#### **Consistency with the other policies and objectives of the Union**

A policy designed to stimulate R&D in the aeronautics sector leading to environmentally efficient aircraft is part of a wider strategy meant to reduce the impact of aviation on climate. Boosting aeronautics R&D complements measures such as the Commission EU Emission Trading Scheme (ETS). The European Community has made Aeronautics one of its R&D priorities with the ambition of minimising the environmental impact of aircraft and improving local air quality and noise around airports and health and quality of life.

Aeronautics R&D will contribute to the implementation of the European Union Strategic Objectives of the new Lisbon Strategy. Greener aviation technologies are in line with, and will contribute to, the increased mobility policy of the Union within an enlarged EU, particularly important for Accession States with rapidly growing traffic.

A policy aimed at step changes in clean Air Transport for earliest deployment will contribute to improve welfare and living condition in a sustainable way for present and future EU generations.

The proposed initiative is part of a broad and ambitious Community strategy which aims to tackle the innovation gap and which includes, inter alia, the proposal to establish a European Institute of Technology (EIT). The EIT aims to integrate education, research and business, and to provide existing networks with new governance models to further integrate their activities.

## **2. CONSULTATION OF INTERESTED PARTIES AND IMPACT ASSESSMENT**

### **Consultation of interested parties**

#### *Consultation methods, main sectors targeted and general profile of respondents*

Regular consultations were held between the Commission and stakeholders, with presentations to Member States and Associated States to the Framework Programme (National States - NS) on technical content and governance structure of Clean Sky.

#### *Summary of responses and how they have been taken into account*

The involvement of Commission services, stakeholders, NS and the Socio-economic and Environmental (S-E&E) panel gathered comments and contributions regularly on technical contents, governance and legislative aspects of Clean Sky.

The Commission took account of the comments made in the final S-E&E panel report. The governance structure proposal took into account report findings.

### **Collection and use of expertise**

#### *Scientific/expertise domains concerned*

External expertise was used in the S-E&E impact assessment and in the initial analysis of the Clean Sky governance structure.

#### *Methodology used*

The S-E&E panel convened on two occasions, met at Commission premises where a hearing with industry stakeholders was organised to allow more in-depth analysis on specific issues. Panel rapporteur(s) drafted the panel report with involvement of all panel members.

The governance assessment panel was given the draft proposal from industry along with a Commission mandate.

#### *Main organisations/experts consulted*

The S-E&E panel representatives were nominated by NS. The study analysing the Clean Sky governance structure was commissioned to two experts who had high managerial positions in the JET Joint Undertaking.

#### *Summary of advice received and used*

The existence of potentially serious risks with irreversible consequences has not been mentioned.

The S-E&E panel advised initially to increase the cohesion and interfacing among the technical areas, develop further macroeconomic analysis for Clean Sky and strengthen the governance structure. The panel confirmed at the second assessment that recommendations were met.

The Governance study identified important issues to be considered in the Clean Sky governance structure which were taken into account in the final proposal.

### *Means used to make the expert advice publicly available*

Panel reports were made available to stakeholders and presented and discussed at meetings with NS.

### **Impact assessment**

Different factors were the main criteria for assessing policy options:

- scale and timing of investment;
- continuity and cohesion;
- leverage of private and public funds;
- critical mass of participants and multidisciplinary approach;
- co-ordination and integration among participants;
- efficiency of the governance structure;
- high technology readiness level.

The first option considered was "no-EU action" (national or EU). Such option must be rejected as several types of market failure do not allow to rely only on market mechanisms to achieve the major innovations needed for the greening of aircraft. A no-EU approach limiting R&D support at national level only is not appropriate as the scale and scope of the research agenda for greening aircraft goes beyond the capacity of individual Member States both in terms of the financial commitment and of research capacity involved. National R&D policies have an important role in complementing an EU programme promoting the development of clean Air Transport technologies, but cannot replace action at Community level.

The second option is to rely on inter-governmental scheme such as "EUREKA". However this does not allow the budget and time span required to overcome the high technological and commercial risks which discourage private investment in developing green aircraft technology. It is not adequate to speed up the development and introduction of green air transport technologies of general Community interest.

The third option is to use traditional Framework Programme instruments designed to stimulate upstream research and focussed downstream research for basic research and validation at sub-system or system level. However, these instruments are sub-optimal to speed up the development of clean Air Transport technologies for earliest application requiring full system technologies demonstration (i.e. integration and demonstration of a system of systems). An individual regular action of Collaborative Research will not have the scale and level of coordination sufficient to pursue such goal due to:

- fragmentation of R&D effort in separate projects;
- lack of the necessary integration and coordination between participants;
- inability to allow validation at the proper level of technology readiness;

- lack of a legal and governance structure to provide the necessary leadership.

The development of individual demonstrators will not achieve the same environmental benefits as an integrated approach. With no public support, industry will develop new products along a strategy limiting market failure impacts. Cost efficiency would be the main driving factor with greening an additional benefit and not a priority. Timing is a key issue in the face of competition and fleet renewal; uncertainty of incorporating results of stand alone projects into product development would be high if a fragmented approach is pursued; environmental benefits would be delayed as growth in traffic exceeds the pace of technology improvements. This means that emissions and noise aviation generates would grow at a higher rate for 3-4 years more than if using a single programme. The fragmented approach will delay results implementation and delivery of social benefits. An additional social disadvantage is the loss of competitiveness of the European aeronautics industry, impacting job creation and living standards.

The proposed option is to create a Joint Undertaking to manage Clean Sky activities with ambitious research and technology agendas requiring high public and private investment at European level. Clean Sky is considered an adequate option to make a major step towards the implementation of the Strategic Research Agenda of ACARE on environment. The proposal presented by Industry underlines that the environmental goals of Clean Sky are so ambitious that they require technological breakthroughs to be validated faster than the usual R&D pace. Clean Sky, implementing an innovative multidisciplinary approach, will cover the full scope of aeronautics technology and ensure the integration of new component, system and vehicle technologies, their large scale validation and demonstration, thus providing a basis on which innovative green products can be launched at an acceptable risk.

The Clean Sky JTI will have a significant positive impact in many areas:

- lower environmental impact of aviation on a global level;
- increased efficiency of the aviation community;
- increased passenger satisfaction and higher rate of mobility;
- competitiveness of the European aeronautical and aviation industry through sustainable development.

Industry investment is very high thus ensuring the exploitation of results. Clean Sky will contribute to the economic growth of Europe on a macroeconomic scale. As the growth in air transport demand is larger than in many other sectors, the contribution is growing. The contribution is also high in terms of employment: 3 million European citizens are working in this industry. On this basis Clean Sky will have a positive effect on the whole European economy. Cleaner and quieter aircraft will alleviate air traffic growth constraints. In summary:

- Clean Sky has the critical mass and multidisciplinary approach, covering the full scope of technologies needed to accelerate the development and introduction of major advances for greening Air Transport. A Collaborative Research instrument will not achieve the critical mass and multidisciplinary required to fulfil the goals due to fragmentation.

- Clean Sky governance ensures integration and co-ordination between the different activities, exploiting economies of scale and scope in aeronautics R&D, thus allowing synergies between participants. An FP-only EU action will not provide similar features.
- Clean Sky will develop and operate several demonstrators to validate technologies at a high technology readiness level, thus accelerating the timing of new product development.

### **3. LEGAL ELEMENTS OF THE PROPOSAL**

#### **Summary of the proposed action**

The proposal consists of a Council regulation establishing the Clean Sky Joint Undertaking.

#### **Legal basis**

Article 171 of the Treaty establishing the European Community.

#### **Subsidiarity principle**

The principle of subsidiarity applies insofar as the proposal does not affect an area where the Community has exclusive competence

The objectives of the proposal may not be achieved to a sufficient extent by the action of Member States for the following reasons:

- aeronautics industry is global. Cross border specificities of air transport imply meeting worldwide certification standards related to safety and traceability issues but stemming from innovation. As such, new technologies cannot be at national level. Different R&D niches in different Member States lead to European technology base as the level where innovation can be tackled at a system of systems scale;
- environmental impact of air transport is a global issue and concerns different aspects of the air transport system. Resources required are beyond the means of stakeholders in individual Member States. The level of management and coordination necessary to achieve the goals timely call for an international project at European level;
- the European aeronautical industry is working in a global but constrained market. This contributes to high production costs and affects industry capacity for investing in technological innovation.

The pooling of R&D efforts at EU level is therefore necessary, as is the need to achieve sufficient critical mass to consolidate innovation.

Community action will better achieve the objectives of the proposal for the following reason(s):

- R&D efforts must be carried out at European level. The implementation of technology innovations and development of full scale demonstrators must be coordinated within the EU in order to ensure the maximum exploitation of social benefits throughout Europe and economic benefits through the supply chain. This coordination can only be carried out by using the Community legal provisions resulting from Clean Sky;

- the public-private partnership necessary to maximise synergies required for step changes in environmental impact technologies and providing the appropriate leverage effect on EU and national programmes is conceivable at European level only.

Community intervention will allow the rationalisation of R&D programmes. The high complementarity of technical skills will result in economies of scale and increase the likelihood of delivering the technology demonstrators timely.

The S-E&E assessment shows that Clean Sky will contribute substantially to reducing the environmental impact of air transport, to European growth and to creating new jobs by improving industry's competitiveness.

The option chosen for Clean Sky combines the benefits of widespread technology and know-how base, sufficient critical mass and produces the required leverage effect and a governance structure commensurate to the task.

On top of the European Commission, 86 organisations from 16 NS will share managerial and technical activities of Clean Sky. Further organisations will join during the development of Clean Sky.

The proposal therefore complies with the subsidiarity principle.

### **Proportionality principle**

The proposal complies with the proportionality principle for the following reason(s).

Clean Sky is charged with R&D activities focusing on the environmental impact of the air transport system; proper management of this programme is necessary in order to ensure timely delivery of the objectives. The option of a Joint Undertaking is the simplest way of managing Clean Sky, as it allows the European Commission to be associated with the private sector. The governance structure foreseen in Clean Sky ensures the appropriate level of flexibility and speed of response needed to achieve the technological goals and also the appropriate level of transparency and control required to ensure adherence to public interest.

The overall budget required for Clean Sky is estimated at € 1.6 billion for 7 years with a budget spending profile. This amount must be seen in the context of the current R&D expenditure in the aeronautical sector in Europe, in the light of the environmental benefits, potential spill-over and additionality benefits.

### **Choice of instruments**

Proposed instruments: regulation.

Other means would not be adequate for the following reason(s):

- The creation of an undertaking in which the Community participates requires a Council regulation.

#### **4. BUDGETARY IMPLICATION**

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.

#### **5. ADDITIONAL INFORMATION**

##### **Simulation, pilot phase and transitory period**

There was or there will be a transitory period for the proposal.

##### **Review/revision/sunset clause**

The proposal includes a review clause.

The proposal includes a sunset clause.

# Clean Sky Joint Technology Initiative

## Technological Summary

Clean Sky aims to create a radically innovative Air Transport System based on the integration of advanced technologies and full scale demonstrators, with the target of reducing the environmental impact of air transport through reduction of noise and gaseous emissions, and improvement of the fuel economy of aircraft. The activity will cover all main flying segments of the Air Transport System and the associated underlying technologies identified in the Strategic Research Agenda for Aeronautics developed by the Aeronautics Technology Platform ACARE.

Clean Sky will be built upon 6 different technical areas called Integrated Technology Demonstrators (ITDs), where preliminary studies and down-selection of work will be performed, followed by large-scale demonstrations on ground or in-flight, in order to bring innovative technologies to a maturity level where they can be applicable to new generation “green aircraft”. Multiple links for coherence and data exchange will be ensured between the various ITDs. Most of the test benches will be used in common by several ITDs. The ITDs are:

1. The **SMART fixed wing aircraft** ITD, focused on active wing technologies that sense the airflow and adapt their shape as required, as well as on new aircraft configurations to optimally incorporate these novel wing concepts.
2. The **Green Regional Aircraft** ITD, focused on low-weight configurations and technologies using smart structures, low-noise configurations and the integration of technology developed in other ITDs, such as engines, energy management and new configurations.
3. The **Green Rotorcraft** ITD, focused on innovative rotor blades and engine installation for noise reduction, lower airframe drag, diesel engine and electrical systems for fuel consumption reduction and environmentally friendly flight paths.
4. The **Sustainable and Green Engine** ITD will integrate technologies for low noise and lightweight low pressure systems, high efficiency, low NOx and low weight core, novel configurations such as open rotors or intercoolers.
5. The **Systems for Green Operations** ITD will focus on all-electric aircraft equipment and systems architectures, thermal management, capabilities for “green” trajectories and mission and improved ground operations.
6. The **Eco-Design** ITD will address the full life cycle of materials and components, focusing on issues such as optimal use of raw materials, decreasing the use of non-renewable materials, natural resources, energy, the emission of noxious effluents and recycling.

A **Technology Evaluator** will be the first available European complete integrated tool delivering direct relationship between advanced technologies, still under development, and high-level local or global environment impact. It will consider inputs from both inside and outside the “Clean Sky” perimeter to deliver environmental metrics and the levels of aircraft, airport and aircraft fleet level.

The Technology Evaluator will allow assessing the high level assumptions, methods and results thus providing a monitoring function allowing independent external experts and the public to assess their validity.

As aircraft fuel economy is also influenced by the flight trajectory management strategy, Clean Sky will establish close links with the SESAR Joint Undertaking which investigates Air Traffic Management (ATM) technologies in line with the "Single Sky" initiative of the Commission. These links will be established via the Technology Evaluator, as well as via the Systems ITD that develops the avionics equipment interfacing with ATM.

A summary of the technological targets to be achieved by Clean Sky are given in the table below:

Technology Evaluator						
Programme	Smart Fixed Wing Aircraft	Green Regional	Green Rotorcraft	Sustainable & Green Engines	Systems for Green Operations	Eco Design
Activities	Active Wing New Aircraft Configurations	Advanced Aerodynamics (Low Drag & Noise) Low Weight Structures	New Powerplants Innovative Blades & Rotors New Aircraft Configurations	Advanced LP & HP System Technology New Engine Concepts (i.e. Open Rotor)	Mission & Trajectory Management Aircraft Energy Management	Whole Life Cycle Environmental Impact Analysis
Targets	CO <sub>2</sub> ~12 to 20% Noise ~10dB	CO <sub>2</sub> ~10 to 20% Noise ~10dB	CO <sub>2</sub> ~26 to 40% NOx ~53 to 65% Noise ~10dB	CO <sub>2</sub> ~15 to 20% NOx ~60% Noise ~18dB	CO <sub>2</sub> ~10 to 15% Noise ~9dB	CO <sub>2</sub> ~10%

Proposal for a

**COUNCIL REGULATION**

**SETTING UP THE CLEAN SKY JOINT UNDERTAKING**

**(Text with EEA relevance)**

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Articles 171 and 172 thereof,

Having regard to the proposal from the Commission,

Having regard to the opinion of the European Parliament,

Having regard to the opinion of the European Economic and Social Committee,

Whereas:

- (1) Decision No 1982/2006/EC of the European Parliament and of the Council of 18 December 2006<sup>1</sup> concerning the Seventh Framework Programme of the European Community for research, technological development and demonstration activities (2007-2013) hereinafter referred to as the "Seventh Framework Programme", provides for a Community contribution for the establishment up of long term public private partnerships in the form of Joint Technology Initiatives to be implemented through Joint Undertakings within the meaning of Article 171 of the Treaty. These Joint Technology Initiatives result from the work of European Technology Platforms, already set up under the 6<sup>th</sup> Framework Programme, and cover selected aspects of research in their field. They should combine private sector investment and European public funding, including funding from the Seventh Framework Programme.
- (2) Council Decision 2006/971/EC of 19 December 2006<sup>2</sup> concerning the Specific Programme "Cooperation" implementing the Seventh Framework Programme (2007-2013) of the European Community for research, technological development and demonstration activities (hereinafter referred as the "Specific Programme Cooperation"), underlines the need for ambitious pan-European public private partnerships to accelerate the development of major technologies, large research actions at Community level including, in particular, Joint Technology Initiatives.

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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. 86-241.

- (3) The Lisbon Growth and Jobs Agenda underscores the need to develop favourable conditions for investment in knowledge and innovation in Europe to boost competitiveness, growth and jobs in the European Union.
- (4) In its conclusions of 20-21 March 2003<sup>3</sup>, of 22 September 2003<sup>4</sup> and of 24 September 2004<sup>5</sup>, the Competitiveness Council highlighted the importance of further developing actions following the 3% Action Plan for research and the innovation policy<sup>6</sup> including the development of new initiatives aimed at intensifying co-operation between industry and the public sector in funding research to enhance trans-national public-private links.
- (5) In its conclusions of 4 December 2006<sup>7</sup> and of 19 February 2007<sup>8</sup>, the Competitiveness Council, and its conclusions of 9 March 2007<sup>9</sup> the European Council invited the Commission to present proposals for the setting up of Joint Technology Initiatives for such initiatives that have reached an appropriate stage of preparedness.
- (6) The Aeronautics European Technology Platform “ACARE” (Advisory Council for Aeronautics Research in Europe) developed a Strategic Research Agenda, which identified the reduction of aviation impact on environment as one of its high level target concepts, concluding that step technological changes are needed to reach the goals by 2020 of cutting CO<sub>2</sub> emissions by 50%, reduce NO<sub>x</sub> by 80%, reduce perceived external noise by 50%, and making substantial progress in reducing the environmental impact of the manufacture, maintenance and disposal of aircraft and related products.
- (7) The extent of the effort required to address the environmental challenges to the air transport system as defined in the Strategic Research Agenda of ACARE justified the setting of a Joint Undertaking as the appropriate instrument coordinating the relevant research activities.
- (8) The Joint Technology Initiative on Clean Sky should mitigate the different types of market failure which discourage private investment in aeronautics research generally and clean Air Transport technologies in particular. It should provide integration and demonstration at the full- system level, thus decreasing the risk for private investment in developing new environment-friendly aeronautics products. It should stimulate EU private R&D investment in environment-friendly technologies thus addressing the existing R&D and environmental externalities.
- (9) The Joint Technology Initiative on Clean Sky should accelerate the development in the EU of clean Air Transport technologies for earliest possible deployment<sup>10</sup> which will

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<sup>3</sup> 9039/03.

<sup>4</sup> 12339/03.

<sup>5</sup> 12487/04.

<sup>6</sup> COM(2003) 226.

<sup>7</sup> 15717/06.

<sup>8</sup> 6044/07.

<sup>9</sup> 7224/07.

<sup>10</sup> See COM(2007) 2.

contribute to achieving Europe's strategic environmental<sup>11</sup> and social priorities, in combination with sustainable economic growth.

- (10) The Joint Technology Initiative on Clean Sky should be a public-private partnership associating all key stakeholders. Taking into account the long-term nature of this partnership, the necessary pooling and availability of financial resources, the high scientific and technical expertise required, including the management of a vast amount of knowledge, and appropriate intellectual property rules, it is vital to set up a legal entity capable of ensuring the coordinated use and efficient management of the funds assigned to the Joint Technology Initiative on Clean Sky. It therefore warrants setting up a Joint Undertaking under Article 171 of the Treaty, hereafter referred to as the "Clean Sky Joint Undertaking".
- (11) The Clean Sky Joint Undertaking aims at addressing the implementation of innovative environmentally friendly technologies in all segments of civil air transport, including large commercial aircraft, regional aircraft and rotorcraft and in all supporting technologies such as engines, systems and materials life cycle. Clean Sky will deliver full scale demonstrators in all areas of research activities, which should be tested either in flight or on ground, as a result of a fully integrated approach and monitoring of the technological progress and impact.
- (12) The Clean Sky Joint Undertaking should be set up for an initial period ending on 31 December 2017 to ensure the appropriate management of research activities initiated but not concluded during the 7<sup>th</sup> Framework Programme(2007-2013).
- (13) The members of the Clean Sky Joint Undertaking should be the European Community represented by the Commission as public representative, the leaders of Integrated Technology Demonstrators (ITDs) and the Associate members to the individual ITDs.
- (14) The Clean Sky Joint Undertaking should be open to new members.
- (15) The Clean Sky Joint Undertaking, which should be responsible for the implementation of Joint Technology Initiative on "Clean Sky", and discharge commitments pursuant to international agreements, should be considered as an international body within the meaning of Article 22 of Directive 2004/17/EC of the European Parliament and of the Council of 31 March 2004 coordinating the procurement procedures of entities operating in the water, energy, transport and postal service sectors, and Article 15 of Directive 2004/18/EC of the European Parliament and of the Council of 31 March 2004 on the coordination of procedures for the award of public works contracts, public supply contracts and public service contracts.
- (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<sup>12</sup>, on the recommendation of the Council, taking however into account the

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<sup>11</sup> The European Parliament and European Council in spring 2005 re-affirmed the EU objective of limiting global temperature increase to a maximum of 2°C (the 2° objective).

<sup>12</sup> Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the budget of the European Communities (OJ L 248, 16.9.2002 p. 1; corrigendum in OJ L 25, 30.1.2003, p. 43).

specificities resulting from the nature of JTIs as public-private partnerships and in particular from the private sector contribution to the budget.

- (17) The leaders of Integrated Technology Demonstrators have signed a Memorandum of Understanding committing their respective companies to technical, managerial and financial participation to the Clean Sky Joint Undertaking for its full duration. All Associate members have committed themselves to a threshold financial participation for the whole duration of Clean Sky Joint Undertaking.
- (18) The research activities should be covered by funding from the European Community and at least on an equal level by resources from the others members.
- (19) The running costs of the Clean Sky Joint Undertaking should be covered by equal amounts by the European Community and the other members.
- (20) The leaders of Integrated Technology Demonstrators (ITDs) and the Associate Members to the individual ITDs should receive support from the Clean Sky Joint Undertaking for the carrying out of the research activities they should be in charge of.
- (21) The Clean Sky Joint Undertaking should be capable of organising competitive calls for proposals for supporting research activities, where appropriate.
- (22) Research activities carried out under the Clean Sky Joint Undertaking shall respect fundamental ethical principles applicable in the Seventh Framework programme.
- (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>13</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.
- (24) The need to ensure stable employment conditions and equal treatment of staff, and in order to attract specialised scientific and technical staff of the highest calibre, requires the application of the Staff Regulations of Officials of the European Communities and the Conditions of Employment of Other Servants of the European Communities, ("the Staff Regulation") to all staff recruited by the Clean Sky Joint Undertaking.
- (25) Taking into account that the Clean Sky Joint Undertaking is not designed to fulfil an economic purpose and is responsible for managing the Joint Technology Initiative on "environmentally friendly Technologies in Air Transport", it is necessary for the performance of its tasks that the Protocol on the Privileges and Immunities of the European Communities of 8 April 1965 apply to the Clean Sky Joint Undertaking and its staff.
- (26) The rules for organisation and operation of the Clean Sky Joint Undertaking shall be laid down in the Statutes of the Clean Sky Joint Undertaking as set out in Annex.

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<sup>13</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, 7.12.2003, p. 39).

- (27) The Clean Sky Joint Undertaking shall regularly report on its progress.
- (28) As a body possessing legal personality, the Clean Sky Joint Undertaking should be accountable for its actions. As regards the resolution of disputes in contractual matters, any grant agreements or contracts concluded by the Clean Sky Joint Undertaking could provide that the Court of Justice have jurisdiction.
- (29) The Intellectual Property Rights policy shall promote knowledge creation and exploitation.
- (30) Appropriate measures should be taken to prevent irregularities and fraud and the necessary steps should be taken to recover funds lost, wrongly paid or incorrectly used in accordance with Council Regulation (EC, Euratom) No 2988/95 of 18 December 1995 on the protection of the European Communities financial interests<sup>14</sup>, Regulation (Euratom, EC) No 2185/96 of 11 November 1996 concerning on the spot checks and inspections carried out by the Commission in order to protect the European Communities' financial interests against fraud and other irregularities<sup>15</sup>, and the Regulation (EC) No 1073/1999 of the European Parliament and of the Council concerning investigations concluded by the European Anti-Fraud Office (OLAF)<sup>16</sup>.
- (31) In order to facilitate the setting up of the Clean Sky Joint Undertaking, the Members should take all necessary preparatory actions until the bodies responsible for its operation have been set up.
- (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.
- (33) Since the objective of the action to be taken, namely the establishment of the Clean Sky Joint Undertaking, cannot be sufficiently achieved by the Member States due to the trans-national nature of the great research challenge identified, which requires the pooling of complementary knowledge and financial resources across the sectors and borders and can therefore be better achieved at Community level by reason of co-ordination effort and the resources required are such large scale, be better achieved at Community level, the Community may adopt measures, in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty. In accordance with the principle of proportionality, as set out in that Article, this Regulation does not go beyond what is necessary in order to achieve this objective.

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<sup>14</sup> OJ L 312,23.12.1995, p.1.

<sup>15</sup> OJ L 292,15.11.1996, p.2.

<sup>16</sup> OJ L 136,31.05.1999, p.1.

HAS ADOPTED THIS REGULATION:

*Article 1*  
*Establishment of a Joint Undertaking*

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.
2. Its seat shall be located in Brussels.

*Article 2*  
*Legal status*

1. The Clean Sky Joint Undertaking shall have legal personality. In all the Member States of the European Community, it shall enjoy the most extensive legal capacity accorded to legal persons under the laws of those States. It may, in particular, acquire or dispose of movable and immovable property and be a party to legal proceedings.
2. The Clean Sky Joint Undertaking shall be considered as an international body within the meaning of point c of Article 22 of Directive 2004/17/EC and of point c of Article 15 of Directive 2004/18/EC.

*Article 3*  
*Objectives of the Joint Undertaking*

The objectives of the Clean Sky Joint Undertaking shall be the following:

- accelerating in the EU the development of clean Air Transport technologies for earliest possible deployment;
- creating a radically innovative Air Transport System based on the integration of advanced technologies and full scale demonstrators, with the target of reducing the environmental impact of air transport through reduction of noise and gaseous emissions, and improvement of the fuel economy of aircraft.

*Article 4*  
*Members*

1. The following shall be founding members of the Clean Sky Joint Undertaking:
  - the European Community, represented by the Commission;
  - 12 ITD leaders and up to 74 Associates, as listed in Annex 1.

The European Commission and the ITD Leaders shall have overall visibility of the activities of the JTI, and will be responsible for taking overall strategic decisions.

The Associates participate to one or more ITDs, and will co-determine technical decisions to be taken regarding these ITDs.

2. Any public or private entity established in a Member State or in a country associated to the Seventh Framework Programme may apply to become a member of the Clean Sky Joint Undertaking, provided that:
  - as ITD Leaders, they commit themselves to contribute resources proportional to and consistent with the overall JTI activities;
  - as Associates, their commitment is proportional to the budget of the ITD they participate in and consistent with the ITD requirements.
3. The founding members as referred to in paragraph 1 and new members as referred to in paragraph 2 shall be hereinafter referred to as "Members".

#### *Article 5 Statutes*

The Statutes of the Clean Sky Joint Undertaking, as set out in the Annex hereto, constitute an integral part of this Regulation and are hereby adopted.

#### *Article 6 Sources of financing*

1. The resources of the Clean Sky Joint Undertaking shall be made up of contributions brought in by its Members and their participating affiliates. A participating affiliate shall be defined as a legal entity that:
  - is directly or indirectly owned or controlled by, or owning and controlling, or under the same ownership or control as the relevant ITD leader or Associate;
  - is incorporated and resident in, and subject to the law of, a Member State of the Community, or an Associated State to the 7<sup>th</sup> Framework Programme of the Commission;
  - participates to a substantial extent in the activities of the relevant ITD Leader or Associate in the Clean Sky work programme.
2. The running cost of the Clean Sky Joint Undertaking shall be shared equally in cash between on the one hand the European Community, which will contribute with 50% of total cost, and on the other hand the rest of the Members, that will contribute to the remaining 50%.
3. The maximum Community contribution to the Clean Sky Joint Undertaking covering running costs and Research Activities shall be EUR 800 million (eight hundred million) paid from the budget appropriation allocated to the Theme 'Transport' of the

Specific Programme 'Cooperation' implementing the Seventh Framework Programme for research, technical development and demonstration (2007-2013) according to the provisions of Article 54(2)(b) of Council Regulation (EC, Euratom) No1605/2002 on the Financial Regulation applicable to the general budget of the European Communities.

4. The arrangements for the Community financial contribution shall be established by means of a general agreement and annual financial implementation agreements to be concluded between the Commission, on behalf of the Community, and the Clean Sky Joint Undertaking
5. ITD Leaders and Associates shall contribute resources at least equal to the Community contribution excluding those allocated through Calls for Proposals in order to carry out the research activities of Clean Sky.

#### *Article 7*

##### *Eligibility for funding following Calls for Proposals*

Where appropriate, the Community contribution made under Article 6.4 to the Clean Sky Joint Undertaking for the funding of the Research Activities shall include funding of proposals selected via competitive Calls for Proposals.

Any public or private entity established in a Member State or in a country associated to the Seventh Framework Programme, shall be eligible for such funding.

#### *Article 8*

##### *Financial Regulation*

1. The Clean Sky Joint Undertaking shall adopt a distinct Financial Regulation based on the principles of the Framework Financial Regulation<sup>17</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.
2. The Clean Sky Joint Undertaking shall have its own internal Audit Committee.

#### *Article 9*

##### *Staff*

1. The Staff Regulations of Officials of the European Communities, the Conditions of Employment of Other Servants of the European Communities and the rules adopted jointly by the European Community institutions for the purpose of applying these Staff Regulations and Conditions of Employment shall apply to the staff of the Clean Sky Joint undertaking and its Director.
2. In respect of its staff, the Clean Sky Joint Undertaking shall exercise the powers conferred on the appointing authority by the Staff Regulations of Officials of the

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<sup>17</sup> OJ L 357, 31.12.2002 p. 72; corrigendum in OJ L 2, 7.12003, p. 39.

European Communities and on the authority empowered to conclude contracts by the Conditions of Employment of Other Servants of the European Communities.

3. The Clean Sky Joint Undertaking shall, in agreement with the Commission, adopt the necessary implementing measures, in accordance with arrangements provided for in Article 110 of the Staff Regulations of Officials of the European Communities, the Conditions of Employment of Other Servants of the European Communities.
4. All costs related to the staff shall be borne by the Clean Sky Joint Undertaking, in accordance with Article 6.

*Article 10*  
*Privileges and Immunities*

The Protocol on the Privileges and Immunities of the European Communities shall apply to the Clean Sky Joint Undertaking and its staff.

*Article 11*  
*Liability*

1. The contractual liability of the Clean Sky Joint Undertaking shall be governed by the relevant contractual provisions and by the law applicable to the agreement or contract in question.
2. In the case of non-contractual liability, the Clean Sky Joint Undertaking shall, in accordance with the general principles common to the laws of the Member States, make good any damage caused by its staff in the performance of their duties.
3. Any payment by the Clean Sky Joint Undertaking in respect of the liability referred to in paragraphs 1 and 2 and the costs and expenses incurred in connection therewith shall be considered as expenditure of the Clean Sky Joint Undertaking and shall be covered by the resources of the Clean Sky Joint Undertaking.

*Article 12*  
*Jurisdiction of the Court of Justice and Applicable law*

1. The Court of Justice shall have jurisdiction in any dispute between the Members which relates to the subject matter of this Regulation and the Statutes referred to in Article 5.
2. The Court of Justice shall have jurisdiction to give judgment pursuant to any arbitration clause contained in agreement and contract concluded by the Clean Sky Joint Undertaking.
3. The Court of Justice shall have jurisdiction in actions brought against the Clean Sky Joint Undertaking, including decisions of its Board, under the conditions provided for in Articles 230 and 232 of the Treaty.

4. The Court of Justice shall have jurisdiction in disputes relating to compensation for damage caused by the staff of the Clean Sky Joint Undertaking in the performance of their duties
5. For any matter not covered by this Regulation or by other acts of Community law, the law of the State where the seat of the Clean Sky Joint Undertaking is located shall apply.

#### *Article 13*

##### *Report, evaluation and discharge*

1. Every year, the Commission shall present to the Council and to the European Parliament an annual report on the progress achieved by the Clean Sky Joint Undertaking.
2. The Commission shall communicate the conclusions thereof, accompanied by its observations and, where appropriate, proposals for the adaptation of this Regulation to the Council.
3. By 3 years after the start of the Joint Undertaking, but in any case no later than 31 December 2010, the Commission shall carry out an evaluation on the basis of terms of reference to be agreed with the Executive Board. On the basis of the progress made towards achieving the objectives of the Clean Sky Joint Undertaking, the aim of this evaluation is to determine whether the duration of the Clean Sky Joint Undertaking should be extended beyond the period specified in Article 1, paragraph 1, and appropriate changes to this Regulation and the Statutes of Clean Sky Joint Undertaking to be adopted.
4. At the end of 2017, the Commission shall conduct a final evaluation of the Clean Sky Joint Undertaking with the assistance of independent experts. The results of the final evaluation shall be presented to the European Parliament and to the Council.
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.

#### *Article 14*

##### *Protection of the Financial Interests of the Members and Anti-fraud Measures*

1. The Clean Sky Joint Undertaking shall ensure that the financial interests of its members are adequately protected by carrying out or by allowing the carrying out of appropriate internal and external controls.
2. Should the Members discover any irregularities, they shall reserve the right to reduce or suspend any subsequent contribution to the Clean Sky Joint Undertaking, or to recover amount unduly spent.
3. For the purposes of combating fraud, corruption and other illegal acts, Regulation (EC) No 1073/1999 of the European Parliament and of the Council shall apply.

4. The Commission and/or the Court of Auditors may, if necessary, carry out on-the-spot checks among the recipients of the Clean Sky Joint Undertaking's funding and the agents responsible for allocating it. To that end, the Clean Sky Joint Undertaking shall ensure that grant agreements and contracts provide for the right of the Commission and/or the Court of Auditors to carry out, on behalf of the Clean Sky Joint Undertaking, the appropriate controls and, in the event of the detection of irregularities, to impose dissuasive and proportionate penalties.
5. The European Anti-Fraud Office (OLAF) set up by Commission Decision 1999/352/EC, ECSC, Euratom shall enjoy the same powers in respect of the Joint Undertaking and its staff as it enjoys in respect of Commission departments. As soon as the Joint Undertaking is established, it shall accede to the Interinstitutional Agreement of 25 May 1999 between the European Parliament, the Council and the Commission concerning internal investigations by OLAF. The Executive Board shall approve that accession and adopt the necessary measures needed to facilitate internal investigations conducted by OLAF.

*Article 15*  
*Confidentiality*

The Clean Sky Joint Undertaking shall ensure the protection of sensitive information, disclosure of which could damage the interests of its members.

*Article 16*  
*Transparency and treatment of documents*

1. Regulation (EC) No 1049/2001 of the European Parliament and of the Council of 30 May 2001 regarding access to European Parliament, Council and Commission documents<sup>18</sup> shall apply to documents held by the Clean Sky Joint Undertaking.
2. The Executive Board shall adopt the practical arrangements for implementing Regulation (EC) No 1049/2001 within six months after the entry into force of this Regulation.
3. Decisions taken by the Clean Sky Joint Undertaking pursuant to Article 8 of Regulation (EC) No 1049/2001 may form the subject of a complaint to the Ombudsman or of an action before the Court of Justice, under the conditions laid down in Articles 195 and 230 of the EC Treaty respectively.
4. The Clean Sky Joint Undertaking shall adopt the practical arrangements for implementing Regulation (EC) No 1367/2006 of the European Parliament and of the Council of 6 September 2006 on the application of the provisions of the Aarhus Convention on Access to Information, Public Participation in Decision-making and Access to Justice in Environmental Matters to Community institutions and bodies within six months after the entry into force of these Regulation<sup>19</sup>.

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<sup>18</sup> OJ L 145, 31.5.2001, p. 43.

<sup>19</sup> OJ L 264, 25.9.2006, p. 13.

*Article 17*  
*Intellectual Property*

The Clean Sky Joint Undertaking shall adopt rules governing the dissemination of research results which ensure that, where appropriate, intellectual property generated in Research Activities under this Regulation is protected, and that research results are used and disseminated.

*Article 18*  
*Preparatory actions*

The Members shall be responsible for carrying out all activities relating to the establishment of the Clean Sky Joint Undertaking until the bodies responsible for its operation have been set up.

*Article 19*  
*Support from the host State*

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.

*Article 20*  
*Entry into force*

This Regulation shall enter into force on the day following that of its publication in the *Official Journal of the European Union*.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels,

*For the Council*  
*The President*



# STATUTES OF THE CLEAN SKY JOINT UNDERTAKING

## *Article 1*

### *Name, Location, Duration, Legal personality*

- 1. Name:** The name of the Joint Undertaking shall be "Clean Sky Joint Undertaking".
- 2. Location:** The Joint Undertaking is located in Brussels, Belgium.
- 3. Duration:** The Clean Sky Joint Undertaking shall be established as from the publication of these Statutes in the *Official Journal of the European Union* for an initial period up to 31 December 2017.

The initial period may be extended by amending these Statutes in accordance with the provisions of Article 23 taking into account the progress made towards achieving the objectives of the Clean Sky Joint Undertaking and provided that financial sustainability is ensured.

- 4. Legal Personality:** The Clean Sky Joint Undertaking shall have legal personality. In all the Member States of the European Community, it shall enjoy the most extensive legal capacity accorded to legal persons under the laws of those States. It may, in particular, acquire or dispose of movable and immovable property and be a party to legal proceedings.

## *Article 2*

### *Membership and Accession rules*

- 1. Members** of the Clean Sky Joint Undertaking shall consist of the European Community represented by the Commission, Integrated Technology Demonstrators (ITDs) Leaders and Associates. The list of the Integrated Technology Demonstrator Leaders and Associates is in Annex 2.

The European Commission and the ITD Leaders shall have overall visibility of the activities of the JTI, and will be responsible for taking overall strategic decisions.

The Associates participate to one or more ITDs, and will co-determine technical decisions to be taken regarding these ITDs.

- 2. Accession Rules:** Any public or private entity established in a Member State or in a country associated to the Seventh Framework Programme may apply to become a Member of the Clean Sky Joint Undertaking, under conditions below:

- the legal entities applying to become Integrated Technology Demonstrators Leaders shall commit themselves to the exploitation of its results afterwards, to contribute financially to the running costs of the Clean Sky Joint Undertaking with a commitment proportional to its overall budget, and to contribute to the Integrated Technology Demonstrators they lead;
- the legal entities applying to become Associates shall commit themselves to contribute financially to the Clean Sky Joint Undertaking in one or more ITDs according to a predefined threshold of commitment proportional to the budget of that ITD, and to contribute financially to the running costs of the Clean Sky Joint Undertaking.

**3. Executive Board decision:** Any application of new membership to the Clean Sky Joint Undertaking shall be addressed to the Executive Board for its approval (according to the procedures described in Article 5) and submitted to the Council for information.

**4. Membership** of the Clean Sky Joint Undertaking may not be transferred to a third party unless the prior agreement of the Executive Board is given.

*Article 3*  
*Objectives and Activities*

**1. The objectives** of the Clean Sky Joint Undertaking shall be the following:

- Contributing to the implementation of the Seventh Framework Programme and the Theme 7, Transport (including Aeronautics) of the Specific Programme 'Cooperation';
- Creating a radically innovative Air Transport System based on the integration of advanced technologies and full scale demonstrators, with the target of reducing the environmental impact of air transport through reduction of noise and gaseous emissions, and improvement of the fuel economy of aircraft;
- Ensuring coherent implementation of European research efforts aiming at environmental improvements in the field of Air Transport;
- Accelerating the generation of new knowledge, innovation and the uptake of research into strategic technologies, leading to strengthened industrial competitiveness;
- Bringing together a range of Integrated Technology Demonstrators with the emphasis on innovative technologies and development of full scale demonstrators;
- Focussing efforts within Integrated Technology Demonstrators on key deliverables that can help meet Europe's environmental and competitiveness goals;
- Enhancing the technology verification process in order to identify and remove obstacles to future market penetration;
- Pooling user requirements to guide investment in research and development towards operational and marketable solutions;
- Implementing the research and development activities needed, where appropriate by awarding grants following Calls for Proposal.

**2. The main activities** of the Clean Sky Joint Undertaking shall be the following:

- Awarding grants to support research performed by its Members and by other entities selected following Calls for Proposal;
- Ensuring the provision of services and supply contracts, where appropriate, through Calls for Tender;

- Making any necessary adjustments in the light of developments occurring during the implementation;
- Mobilising the public and private sector funds needed;
- Liaising with national and international activities in the Joint Undertaking technical domain;
- Maintaining relationships with a National States Representative Group that shall be set up, as well as with ACARE (both via the Commission);
- Notifying legal entities that have concluded a grant agreement with the Clean Sky Joint Undertaking, of the potential borrowing opportunities from the European Investment Bank, in particular the Risk Sharing Finance Facility set up under the Seventh Framework Programme.

#### *Article 4 Bodies*

1. The bodies of the Clean Sky Joint Undertaking shall be the **Executive Board**, the **Director**, the **Integrated Technology Demonstrator Steering Committees**, and the **General Forum**.
2. In case a specific task is not assigned to one of the bodies, the Executive Board shall be the competent one.
3. An **Advisory Board** shall be established as appropriate by the JU to advise, and issue recommendations to, the Clean Sky Joint Undertaking on managerial, financial and technical topics . The Advisory Board shall be appointed by the Commission.

#### *Article 5 Executive Board*

1. The Executive Board is the **governing body** of the Clean Sky Joint Undertaking.
2. **Composition:** The Executive Board shall be composed of named representatives of the following parties:
  - The European Community represented by the Commission
  - The Integrated Technology Demonstrator Leaders
  - One Associate per Integrated Technology Demonstrator, on an annually rotating basis.

#### **3. Voting:**

Each party of the Executive Board shall have equal vote. However, the Community shall have a veto right for all matters of public interest on the following topics:

- Use of Community contributions
- Definition or change of Strategic orientation;

- Admission of new Integrated Technology Demonstrator leaders and Associates;
- Selection of external partners;
- Transfer of Membership;
- Adoption of major changes in budget allocations<sup>20</sup> to and within Integrated Technology Demonstrators;
- Actions against defaulting Integrated Technology Demonstrator Leaders and related settlement of disputes;
- Selection procedures via Calls for Proposals/Tenders;
- 2nd instance arbitration of contested partners' selection decisions;
- Removal of the Director;
- Liquidation and winding-up of the Clean Sky Joint Undertaking;
- Rules for assessing the in-kind contributions;
- Derogations from Framework Financial Regulation;
- Amendments to the Statutes of the Clean Sky Joint Undertaking;
- Other topics can be added following approval by the Executive Board.

The Executive Board shall make decisions by a 2/3 majority of all eligible votes. Eligible votes include those of members that are not present at the meeting.

The consent of all affected Integrated Technology Demonstrator Leaders is required in order to modify the budget allocation to and within Integrated Technology Demonstrators.

#### **4. Chairmanship:**

- a. The Executive Board shall appoint among its representatives a chairman and a vice-chairman.
- b. The chairman and the vice-chairman of the Executive Board shall be elected for a period of one (1) year and may be re-elected for one further year.

**5. Meetings:** The Executive Board shall meet at least twice a year.

Extraordinary meetings shall be convened at the request of the chairman of the Executive Board or the Commission or the Director.

The meetings shall normally take place at the seat of the Clean Sky Joint Undertaking.

Unless otherwise decided, the Director shall participate in the meetings.

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<sup>20</sup> A "major" change in budget is seen in the order of 10% of the budget of the ITD affected.

## **6. Responsibilities:**

The Executive Board shall be responsible in particular for:

- Definition of the strategic orientation;
- Conclusion, release and/or amendment of contracts;
- Adoption of the budget and the annual accounts of the Clean Sky Joint Undertaking;
- Adoption of changes of budget allocation to Integrated Technology Demonstrators;
- Adoption of the annual ITD work programmes;
- Receipt of annual reports from Integrated Technology Demonstrator Leaders and the Director and reviewing progress of research;
- Actions against defaulting Integrated Technology Demonstrator Leaders and settlement of disputes;
- Admission of new Integrated Technology Demonstrator leaders and Associates;
- Transfer of Membership;
- Second instance review and re-opening of contested partners' selection decisions;
- Adoption of changes in the major deliverables/objectives;
- Appointment, extension of the mandate or removal of the Director;
- Approval of Director's proposals for changes on staff levels;
- Revision of the scope of authority of the Director;
- Approval of the Joint Undertaking Communication and Dissemination strategy;
- Approval of principles for public consultation and dialogue;
- Promotion of a policy of human resource diversity and gender equality;
- Development of an external relations strategy in an international perspective.

## **7. Rules:**

The Executive Board shall adopt its detailed rules of procedure.

*Article 6*  
*Directorate*

**1. Responsibility:** The Director shall be responsible for the day-to-day management of the Clean Sky Joint Undertaking and is its legal representative.

The Director shall perform his/her duties with complete independence.

The Director shall exercise, in respect of the staff, the powers laid down in Article 9(2) of the Council Regulation setting up the Clean Sky Joint Undertaking.

**2. Staff:** The Director shall be aided in the performance of his/her duties by the Directorate staff. The Directorate staff shall perform all necessary supporting functions, which will be detailed in the course of the Bridging Action foreseen to prepare the activities of the JU.

The Director of the Joint Undertaking shall select and appoint the Directorate staff.

**3. Appointment of the Director**

1. The Director shall be appointed by the Executive Board, from a list of candidates proposed by the Commission, for a period of up to three years. After an evaluation of the Director's performance, the Executive Board may extend the term of office once for a further period of no more than four years.

2. The Director may be removed from office by the Executive Board.

**4. Role of the Director:** The Director shall in particular:

- Report and be accountable to the Executive Board.
- Coordinate and follow-up the Integrated Technology Demonstrator activities (through Integrated Technology Demonstrator coordination meetings), prepare technical and financial reports.
- Supervise integration and interface activities and call and chair Interface and Integration reviews as required.
- Chair the Steering Committee of the Technology Evaluator Integrated Technology Demonstrator, participate as active observer to the Integrated Technology Demonstrators Steering Committees.
- Monitor the participation of SMEs to ensure target levels of participation are met.
- Implement Calls for Proposal and Calls for Tender processes based on the content defined by the relevant ITD Steering Committee.
- Implement first instance reviewing process in case of appeal, as well as re-opening of contested Partner selection decisions.
- Verify financial contributions from Integrated Technology Demonstrator leaders, Associates, check expenditures against plans and carry out reviews of financial contributions on a yearly basis.
- Prepare yearly budgets, implement them, and represent the JU in the annual budget discharge procedure.

- Provide the Executive Board and the Commission with the technical and financial reports.
- Prepare, together with Executive Board chairman, the Agenda of Executive Board meetings.
- Attend ACARE and Member States groups meetings alongside the Commission and report on JU status, including SME issues.
- Run the communication and public relations aspects of the Clean Sky Joint Undertaking, including the organisation of presentation and dissemination events.
- Organise the dialogue with users and relevant interest groups.

#### *Article 7*

#### *Integrated Technology Demonstrator Steering Committees*

**1. Establishment:** Integrated Technology Demonstrator (ITD) Steering Committees shall be established by the Executive Board for each of the six Integrated Technology Demonstrators. The following ITDs shall be established:

- Smart Fixed Wing Aircraft
- Green Regional Aircraft
- Green Rotorcraft
- Systems for Green Operations
- Green and Sustainable Engine
- Eco-Design

A Technology Evaluator shall be established during the initial phase of Clean Sky. Its role will be to assess progress within individual ITDs and to provide input to optimise performance and overall resources across Clean Sky.

**2. Composition:** Each Integrated Technology Demonstrator Steering Committee shall be composed of:

- Chairperson – a senior representative of the Integrated Technology Demonstrator Leader(s);
- Representatives of each Associate within the Integrated Technology Demonstrator and other participating Integrated Technology Demonstrator leaders;
- The Director and Integrated Technology Demonstrator Responsible Officer;
- A Commission representative as appropriate/if requested by the Joint Undertaking Directorate, as observer;

- Other Integrated Technology Demonstrator Leaders with an interest in the results of the Integrated Technology Demonstrator upon invitation.

**3. Meetings:** Each Integrated Technology Demonstrator Steering Committee shall meet at least every three months.

Extraordinary meetings shall be convened at the request of the chairman of the relevant Integrated Technology Demonstrator Steering Committee and the Director.

**4. Responsibility:** Each Integrated Technology Demonstrator Steering Committee shall be responsible for:

- Guiding the technical functions of its Integrated Technology Demonstrator and taking decisions on behalf of the Clean Sky Joint Undertaking on all technical matters specific to the relevant Integrated Technology Demonstrator.
- Establishing the detailed annual work programmes for the ITD.
- Defining contents of the Calls for Proposals as well as selecting the external partners.
- Defining contents of the Calls for Tender in conjunction and cooperation with the Member concerned.
- Electing its Associate representative in the Executive Board.

**5. Voting:** Each Integrated Technology Demonstrator Steering Committee shall make decisions by a simple majority with votes weighted according to the financial commitment to the Integrated Technology Demonstrator of each member of the Steering Committee. The Integrated Technology Demonstrator Leaders will have a right of veto over any resolution of the Steering Committee of the Integrated Technology Demonstrator of which they are leaders.

**6. Rules:** Each Integrated Technology Demonstrator Steering Committee shall adopt its rules of procedure, based on a common baseline across all ITDs and including detailed provisions governing the exercise of the Integrated Technology Demonstrator leaders' rights and obligations, including veto rights.

## *Article 8* *General Forum*

**1.** The General Forum is a **consultative body** to the Clean Sky Joint Undertaking.

The General Forum shall be composed of one representative from:

- each Member of the Clean Sky Joint Undertaking
- legal entities selected following Calls for Proposal to be launched at Integrated Technology Demonstrator level.

**2. Meetings:** The General Forum shall meet at least once a year.

Extraordinary meetings shall be convened at the request of at least 30% of the General Forum members.

The meetings shall normally take place in Brussels.

**3 Roles:** The General Forum shall:

- Be informed about the Clean Sky Joint Undertaking status.
- Be informed of the annual budget and receive annual reports and accounts.
- Make recommendations and raise issues, by 2/3 majority voting, to the Executive Board and the Director on matters of technical, managerial and financial nature.

**4. Rules:** The General Forum shall adopt its rules of procedure.

*Article 9*  
*Audit Committee*

1. The Audit Committee shall consist of 5 persons appointed for a period of 4 years by the executive Board after consultation of the Commission from external advisors with appropriate expertise in the audit and financial control of academic, research and business organisations.
2. The Audit Committee shall perform its duties in complete independence from the other bodies of the joint undertaking.
3. The Audit Committee shall elect its Chairperson.
4. The Audit Committee shall review the provisional accounts and issue recommendations to the Executive Board and the Director.
5. The functions entrusted by Article 185(3) of Regulation (EC, Euratom) No 1605/2002 to the Commission's internal auditor shall be carried out under the responsibility of the Audit Committee, which shall make appropriate provision.
6. The audit committee will establish its charter providing information on its composition, role and responsibilities.

*Article 10*  
*Sources of financing*

1. All the resources of the Clean Sky Joint Undertaking shall be devoted to the objectives defined in Article 3.1 of these Statutes.
2. The resources of the Clean Sky Joint Undertaking shall be made up of contributions brought in by its Members and their participating affiliates. A participating affiliate shall be defined as a legal entity that:
  - Is directly or indirectly owned or controlled by, or owns and controls, or is under the same ownership or control, as the relevant ITD leader or Associate;
  - Is incorporated and resident in, and subject to the law of, a Member State of the Community, or an Associated State to the 7<sup>th</sup> Framework Programme;

- Participates in the activities of the relevant ITD Leader or Associate in the Clean Sky work programme.
3. The European Community shall contribute up to Euro 800 million to the Clean Sky Joint Undertaking, including for its running costs.
  4. The running cost of the Clean Sky Joint Undertaking shall be shared equally between on the one hand the European Community, which will contribute with 50% of total cost, and on the other hand the rest of the Members, that will contribute in cash to the remaining 50%. The running costs of the Clean Sky Joint Undertaking shall not exceed 3% of its total budget.
  5. All the resources shall be entered into the annual budget.
  6. The annual financial contribution of the European Community to the Clean Sky Joint Undertaking shall be subject to the verification of the activities carried out by the other Members.
  7. Should any Member of the Clean Sky Joint Undertaking, or any participating affiliates, fail to meet its commitments concerning its agreed contributions, the Executive Board shall decide:
    - in the case of a defaulting Member, whether the remaining Members should repeal the defaulting Member's membership or if any other measures should be taken until its obligation has been met; or
    - in case of a defaulting participating affiliate, whether the remaining Members should repeal the defaulting affiliate's participation or if any other measures should be taken until its obligation has been met.
  8. The Clean Sky Joint Undertaking shall own all the tangible assets created by it or transferred to it. Demonstrators and other tangible and intangible outputs of the Clean Sky research and development programme shall be the property of the Members and/or Partners creating them.

#### *Article 11*

##### *Contributions to the activities carried out within the Clean Sky Joint Undertaking*

1. In order to support the activities to be developed within the Clean Sky Joint Undertaking, the other Members of the Clean Sky Joint Undertaking will provide resources equal to the Community contribution; this includes their contribution to the running cost of the Clean Sky Joint Undertaking.
2. The Community contribution will be distributed as follows:
  - An amount of up to EUR 400 million shall be allocated to the ITD leaders and an amount of up to EUR 200 million EUR to ITD associates<sup>21</sup>. ITD leaders and

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<sup>21</sup> This breakdown of cost distribution is in line with normal practice in aeronautical R&D projects, where the biggest share of the work and investment risk is taken on board by the major integrators.

associates will contribute resources equal to at least 50% of the Community contribution.

- An amount of at least EUR 200 million shall be allocated to external partners [projects] selected via competitive calls for proposals. The Community financial contribution shall be limited to up to 50% of the total eligible costs.

3. A preliminary distribution of the Community contribution across the various research activities has been set forward as follows<sup>22</sup>:

- 24% to Smart Fixed Wing
- 11% to Green Regional Aircraft
- 10% to Green Rotorcraft
- 27% to Sustainable and Green Engines
- 19% to Systems for Green Operations
- 7% to Eco-Design
- 2% to the Technology Evaluator

A detailed breakdown of the resource allocations across the various work packages and JU members will be established in the course of the bridging action that will prepare the set-up of the Clean Sky Joint Undertaking. The detailed breakdown will be adopted by the Executive Board. This process will be supervised by Commission, and will follow the principle of equal treatment between the members, taking note of the remark in footnote 20.

4. Except for the running cost of the Clean Sky Joint Undertaking, contributions in kind are possible. They shall be subject to an evaluation of their value and relevance to the carrying-out of the activities of the Clean Sky Joint Undertaking, and to acceptance by the Executive Board. The procedure for valuing the in-kind contributions will be determined in detail in the course of the bridging action foreseen for Clean Sky and will be adopted by the Executive Board. It will be based on the following principles:

- The overall approach shall be based on FP7 modus operandi, where in-kind contributions in projects are assessed at review level.
- The Implementing Rules of the Financial Regulations shall be used as guideline.
- Additional items will be covered by International Accounting Standards.
- Assessment of contributions will take place in accordance with the values generally accepted on the market in question (Article 172(2)(b) IR of the FR).

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<sup>22</sup> This distribution was obtained using a bottom-up approach, where the budgetary requirements of individual ITDs and the Technology Evaluator were mapped against their technical objectives.

- Verification will take place via an independent auditor.
5. The contributions of the other members shall be registered by the Clean Sky Joint Undertaking.

*Article 12*  
*Financial commitments*

The financial commitments of the Clean Sky Joint Undertaking shall not exceed the amount of financial resources at its disposal.

*Article 13*  
*Financial year*

The financial year shall correspond to the calendar year.

*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>23</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.

*Article 15*  
*Financial implementation*

The Executive Director shall implement the budget of the Clean Sky Joint Undertaking.

*Article 16*  
*Financial reporting*

1. Every year, the Executive Director shall present to the Board a preliminary draft budget which shall include a forecast of annual expenditure for the following two years. Within this forecast, the estimates of revenue and expenditure for the first of those two financial years shall be drawn up in such detail as is necessary for the internal budgetary procedure of each Member regarding its financial contributions to the Clean Sky Joint Undertaking. The Executive Director shall supply the Board with all supplementary information needed for this purpose.

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<sup>23</sup> OJ L 357, 31.12.2002 p. 72; corrigendum in OJ L 2, 7.1.2003, p. 39.

2. The Board shall forthwith communicate to the Executive Director its comments on the preliminary draft budget and in particular on the estimates of resources and expenditure for the following year.
3. Taking into account the comments received from the Board, the Executive Director shall prepare the draft budget for the following year. Before 1 September of each year, the Executive Director shall submit the annual budget to the Board for approval.
4. Within two months after the closure of each financial year, the annual accounts and balance sheets for the preceding year shall be submitted by the Executive Director to the Board for approval.
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.
6. By 1 March at the latest following each financial year, the Clean Sky Joint Undertaking's accounting officer shall communicate the provisional accounts to the Commission's accounting officer together with a report on the budgetary and financial management for that financial year. The Commission's accounting officer shall consolidate the provisional accounts of the institutions and decentralised bodies in accordance with Article 128 of the general Financial Regulation.

*Article 17*  
*Annual planning reporting*

1. An annual report shall describe the activities performed during the previous year and the corresponding costs.
2. The annual implementation plan shall describe the activities planned for the coming year, and resources estimated.

*Article 18*  
*Staff*

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.
2. The members of the staff of the Clean Sky Joint Undertaking shall be temporary agents and contract agents and shall have fixed term contracts renewable once up to a maximum total period of seven years.
3. All costs related to this staff shall be borne by the Clean Sky Joint Undertaking, in accordance with Article 9.
4. The Executive Board shall adopt the necessary implementing arrangements.

*Article 19*  
*Liability, Insurance*

1. The Clean Sky Joint Undertaking shall be solely responsible for meeting its obligations.
2. The Members shall have no liability for the debts of the Clean Sky JU.
3. The Clean Sky Joint Undertaking shall take out and maintain appropriate insurance.

*Article 20*  
*Conflict of interests*

The Clean Sky Joint Undertaking shall avoid any conflict on interest in the implementation of its activities.

Members involved in defining work that is subject to a Call for Proposals or a Call for Tender, cannot take part in carrying out this work.

*Article 21*  
*Intellectual property policy*

The intellectual property policy of the Clean Sky Joint Undertaking will be incorporated in the grant agreements concluded by the Clean Sky Joint Undertaking.

Its objective is to promote knowledge creation and its exploitation, to achieve fair allocation of rights, to reward innovation, and to achieve a broad participation of private and public entities responding to Calls for Proposal, subject to signature of a grant agreement with the Clean Sky Joint Undertaking.

The IP policy shall be governed by the following principles:

1. Each legal entity having concluded a grant agreement with the Clean Sky Joint Undertaking shall remain the owner of:
  - Information which is held by participants prior to their accession to the grant agreement, as well as copyrights or other intellectual property rights pertaining to such information, the application for which has been filed before their accession to the grant agreement, and which is needed for carrying out the project or for using the Foreground of the project (hereafter called "Background").
  - The results, including information, whether or not they can be protected, which are generated by the project concerned. Such results include rights related to copyright, design rights, patent rights or similar forms of protection (hereafter called "Foreground"). Jointly developed Foreground shall belong to all participants developing it if their respective contributions cannot be ascertained. Unless otherwise agreed each joint owner shall be entitled to use such jointly developed Foreground free of charge in its own business and for future research.
  - Creators of Foreground shall take reasonable steps to protect it, in particular by filing patents. Where such steps are not taken by the creator or by other

participants in the ITD with the creator's consent the JU itself, acting through the relevant ITD Steering Committee, may apply for protection.

2. The terms and conditions of access rights and licenses between legal entities having concluded a grant agreement with the Clean Sky Joint Undertaking shall be defined in the grant agreement with regards to Background and Foreground for the purposes of completing the projects, Foreground for research use, and Background necessary to use Foreground for research use.
3. Subject to appropriate undertakings of confidentiality, the legal entities having concluded a grant agreement with the Clean Sky Joint Undertaking shall disclose information relating to Foreground and disseminate Foreground under terms and conditions defined in the grant agreement.

#### *Article 22*

#### *Liquidation and winding-up*

1. At the end of the period provided for in Article 1.3, or following a decision by the Council, the Clean Sky Joint Undertaking shall be wound up.
2. For the purpose of conducting the proceedings in winding up of the Clean Sky Joint Undertaking, the Board shall appoint one or more liquidators, who shall comply with the decisions of the Board.
3. When the Clean Sky Joint Undertaking is being wound up, it shall return to the host state any physical support item made available by the host state in accordance with the host agreement.
4. When any physical support item has been dealt with as provided in paragraph 3, any further assets shall be used to cover the liabilities of the Clean Sky Joint Undertaking and the expenditures relating to its winding up. Any surplus shall be distributed among the Members existing at the time of the winding up in proportion of their actual contribution to the Clean Sky Joint Undertaking.
5. Remaining assets shall be distributed to the Members existing at the time of the winding up in proportion to their actual contribution to the Clean Sky Joint Undertaking.
6. An *ad hoc* procedure shall be set up to ensure the appropriate management of any grant agreement and service and supply contract with duration longer than the duration of the Clean Sky Joint Undertaking.

#### *Article 23*

#### *Amendments to the Statutes*

1. Any Member of the Clean Sky Joint Undertaking may make a proposal to the Board for the amendment of these Statutes.
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.

*Article 24*  
*Applicable law*

In any matter not covered by these Statutes or by acts of Community Law, the law of the Belgian State shall apply.

## LEGISLATIVE FINANCIAL STATEMENT

### 1. NAME OF THE PROPOSAL:

Proposal for a Council Regulation setting up the Clean Sky Joint Undertaking

### 2. ABM / ABB FRAMEWORK

Policy Area(s) concerned and associated Activity/Activities:

Activity: "Cooperation", theme "Transport (incl. Aeronautics)"

Objective: "Based on technological and operational advances and on the European transport policy, developing integrated, safer, 'greener' and 'smarter' pan-European transport systems for the benefit of all citizens, society and climate policy, respecting the environment and natural resources; and securing and further developing the competitiveness attained by the European industries in the global market."

### 3. BUDGET LINES

#### 3.1. Budget lines (operational lines and related technical and administrative assistance lines (ex- B..A lines)) including headings:

08.07.01 10 – "Operational expenditures for research activities of the Clean Sky Joint Undertaking".

08.07.01 20 – "Support Expenditures for running costs of the Clean Sky Joint Undertaking"

#### 3.2. Duration of the action and of the financial impact:

The Clean Sky Joint Undertaking is expected to be established by Council Regulation by the end of 2007, for a period of up to 31 December 2017. Its financial impact on the EU budget will cease after 2013.

#### 3.3. Budgetary characteristics :

Budget line	Type of expenditure		New	EFTA contribution	Contributions from applicant countries	Heading in financial perspective
08.07.01 10	Non-comp	Diff <sup>24</sup>	NO	YES	YES	No 1A
08.07.01 20	Non-comp	Non-diff	YES	YES	YES	No 1A

<sup>24</sup> Differentiated appropriation.

## 4. SUMMARY OF RESOURCES

### 4.1. Financial Resources

#### 4.1.1. Summary of commitment appropriations (CA) and payment appropriations (PA)

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>25</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>26</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

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

#### Administrative expenditure not included in reference amount<sup>27</sup>

Human resources and associated expenditure (NDA)	8.2.5.	d	0.351	0.351	0.351	0.351	0.351	0.702	2.457
Administrative costs, other than human resources and associated costs, not included in reference amount (NDA)	8.2.6.	e	<b>0.013</b>	<b>0.013</b>	<b>0.013</b>	<b>0.363</b>	<b>0.013</b>	<b>0.376</b>	0.791

<sup>25</sup> Expenditure 08.07.01 01 – Cooperation – Transport (incl. Aeronautics)"Operational expenditures for research activities of the Clean Sky Joint Undertaking".

<sup>26</sup> Expenditure 08.01.04 60 – "Support Expenditures for running costs of the Clean Sky Joint Undertaking".

<sup>27</sup> Expenditure within chapter 08.07.01 other than articles 08.07.01 01 or 08.01.04 60.

### Total indicative financial cost of intervention

<b>TOTAL CA including cost of Human Resources</b>	a+c+d+e	47,364	90,364	123,364	133,714	140,364	268,078	803,248
<b>TOTAL PA including cost of Human Resources</b>	b+c+d+e	40,614	84,158	118,414	132,214	139,314	288,534	803,248

For the PA, a retention scheme is foreseen whereby 85% of the nominal contribution is paid upfront, and the remaining 15% is paid after the reports (technical and financial) have been approved. This accounts for the shift between CA and PA.

### Co-financing details

If the proposal involves co-financing by Member States, or other bodies (please specify which), an estimate of the level of this co-financing should be indicated in the table below (additional lines may be added if different bodies are foreseen for the provision of the co-financing):

EUR million (to 3 decimal places)

Co-financing body		2008	2009	2010	2011	2012	2013 and later	Total
Other members of the Joint Undertaking	f	2,000	3,625	3,625	3,625	3,625	7,500	24,000
<b>TOTAL CA including co-financing</b>	<b>a+c+d+e+f</b>	<b>49,481</b>	<b>94,106</b>	<b>127,106</b>	<b>137,456</b>	<b>144,106</b>	<b>275,812</b>	<b>828,067</b>

The co-financing taken into account here is the other Members' contribution to the running cost of the JU, equal to the Commission's contribution listed in 8.2.4. (c). The rest of the other Member's contribution will be in kind, leading to a total contribution of €800M.

As explained in the Statutes section; the JU is structured around 6 technological subjects called “Integrated Technology Demonstrators” (ITDs), and the membership is defined as follows:

- The European Commission
- The ITD Leaders
- ITD Associate Members

The Commission is foreseen to contribute a total of €800M in cash to the JU resources, split between the Operational and Running costs. The other JU Members and their affiliates commit to €776M in kind, and €24M in cash for the running costs. At the start of the JU operations, the ITD Leaders commit to about 75% or €600M of

the in-kind contributions, whereas the Associates contribute the remaining 25% or €200M.

In order to enlarge participation in the JTI, in the course of JTI operations the ITD Leaders will transfer at least €200M of their activities to Partners via Calls for Proposal (supervised by the Commission). These Partners will contribute in kind for a limited time span and on specific activities, and will not be Members of the JU.

Nevertheless, it is important to note that the ITD Leaders commit themselves (in kind) to the additional €200M: in the (unlikely) case that all Calls for Proposal would remain unanswered, they will fulfil these tasks themselves.

#### 4.1.2. Compatibility with Financial Programming

- Proposal is compatible with existing financial programming.
- Proposal will entail reprogramming of the relevant heading in the financial perspective.
- Proposal may require application of the provisions of the Interinstitutional Agreement<sup>28</sup> (i.e. flexibility instrument or revision of the financial perspective).

#### 4.1.3. Financial impact on Revenue

- Proposal has no financial implications on revenue
- Proposal has financial impact – the effect on revenue is as follows:

EUR million (to one decimal place)

Budget line	Revenue	Prior to action [Year n-1]	Situation following action							
			[Year n]	[n+1]	[n+2]	[n+3]	[n+4]	[n+5] <sup>29</sup>		
	a) Revenue in absolute terms									
	b) Change in revenue	Δ								

#### 4.2. Human Resources FTE (including officials, temporary and external staff) – see detail under point 8.2.1.

Annual requirements	2008	2009	2010	2011	2012	2013 and later
Total number of human resources	3	3	3	3	3	3 per year

<sup>28</sup> See points 19 and 24 of the Interinstitutional agreement.

<sup>29</sup> Additional columns should be added if necessary i.e. if the duration of the action exceeds 6 years

## 5. CHARACTERISTICS AND OBJECTIVES

### 5.1. Need to be met in the short or long term

The establishment of the Joint Undertaking as a public-private partnership; the in-cash Community contribution to the JU resources will be used to co-finance research activities in the aeronautics sector, targeting a “greening” of the Air Transport System contributing to the ACARE SRA-2’s objectives (see section 1 of the Explanatory Memorandum for a more elaborate description).

### 5.2. Value-added of Community involvement and coherence of the proposal with other financial instruments and possible synergy

This is covered in section 1 of the Explanatory Memorandum.

### 5.3. Objectives, expected results and related indicators of the proposal in the context of the ABM framework

The general objectives are covered in section 1 of the Explanatory Memorandum, whereas the quantitative targets are specified in the Technological Summary of Clean Sky.

Suitable indicators have been identified in an independent socio-economical and environmental impact assessment, performed by external experts nominated by Member States. Their recommendations are described in section 7.3 of the Impact Assessment document.

### 5.4. Method of Implementation (indicative)

#### *Centralised Management*

directly by the Commission

indirectly by delegation to:

executive Agencies

bodies set up by the Communities as referred to in art. 185 of the Financial Regulation

national public-sector bodies/bodies with public-service mission

#### *Shared or decentralised management*

with Member states

with Third countries

*Joint management with international organisations (please specify)*

Relevant comments:

The central governing body for Clean Sky is the Executive Board, in which the European Commission takes a central seat. The Executive Board is responsible for the strategic orientation of the JTI activities. It consists of the ITD Leaders (12 in total), as well as an Associate representing each of the ITDs, and finally the Commission, which has a veto right on all matters implicating public interests.

Day-to-day management is handled by the JU Director (supported by staff), who acts as legal representative of the JU and acts totally independently.

Technical management is handled by the ITD Steering Committees that group all Members participating in that particular ITD.

The General Forum groups one representative of each JTI participant, and is a consultative body issuing recommendations to the main governing bodies.

Outside the JU, interfacing is foreseen with a number of bodies: ACARE follows up on the technical progress of the JTI and the National States Representative Group contain specialists to monitor the JTI progress, but who also function as go-between to inform the JU of relevant National Initiatives and Programmes on one hand, and to inform their national industry and research community of any Calls for Proposal or Tender arising from the Clean Sky JU.

In addition, both the JU and the Commission can call upon the services of an Advisory Board formed of independent experts that will provide recommendations on scientific, technical, financial and managerial matters.

## **6. MONITORING AND EVALUATION**

### **6.1. Monitoring system**

The draft statutes of the Joint Undertaking provide for specific measures regarding internal control.

### **6.2. Evaluation**

#### *6.2.1. Ex-ante evaluation*

The impact assessment attached to this proposal, based on a two-stage socio-economic impact assessment performed by a panel of independent external experts, provides the information required by an ex-ante evaluation on the establishment of the Clean Sky Joint Undertaking.

#### *6.2.2. Measures taken following an intermediate/ex-post evaluation (lessons learned from similar experiences in the past)*

NA

### 6.2.3. *Terms and frequency of future evaluation*

The internal evaluation of the Joint Undertaking is based on an annual report on the progress of the project. An Advisory Board will be called upon to perform intermediate assessments of the progress and to provide recommendations on scientific, technical, financial and managerial matters.

In addition, a mid-term assessment by an external consultancy firm is foreseen, to evaluate the performance of the project and to provide input for corrections.

## **7. ANTI-FRAUD MEASURES**

Article 14 of the Regulations of the Clean Sky Joint Undertaking contains specific measures regarding anti-fraud measures.

## 8. DETAILS OF RESOURCES

### 8.1. Objectives of the proposal in terms of their financial cost

Commitment appropriations in EUR million (to 3 decimal places)

(Headings of Objectives, actions and outputs should be provided)	Type of output	Av. cost	2008		2009		2010		2011		2012		2013 and later		TOTAL	
			No. outputs	Total cost	No. outputs	Total cost	No. outputs	Total cost	No. outputs	Total cost	No. outputs	Total cost	No. outputs	Total cost	No. outputs	Total cost
Smart Fixed Wing Aircraft ITD	Demonstrator	186,240		10,800		20,730		28,650		31,050		32,730	1	62,280	1	186,240
Green Rotorcraft ITD	Demonstrator	77,600		4,500		8,638		11,938		12,938		13,638	1	25,950	1	77,600
Green Regional Aircraft ITD	Demonstrator	85,360		4,950		9,501		13,131		14,231		15,001	1	28,545	1	85,360
Sustainable and Green Engine ITD	Demonstrator	209,520		12,150		23,321		32,231		34,931		36,821	1	70,065	1	209,520
Systems for Green Operations ITD	Demonstrator	147,440		8,550		16,411		22,681		24,581		25,911	1	49,305	1	147,440
Eco-Design ITD	Demonstrator	54,320		3,150		6,046		8,356		9,056		9,546	1	18,165	1	54,320
Technology Evaluator	Evaluation model	15,520		0,900		1,728		2,388		2,588		2,728	1	5,190	1	15,520
<b>TOTAL COST</b>		<b>776,000</b>		<b>45,000</b>		<b>86,375</b>		<b>119,375</b>		<b>129,375</b>		<b>136,375</b>	<b>7</b>	<b>259,500</b>	<b>7</b>	<b>776,000</b>

The output of Clean Sky will consist of demonstrators for the various ITDs, and an evaluation model in the case of the Technology Evaluator. These deliverables will be available at the end of the project operations. The budget estimates above exclude the Commission running costs covered below in table 8.2.4, which are matched by an identical contribution from the other JU members to amount to a total of 48 M€

## 8.2. Administrative Expenditure

### 8.2.1. Number and type of human resources

Types of post		Staff to be assigned to management of the action using existing and/or additional resources ( <b>number of posts/FTEs</b> )					
		2008	2009	2010	2011	2012	2013 and later/year
Officials or temporary staff <sup>30</sup> (XX 01 01)	A*/AD	2	2	2	2	2	2
	B*, C*/AST	1	1	1	1	1	1
Staff financed <sup>31</sup> by art. XX 01 02							
Other staff <sup>32</sup> financed by art. XX 01 04/05							
<b>TOTAL</b>		3	3	3	3	3	3

### 8.2.2. Description of tasks deriving from the action

2 FTE AD posts are required to cover the following tasks:

- Technical follow-up of progress within JTI operations
- Liaison with National States Representative Group, ACARE and Transport Programme Committee
- Observation of Calls for Proposal, Calls for Tender and admission of new Members
- Participation in meetings, representation of Commission at Executive Board and Integrated Technology Demonstrator Steering Committee level
- Organisation of mid-term and final evaluation
- Perform spot checks/audits
- Report on progress of JTI

Furthermore, one FTE AST post is foreseen to support the above mentioned tasks.

<sup>30</sup> Cost of which is NOT covered by the reference amount

<sup>31</sup> Cost of which is NOT covered by the reference amount

<sup>32</sup> Cost of which is included within the reference amount

These functions will cover the follow-up of the JTI from within the Commission (i.e. comparable to the function of 2 Project Officers + support). They will thus not be seconded to the JU.

### 8.2.3. Sources of human resources (statutory)

- Posts currently allocated to the management of the programme to be replaced or extended
- Posts pre-allocated within the APS/PDB exercise for year n
- Posts to be requested in the next APS/PDB procedure
- Posts to be redeployed using existing resources within the managing service (internal redeployment)
- Posts required for year n although not foreseen in the APS/PDB exercise of the year in question

### 8.2.4. Other Administrative expenditure included in reference amount (XX 01 04/05 – Expenditure on administrative management)

EUR million (to 3 decimal places)

Budget line (number and heading)	2008	2009	2010	2011	2012	2013 and later	TOTAL
<b>1 Technical and administrative assistance (including related staff costs)</b>							
Executive agencies <sup>33</sup>							
Other technical and administrative assistance							
- <i>intra muros</i>							
- <i>extra muros</i>	2,000	3,625	3,625	3,625	3,625	7,500	24,000
<b>Total Technical and administrative assistance</b>	<b>2,000</b>	<b>3,625</b>	<b>3,625</b>	<b>3,625</b>	<b>3,625</b>	<b>7,500</b>	<b>24,000</b>

The amounts listed above cover winding-down activities of the JU (estimated to last beyond 2015). They represent the Community's 50% contribution to the running costs of the Joint Undertaking.

An average cost of €17k per year for AD/AST, and €51k per year for external is used. Community contribution amounts to €1,4M.

Other running expenditure includes: monitoring of projects, communication activities, meetings, travel and subsistence, office running costs, IT, auditing... Community contribution amounts to €2,6M.

<sup>33</sup> Reference should be made to the specific legislative financial statement for the Executive Agency(ies) concerned.

8.2.5. *Financial cost of human resources and associated costs not included in the reference amount*

EUR million (to 3 decimal places)

Type of human resources	2008	2009	2010	2011	2012	2013 and later
Officials and temporary staff (08 07 01 01)	0.351	0.351	0.351	0.351	0.351	0.702
Staff financed by Art XX 01 02 (auxiliary, END, contract staff, etc.)  (specify budget line)						
<b>Total cost of Human Resources and associated costs (NOT in reference amount)</b>	0.351	0.351	0.351	0.351	0.351	0.702

Calculation– *Officials and Temporary agents*

*Standard cost €117 000/year per FTE*

Calculation– *Staff financed under art. XX 01 02*

[...]

8.2.6. Other administrative expenditure not included in reference amount

EUR million (to 3 decimal places)

	2008	2009	2010	2011	2012	2013 and later	TOTAL
XX 01 02 11 01 – Missions <sup>34</sup>	0.013	0.013	0.013	0.013	0.013	0.026	0.091
XX 01 02 11 02 – Meetings & Conferences							
XX 01 02 11 03 – Committees <sup>35</sup>							
XX 01 02 11 04 – Studies & consultations <sup>36</sup>				0.350		0.350	0.700
XX 01 02 11 05 - Information systems							
<b>2 Total Other Management Expenditure (XX 01 02 11)</b>	<b>0.013</b>	<b>0.013</b>	<b>0.013</b>	<b>0.363</b>	<b>0.013</b>	<b>0.376</b>	0.791
<b>3 Other expenditure of an administrative nature</b> (specify including reference to budget line)							
<b>Total Administrative expenditure, other than human resources and associated costs (NOT included in reference amount)</b>	<b>0.013</b>	<b>0.013</b>	<b>0.013</b>	<b>0.363</b>	<b>0.013</b>	<b>0.376</b>	0.791

Calculation - *Other administrative expenditure not included in reference amount*

[...]

<sup>34</sup> The missions of Commission staff assigned to the project will depend on the location of the seat of the Joint Undertaking. It is assumed here that the seat will be in Brussels, and that Executive Board meetings take place at the seat.

To calculate the cost of the missions, an average cost of 1300€ is assumed. The estimated number of meetings is: 2 officials, 4 times per year, to attend ITD Steering Committee meetings; 2 additional missions.

<sup>35</sup> Specify the type of committee and the group to which it belongs.

<sup>36</sup> One interim evaluation and a final evaluation are foreseen, commissioned by Commission services.