



TEXTS ADOPTED

P9_TA(2021)0207

2019 discharge: SESAR Joint Undertaking

1. European Parliament decision of 28 April 2021 on discharge in respect of the implementation of the budget of the SESAR Joint Undertaking for the financial year 2019 (2020/2183(DEC))

The European Parliament,

- having regard to the final annual accounts of the SESAR Joint Undertaking for the financial year 2019,
- having regard to the Court of Auditors' annual report on the EU Joint Undertakings for the financial year 2019, together with the Joint Undertakings' replies¹,
- having regard to the statement of assurance² as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2019, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of 1 March 2021 on discharge to be given to the Joint Undertaking in respect of the implementation of the budget for the financial year 2019 (05795/2021-C9-0030/2021),
- having regard to Article 319 of the Treaty on the Functioning of the European Union,
- having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012³, and in particular Article 70 thereof,

¹ OJ C 380, 11.11.2020, p. 6.

² OJ C 380, 11.11.2020, p. 6.

³ OJ L 193, 30.7.2018, p. 1.

- having regard to Council Regulation (EC) No 219/2007 of 27 February 2007 on the establishment of a Joint Undertaking to develop the new generation European air traffic management system (SESAR)¹, and in particular Article 4b thereof,
 - having regard to Articles 32 and 47 of Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council²,
 - having regard to Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council³,
 - having regard to Rule 100 of and Annex V to its Rules of Procedure,
 - having regard to the opinion of the Committee on Transport and Tourism,
 - having regard to the report of the Committee on Budgetary Control (A9-0106/2021),
1. Grants the Executive Director of the SESAR Joint Undertaking discharge in respect of the implementation of the Joint Undertaking’s budget for the financial year 2019;
 2. Sets out its observations in the resolution below;
 3. Instructs its President to forward this decision and the resolution forming an integral part of it to the Executive Director of the SESAR Joint Undertaking, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

¹ OJ L 64, 2.3.2007, p. 1.

² OJ L 328, 7.12.2013, p. 42.

³ OJ L 122, 10.5.2019, p. 1.

2. European Parliament decision of 28 April 2021 on the closure of the accounts of the SESAR Joint Undertaking for the financial year 2019 (2020/2183(DEC))

The European Parliament,

- having regard to the final annual accounts of the SESAR Joint Undertaking for the financial year 2019,
- having regard to the Court of Auditors' annual report on the EU Joint Undertakings for the financial year 2019, together with the Joint Undertakings' replies¹,
- having regard to the statement of assurance² as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2019, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of 1 March 2021 on discharge to be given to the Joint Undertaking in respect of the implementation of the budget for the financial year 2019 (05795/2021-C9-0030/2021),
- having regard to Article 319 of the Treaty on the Functioning of the European Union,
- having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012³, and in particular Article 70 thereof,
- having regard to Council Regulation (EC) No 219/2007 of 27 February 2007 on the establishment of a Joint Undertaking to develop the new generation European air traffic management system (SESAR)⁴, and in particular Article 4b thereof,
- having regard to Articles 32 and 47 of Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council⁵,
- having regard to Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council⁶,
- having regard to Rule 100 of and Annex V to its Rules of Procedure,

¹ OJ C 380, 11.11.2020, p. 6.

² OJ C 380, 11.11.2020, p. 6.

³ OJ L 193, 30.7.2018, p. 1.

⁴ OJ L 64, 2.3.2007, p. 1.

⁵ OJ L 328, 7.12.2013, p. 42.

⁶ OJ L 122, 10.5.2019, p. 1.

- having regard to the opinion of the Committee on Transport and Tourism,
 - having regard to the report of the Committee on Budgetary Control (A9-0106/2021),
1. Approves the closure of the accounts of the SESAR Joint Undertaking for the financial year 2019;
 2. Instructs its President to forward this decision to the Executive Director of the SESAR Joint Undertaking, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

3. European Parliament resolution of 29 April 2021 with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the SESAR Joint Undertaking for the financial year 2019 (2020/2183(DEC))

The European Parliament,

- having regard to its decision on discharge in respect of the implementation of the budget of the SESAR Joint Undertaking for the financial year 2019,
 - having regard to Rule 100 of and Annex V to its Rules of Procedure,
 - having regard to the opinion of the Committee on Transport and Tourism,
 - having regard to the report of the Committee on Budgetary Control (A9-0106/2021),
- A. whereas the SESAR Joint Undertaking (the ‘Joint Undertaking’) was set up in February 2007 by Council Regulation (EC) No 219/2007¹ to run the Single European Sky Air Traffic Management Research (SESAR) programme, which aims to integrate and coordinate research and development activities to modernise Air Traffic Management (ATM) in the Union; whereas the maximum Union contribution for SESAR 1 is EUR 700 000 000;
- B. whereas, following the adoption of Council Regulation (EU) No 721/2014², the SESAR 2020 extended the lifetime of the Joint Undertaking until 31 December 2024;
- C. whereas the Joint Undertaking was designed as a public-private partnership, with the Union and Eurocontrol as founding members;
- D. whereas the Union contribution (including EFTA’s) for the SESAR 2020 (from 2014 to 2024) funded from Horizon 2020 is EUR 585 000 000;

General

1. Notes that the report of the Court of Auditors (the ‘Court’) on the Joint Undertaking’s annual accounts (the ‘Court’s report’) finds the 2019 annual accounts to present fairly, in all material respects, the financial position of the Joint Undertaking at 31 December 2019, the results of its operations, its cash flows, and the changes in net assets for the year then ended, in accordance with the Joint Undertaking’s Financial Regulation and with accounting rules adopted by the Commission’s accounting officer; notes that the transactions underlying the accounts are legal and regular in all material respects;
2. Notes that the Commission provided funds to the Joint Undertaking from the Seventh Framework Programme and the Horizon 2020, as well as from the Trans-European

¹ Council Regulation (EC) No 219/2007 of 27 February 2007 on the establishment of a Joint Undertaking to develop the new generation European air traffic management system (SESAR) (OJ L 64, 2.3.2007, p. 1).

² Council Regulation (EU) No 721/2014 of 16 June 2014 amending Regulation (EC) No 219/2007 on the establishment of a Joint Undertaking to develop the new generation European air traffic management system (SESAR) as regards the extension of the Joint Undertaking until 2024 (OJ L 192, 1.7.2014, p. 1).

Transport Network (TEN-T) under the Multiannual Financial Framework 2007-2013 and from the Connecting Europe Facility (CEF) under the Multiannual Financial Framework 2014-2020;

3. Notes that, following a call for expressions of interest in 2015, 19 public and private entities from the aviation sector became members of the Joint Undertaking;
4. Notes that the Joint Undertaking launched two calls for proposals under Horizon 2020, resulting in 15 selected proposals and 13 projects launched for the Wave 2 call, and 29 selected proposals for the fourth Exploratory research call; notes that the completion of the SESAR 2020 Wave 1 in 2019 resulted in the delivery of 21 SESAR Solutions ready for industrialisation; notes that in 2019 the Joint Undertaking had 70 projects running under SESAR 2020, comprising 17 projects for exploratory research, 32 for industrial research and validation, and 21 for very large-scale demonstrations (of which seven were completed during the year); notes that the Joint Undertaking adopted the updated 2020 European ATM Master Plan, and provided support to the Commission on the technological aspects of the Single European Sky;
5. Notes the increasing importance of the Joint Undertaking's work in light of emerging technologies enabling autonomous and unmanned aircraft;
6. Calls for a comprehensive programme that includes all steps towards the finalisation of the development phase of the next generation of air traffic management system;
7. Points out that one of the main achievements of the Joint Undertaking is the free routing to reduce flight and fuel emissions; believes its successor, should further contribute to the sustainability of the aviation sector in line with the objectives of the Green Deal; believes moreover that that successor should contribute making the aviation market more flexible and resilient to traffic fluctuations, establishing the Single European Sky as the most efficient and environmentally friendly airspace in the world;

Budget and financial management

8. Notes that, in 2019, the total available budget, including re-entered unused appropriations of previous years, assigned revenues and reallocations to the next year, consisted of commitment appropriations amounting to EUR 161 041 597 (of which EUR 112 618 000 came from the Union budget) and payment appropriations amounting to EUR 183 279 715 (of which EUR 113 733 525 came from the Union budget);
9. Notes that SESAR 1, implemented under Seventh Framework Programme, was formally closed in 2016 and the last corrective payments and recoveries of over-payments to beneficiaries were completed in 2019: notes that following the closure of SESAR 1, the Joint Undertaking found excess financial contributions received from its Members amounting to EUR 30 767 098: notes in this regard that according to Article 13 of the constituent act, the Joint Undertaking's members can only expect the reimbursement of their respective excess contributions at the dissolution of the Joint Undertaking by 31 December 2024; notes from the Court's report that, based on the Joint Undertaking's accounting information, the Joint Undertaking needs to reimburse the respective members as follows: approximately, EUR 23 800 000 to the Commission, EUR 4 800 000 to Eurocontrol, and EUR 2 100 000 to industry members; notes, moreover, from the Court's report that the Joint Undertaking informed the Commission of the situation in May 2018

and April 2019 and that in the absence of a pragmatic solution for an early reimbursement, these funds remain with the Joint Undertaking without being used for research projects, which is contrary to the principle of sound financial management; notes the Joint Undertaking's reply to the effect that a draft decision was sent to the Administrative Board to provide the Joint Undertaking with the legal basis to proceed with the reimbursement, and that this decision is currently subject to a Written Procedure that is underway, and that as soon as the decision is taken, the Joint Undertaking will execute the reimbursements in line with the recommendations of Directorate-General for Budget, enabling a swift closure of the SESAR 1 accounts; calls on the Joint Undertaking to report to the discharge authority of any development in that regard;

10. Notes that at the end of 2019, for SESAR 1 the total Union contribution amounted to EUR 634 136 000, the total Eurocontrol contribution was EUR 560 732 000 comprising EUR 422 943 000 validated in kind contributions, and the total contributions from industry members was EUR 539 780 000 comprising EUR 514 302 000 validated in kind contributions; notes that the actual overall SESAR 1 execution rate is 90 %;
11. Notes that out of the EUR 585 000 000 Union subsidy as provided in Council Regulation (EU) No 721/2014, by the end of 2019 the total Union (Directorate-General for Mobility and Transport) cash contributions from Horizon 2020 to the operational activities of the Joint Undertaking amounted to EUR 330 987 000; notes, moreover, that for Horizon 2020 at the end of 2019, Eurocontrol contributed a total of EUR 13 719 000 in cash and a total of EUR 59 603 000 validated in-kind contributions, and that the other members contributed a total of EUR 5 276 000 in cash and EUR 107 924 000 in validated in-kind contributions;
12. Notes that out of EUR 124.8 million in implemented revenue received by SESAR 2020 in 2019, the contribution from the Union was EUR 114.1 million and from Eurocontrol EUR 1.8 million;
13. Notes that there are different procedures across the Joint Undertakings receiving a financial contribution from the Joint Undertaking's private members. Calls for the harmonisation of the in-kind contribution calculation across the Joint Undertakings, resulting in a common procedure. That common procedure should provide for transparent and effective methods of evaluation having as result the real value for the contribution. Calls on the Court to enable the scrutiny of the audits performed by the independent external auditors. Calls also for an appropriate legal framework to ensure that the required financial contribution amount is achieved by the end of the programme. The legal framework could include requirements for the private contribution to be paid latest to coincide with the corresponding Union contribution;
14. Notes that in 2019, SESAR 2020 final commitment appropriations amounted to EUR 159 845 788 and final payment appropriations amounted to EUR 181 529 090; notes from the Court's report that regarding the Joint Undertaking's 2019 budget available for Horizon 2020 projects, the implementation rates for commitment and payment appropriations were 95 % and 83,6 % respectively; notes that the Horizon 2020 projects are at their maximum growth level and SESAR 2020 is in a ramping-up phase;

15. Notes that in 2019 the Joint Undertaking published its new Financial Rules, following the publication by the Commission of the new Framework Financial Regulation¹;

Performance

16. Notes the Joint Undertaking's key performance indicators in 2019, in particular, the common Horizon 2020 key performance indicators for monitoring performance and cross-cutting issues, the specific Joint Undertaking's key performance indicators and those related to the performance ambitions of the Single European Sky as defined in the European ATM Master Plan;

17. Requests that the Joint Undertaking reviews its communication strategy to ensure that relevant stakeholders are aware of its mission, activities and achievements.

18. Notes that the Joint Undertaking achieved all its objectives as outlined in the Single Programming Document 2019–2021, which in 2019 was structured around six areas of operations; notes that in March 2019 the Joint Undertaking published the Airspace Architecture Study which was followed in September by the Transition Plan, setting out three key operational and technical measures that need to be put in place in the short term (2020 to 2025) for setting in motion the changes outlined in the Study; notes furthermore that the Joint Undertaking is on track to meet the research and innovation objectives and timeline as outlined in the 2015 European ATM Master Plan;

19. Notes the reported leverage effect of 0,79 in 2019, and the forecasted leverage effect at the end of the programme of 1,40, measured following the Commission's method used in the interim evaluation, and that the actual leverage effect of the Joint Undertaking is regularly progressing towards the targets;

20. Notes that in the Joint Undertaking's 2019 annual activity report, the key performance indicators on gender balance increased in comparison to previous years but nevertheless remained low, with only 19 % of women participants in Horizon 2020 projects and 20 % of women project coordinators; regrets that the figure for percentage of women in Commission's advisory and expert groups, evaluation panels and other bodies is not available for 2019;

21. Welcomes the Court's Special report on SESAR activity and calls for regular special reports. Calls on Commission and the Court for a in-depth performance tracking method in view of evaluating the added value of the Joint Undertaking and including the social, employment impact as well as impact on the market. The results of the evaluation should be used for future or redistribution of Union financing;

22. The issue of Intellectual Property Rights needs to be addressed in all contracts which may produce an intended outcome or result of the performance. It aims to safeguard the rights of individual creators but also to provide details of how the right will be used in the future. Since the activity is financed inter alia with public money, the results should be transparent, accessible to the public and subject to special requirements, as for example interoperability if necessary; calls on the Commission for the development of a legal

¹ Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council (OJ L 122, 10.5.2019, p. 1).

framework in respect of the intellectual property rights and their implementation on the market, that covers, inter alia, special requirements and profit distribution;

Procurement and recruitment procedures

23. Notes that at 31 December 2019, the Joint Undertaking employed 40 staff (38 temporary agents (TAs) and two seconded national experts (SNEs)), compared to 42 in the establishment plan (comprising 39 TAs and 3 SNEs positions); notes that in 2019 the Joint Undertaking implemented the Human Resources information system ‘Sysper for Agencies’, developed by the Commission; notes, furthermore, that the Joint Undertaking appointed a Chief Financial Officer (recruited externally) in the new organisation chart, strengthening its finance function; applauds that 54 % of staff employed are women, however regrets the lack of data on gender parity per type of contract and seniority of staff;
24. Notes the results of the 2019 Human Resources benchmarking exercise: 59.29 % operational posts, 30 % administrative and 10.71 % of finances and control posts;
25. Notes that in 2019, the Joint Undertaking signed 30 procurement contracts including 24 specific contracts implementing the Joint Undertaking’s framework contracts and inter-institutional agreements, and that it carried out eight procurement procedures;

Internal Control

26. Notes from the Court’s report that the Joint Undertaking has set up reliable *ex-ante* control procedures based on financial and operational desk reviews and that it is obliged to implement the Commission’s new internal control framework, based on 17 internal control principles, and furthermore that at the end of 2019, the Joint Undertaking had already completed a gap analysis based on the existing internal control system and defined indicators (i.e. “means”) for the majority of the new internal control principles and related characteristics; moreover, notes from the Court’s report that most of these indicators related to the existence of a control activity rather than to its effectiveness and that the Joint Undertaking still needs to develop further relevant key control indicators to assess the effectiveness of its control activities and to detect control weaknesses; notes the Joint Undertaking reply that it started an internal project to develop further relevant key control indicators to assess the effectiveness of its control activities and detect control weaknesses, that these actions would build on the work already done since 2017, and that it intended to implement them by the end of 2020;
27. Notes from the Court’s report that for Horizon 2020 payments, the Commission’s Common Audit Service is responsible for the *ex-post* audits and that based on the *ex-post* audit results available at the end of 2019, the Joint Undertaking reported a representative error rate of 2,61 % and a residual error rate of 1,61 % for Horizon 2020 projects (clearings and final payments); notes from the Commission proposal for a Horizon 2020 regulation that a risk of error, on an annual basis, within a range between 2 to 5 % is a realistic objective, taking into account the costs of controls, the simplification measures proposed to reduce the complexity of rules and the related inherent risk associated to the reimbursement of costs of the research project, and that the ultimate aim for the residual level of error at the closure of the programmes after the financial impact of all audits, correction and recovery measures will have been taken into account, is to achieve a level as close as possible to 2 %;

28. Notes from the Court's report that as part of the operational payment controls, it audited randomly sampled Horizon 2020 payments made in 2019 at the level of the final beneficiaries to corroborate the *ex-post* audit error rates and that these detailed audits showed no significant errors or control weaknesses at the sampled Joint Undertaking beneficiaries;
29. Notes that the Joint Undertaking held only one risk management workshop in October 2019, rather than the usual two foreseen by its Risk Management policy; calls on the Joint Undertaking to perform risk management workshops as in the policy;
30. Notes that the CVs and declarations of interest of the administrative board are not published; calls on the Joint Undertaking to publish the CVs and the declaration of interest of the administrative board in the light of the transparency framework and to guarantee user-friendly access to them;

Internal audits

31. Notes that the Joint Undertaking published its Strategic Internal Audit Plan 2019-2021 in May 2019 and that following that the Internal Audit Service intends to perform audit engagements on grant implementation and programme management, on in-kind contribution validation process, and on Human Resource management, and possibly for two additional areas of risk; notes that in 2019 the Internal Audit Capability conducted a fraud risk assessment, updated the Joint Undertaking anti-fraud strategy, carried out a consulting engagement on risks and controls, and monitored the implementation of several action plans related to past audits and followed-up; notes that in 2019 the Joint Undertaking had no new or open recommendations, and in particular, notes that the Joint Undertaking implemented the three previous open recommendations to the audit on Coordination with the Common Implementation Centre (CIC) and implementation of CIC tools and services.