2012 discharge: SESAR Joint Undertaking to develop the new generation European air traffic management system

2013/2248(DEC) - 20/03/2014 - Committee report tabled for plenary, single reading

The Committee on Budgetary Control adopted the report by Paul RÜBIG (EPP, AT) on discharge in respect of the implementation of the budget of the SESAR Joint Undertaking for the financial year 2012 and called on the European Parliament to grant the Executive Director of the SESAR Joint Undertaking discharge in respect of the implementation of the Office's budget for the financial year 2012.

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

- **Budget and financial management:** Members noted that the Joint Undertaking's final budget for the financial year 2012 included commitment appropriations of EUR 156.6 million and payment appropriations of EUR 124.2 million

- **Utilisation rate and carryovers**: the committee noted, furthermore, that the utilisation rates for commitment and payment appropriations were 95 % and 86 % respectively. It pointed out that at year-end, cash and cash equivalents amounted to EUR 15.7 million which was at odds with the budgetary principle of equilibrium. It reminded the Joint Undertaking of the need to implement concrete measures to attain budget equilibrium.

- **SESAR programme objectives**: Members reiterated their call on the Joint Undertaking to inform the discharge authority about the **stage of implementation of more than 310 research and development and management projects** under the SESAR programme and to present the results achieved. They stated again that the Joint Undertaking should use all the financial resources made available to it to complete the development of the technology and operational improvements necessary for the deployment of SESAR on time. Members notes Parliament’s previous recommendation that **any potential conflicts of interest should not be dismissed** but addressed properly.

Members made a series of observations on in-kind contributions, internal controls and internal audits and horizontal aspects of European Research Joint Undertakings. They invited the Court of Auditors to monitor the Joint Undertaking's policies as regards the management and prevention of conflicts of interests by drafting a Special Report on the matter by the next discharge procedure.

JTI: the committee invited the Court of Auditors to **comprehensively analyse the Joint Technology Initiatives (JTIs)** and the other joint undertakings in a separate report in light of the substantial amounts involved and the risks- notably reputational – presented. It noted that the Joint Undertakings’ total 2012 forecasted budgeted income amounted to some EUR 2.5 billion or about 1.8 % of the 2012 Union general budget while approximately EUR 618 million came from the general budget (cash contribution from the Commission) and approximately EUR 134 million came from the industrial partners and members of the Joint Undertakings.

Members recalled that Parliament had previously requested that the Court of Auditors draw up a special report on the capacity of the joint undertakings, together with their private partners, to ensure added value and efficient execution of Union research, technological development and demonstration programmes.

They agreed with the Court of Auditors' conclusion that the JTIs had been set up to support long-term industrial investment in particular research areas, but noted that it had taken on average two years to grant financial autonomy to a JTI, with the Commission usually remaining responsible for one third of the expected operational lifetime of the JTIs.