2021 discharge: SESAR Joint Undertaking

2022/2132(DEC) - 10/05/2023 - Text adopted by Parliament, single reading

The European Parliament decided to **grant discharge** to Executive Director of the Single European Sky ATM Research 3 Joint Undertaking (before 30.11.2021 the SESAR Joint Undertaking) in respect of the implementation of the budget of the Joint Undertaking for the financial year 2021 and approve the closure of the Joint Undertaking's accounts.

Noting that the Court of Auditors found that the annual accounts of the Joint Undertaking for the financial year 2021 present fairly the financial situation of the Joint Undertaking on 31 December 2021 and the results of its operations, Parliament adopted, by 564 votes to 54 with 5 abstentions, a resolution containing a series of observations which form an integral part of the discharge decision.

General comments

Parliament pointed out that Single European Sky ATM Research 3 Joint Undertaking, as a tripartite Joint Undertaking, implements – in addition to the Union budget and private members' contributions – contributions from EUROCONTROL of around EUR 500 million for Horizon Europe activities and that as the Commission did not consider the EUROCONTROL contributions in its productivity model, the resulting lower productivity ratio for the Joint Undertaking cannot be directly compared to the ratio of the other Joint Undertakings.

The smooth transition to the new legal entity SESAR 3 Joint Undertaking was welcomed. While Horizon Europe envisages ambitious goals for the Joint Undertaking, that can only be achieved if effective solutions that address the weaknesses in the internal control systems and prepare for the future challenges arising from increased responsibilities, e.g. in the area of human resources management and planning, are designed and implemented.

Parliament welcomed the overall R&D activities that the SESAR 3 Joint Undertaking will carry out from 2021 to 2031, referred to as the 'Digital European Sky programme', organised as part of the SESAR Innovation Pipeline.

Given that there is no harmonised definition of 'administrative costs' among the Joint Undertakings, Parliament called for common guidelines for all Joint Undertakings so that they are able to take a harmonised approach for the classification of certain administrative cost expenditure categories, such as expenditure for consultations, studies, analysis, evaluations, and technical assistance.

Budgetary and financial management

In 2021, the total available budget (including re-entered unused appropriations of previous years, assigned revenues and reallocations to the next year was EUR 34.8 million (EUR 163.2 million in 2020) in commitment appropriations and EUR 69.9 million (EUR 179.2 million in 2020) in payment appropriations.

As regards the current level of the Joint Undertakings members' operational obligations, at the end of 2021, the Joint Undertaking had fully committed EUR 555.8 million of the maximum Union contribution for signed grant agreements and contracts under the Horizon 2020 programme, of which, around EUR 92.5 million (or 16.6 %) remains to be paid in the coming years for projects and contracts yet to be completed. In addition, that the private members had legally committed to provide the entire in-kind contributions of EUR 280 million, defined in the industry membership agreement, and Eurocontrol to

provide contributions of EUR 433.4 million or 91 % of the target of EUR 475 million of operational contributions defined in the bilateral agreement.

The implementation rate for the Joint Undertaking's 2021 payment budget available for Horizon 2020 projects was 93 % and that the Joint Undertaking had almost no 2021 operational commitment appropriations as it had finished its last call for proposals by the end of 2020.

The budget result in 2021 amounted to a deficit of EUR 17.55 million (of which a deficit of EUR 292 513 for SESAR 1 following the final reimbursement of SESAR 1 excess financial contributions and a deficit of EUR 17.26 million for the SESAR 2020) and that the remaining cumulative surplus amounts to EUR 592 241.

Other observations

The resolution also contains a series of observations on performance, procurement, staff and internal controls.

In particular, it noted the following:

- the Joint Undertaking met all of its key policy and operational objectives in 2021 as outlined in the Single Programming Document for 2021 to 2023;

- in the context of COVID-19 crisis and its financial impact on the Joint Undertaking's Members, the Joint Undertaking put in place a series of budgetary measures that aim to provide the Members and the aviation sector with immediate cash-flow support;

- the Joint Undertaking continued to manage and monitor 71 projects across its three strands of research in 2021 (exploratory research, industrial research and validation, and very large-scale demonstrations), with 300 different beneficiaries of which nearly 20 % are SMEs, 17 % are higher education organisations or universities and 9 % are research organisations and recommends measures to increase the number of SMEs in the general number of projects managed by the Joint Undertaking;

- owing to its focus on the transition process, the Joint Undertaking limited its maximum number of procurement procedures and dealt with 10 procurement procedures, including six very low-value procurements;

- the staff establishment plan allowed for 38 temporary or contract agents and two seconded national experts;

- the gender balance on the Administrative Board (1 Woman, 27 Men) is in great need of improvement;

- persistent systemic errors were detected in the personnel costs declared by beneficiaries, in particular on the part of SMEs and new beneficiaries;

- in December 2021, the SESAR 3 Joint Undertaking Governing Board adopted new rules on confidentiality, prevention, avoidance and the management of conflicts of interest of the Joint Undertaking, replacing the previous set of rules that had been applicable since 2008 and that, a code of conduct for the Governing Board was also adopted.