Basic information

2010/2188(DEC) DEC - Discharge procedure	Procedure completed
2009 discharge: SESAR Joint Undertaking to develop the new generation European air traffic management system **Subject** 8.70.03.07 Previous discharges	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
CONT Budgetary Control	STAVRAKAKIS Georgios (S&D)	23/03/2010
	Shadow rapporteur MACOVEI Monica (PPE) GERBRANDY Gerben-Jan (ALDE) STAES Bart (Verts/ALE) SØNDERGAARD Søren Bo (GUE/NGL)	

Committee for opinion	Rapporteur for opinion	Appointed
TRAN Transport and Tourism	UGGIAS Giommaria (ALDE)	17/11/2010

European Commission

Commission DG	Commissioner
Budget	ŠEMETA Algirdas

Key events

Date	Event	Reference	Summary
20/07/2010	Non-legislative basic document published	SEC(2010)0963	Summary
07/10/2010	Committee referral announced in Parliament		
21/03/2011	Vote in committee		Summary
06/04/2011	Committee report tabled for plenary	A7-0124/2011	

10/05/2011	Decision by Parliament	T7-0187/2011	Summary
10/05/2011	Results of vote in Parliament		
10/05/2011	Debate in Parliament		
10/05/2011	End of procedure in Parliament		
27/09/2011	Final act published in Official Journal		

Technical information

Procedure reference	2010/2188(DEC)
Procedure type	DEC - Discharge procedure
Other legal basis	Rules of Procedure EP 165
Stage reached in procedure	Procedure completed
Committee dossier	CONT/7/04075

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE450.706	28/01/2011	
Committee opinion	TRAN	PE454.407	01/03/2011	
Committee report tabled for plenary, single reading		A7-0124/2011	06/04/2011	
Text adopted by Parliament, single reading		T7-0187/2011	10/05/2011	Summary

Council of the EU

Document type	Reference	Date	Summary
Document attached to the procedure	05894/2011	03/02/2011	Summary

European Commission

Document type	Reference	Date	Summary
Non-legislative basic document	SEC(2010)0963	20/07/2010	Summary

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
CofA	Court of Auditors: opinion, report	N7-0006/2011 OJ C 342 16.12.2010, p. 0030	20/10/2010	Summary

Additional information		
Source	**Document**	**Date**
European Commission	EUR-Lex	

Final act	
Decision 2011/0616 OJ L 250 27.09.2011, p. 0255	Summary

2009 discharge: SESAR Joint Undertaking to develop the new generation European air traffic management system

2010/2188(DEC) - 20/07/2010 - Non-legislative basic document

PURPOSE: presentation by the Commission of the consolidated annual accounts of the European Union for the financial year 2009, as part of the 2009 discharge procedure.

Analysis of the accounts of the **SESAR Joint Undertaking.**

CONTENT: this Commission document sets out the consolidated annual accounts of the European Union for the financial year 2009 as prepared on the basis of the information presented by the institutions, organisations and bodies of the EU, in accordance with Article 129 (2) of the Financial Regulation applicable to the EU's General Budget, including the SESAR Joint Undertaking.

In 2009, the tasks and budget of this agency were as follows:

- **description of the tasks of the Joint Undertaking** : SESAR Joint Undertaking, located in Brussels, was set up in 2007 by Regulation (EC) 219 /2007 for a period extending to 31 December 2017. It aims to modernise air traffic management (ATM) in Europe
- **budget of the Joint Undertaking for the 2009 financial year** : the budget for SESAR's development phase (2008-2013) amounts to EUR 2.1 billion to be provided in equal parts by the EU, by Eurocontrol and by public and private partners. The final 2009 budget adopted by the Administrative Board included commitment appropriations of EUR 325 and payment appropriations of EUR 157 million.

The complete version of the Joint Undertaking's accounts final accounts may be found at the following address

http://ec.europa.eu/transport/air/sesar/doc/2009_annual_report_en.pdf

2009 discharge: SESAR Joint Undertaking to develop the new generation European air traffic management system

2010/2188(DEC) - 10/05/2011 - Final act

PURPOSE: to grant discharge to the SESAR Joint Undertaking in respect of the implementation of the Agency's budget for the financial year 2009.

NON-LEGISLATIVE ACT: Decision 2011/616/EU of the European Parliament on discharge in respect of the implementation of the budget of the SESAR Joint Undertaking for the financial year 2009.

CONTENT: with the present decision, the European Parliament grants discharge to the Executive Director of the SESAR Joint Undertaking for the implementation of its budget for the financial year 2009.

This decision is in line with the European Parliament's resolution adopted on 10 May 2011 and comprises a series of observations that form an integral part of the discharge decision (please refer to the summary of the opinion of 10/05/2011).

A parallel decision, adopted on the same day, approves the closure of this Agency's accounts.

2009 discharge: SESAR Joint Undertaking to develop the new generation European air traffic management system

2010/2188(DEC) - 03/02/2011

Based on the observations contained in the revenue and expenditure account and the balance sheet of the SESAR Joint Undertaking for the financial year 2009, as well as on the Court of Auditor's report and the Joint Undertaking's replies to the Court's observations, the Council recommends that the Parliament grant the Director of the SESAR Joint Undertaking in respect of the implementation of the budget for the financial year 2009.

The Council welcomes the Court's opinion that, on the one hand, the Joint Undertaking's annual accounts present fairly, in all material aspects, the financial position as at 31 December 2009 and the results of operations and cash-flows for the year then ended, in accordance with the provisions of the Joint Undertaking's Financial Regulation, and that, on the other hand, the underlying transactions for the financial year ended on 31 December 2009 are, in all material respects, legal and regular.

However, the Council considers that observations made in the Court of Auditor's report call for a certain number of observations to be taken into account when granting discharge, particularly on the following points:

- **financial programming**: the Council urges the Joint Undertaking to improve its financial programming with the aim to avoid over-budgeting and to reduce the amounts carried over to the next financial year, in line with the budgetary principles of equilibrium and annuality. It invites the Joint Undertaking to further develop the presentation of its accounts towards higher transparency on the nature and origin of its members' contributions;
- **internal control**: the Council underlines the need to further formalise the organisation of the Joint Undertaking, the structure of its business processes, management and information systems, internal controls and its internal audit function. Due attention should also be paid to a timely recognition and valuation of the assets owned by the Joint Undertaking.

2009 discharge: SESAR Joint Undertaking to develop the new generation European air traffic management system

2010/2188(DEC) - 20/10/2010 - Court of Auditors: opinion, report

PURPOSE: presentation by the Court of Auditors of its report on the annual accounts of the SESAR Joint Undertaking for the financial year 2009, together with the Joint Undertaking's replies.

CONTENT: in accordance with the tasks and objectives conferred on it by the Treaty on the Functioning of the European Union (TFEU), the Court of Auditors, in the context of the discharge procedure, addresses to the European Parliament and the Council a Statement of Assurance on the reliability of the annual accounts, as well as of the legality and regularity of the transactions underlying them of each EU institution, body or agency, on the basis of an external, independent audit.

This audit also covered the annual accounts of the SESAR Joint Undertaking.

In the Court's opinion, **the Agency's annual accounts presented "fairly, in all material respects", its financial position as of 31 December 2009** and the results of its operations and its cash flows for the year then ended, in accordance with the provisions of its Financial Regulation.

The Court also stated that the **transactions underlying the annual accounts** of the Agency for the financial year ended 31 December 2009 were, "in all material respects, **legal and regular**".

The report again confirmed that the budget for the development phase of the SESAR project is EUR 2.1 billion, to be provided in equal parts by the EU, by Eurocontrol and by public and private partners. The EU contribution is funded from the Seventh Research Framework Programme and the Trans-European Networks. Around 90 % of the funding from Eurocontrol and the other stakeholders will take the form of in-kind contributions. The final 2009 budget adopted by the Administrative Board included commitment appropriations of EUR 325 million and payment appropriations of EUR 157 million.

The report also included comments on the Joint Undertaking's budgetary and financial management, together with the Agency's replies. The main comments are as follows:

The Court's comments:

- deficiencies in the Joint Undertaking's budget implementation (the utilisation rates for commitment and payment appropriations were 97.1 % and 43.2 % respectively); there was also a positive budget outturn of EUR 84 million and deposits in bank accounts at the end of the year totalling EUR 86.8 million. This is at odds with the budgetary principle of equilibrium;
- deficiencies in the implementation of internal control systems (the Court's testing of a sample of 36 transactions identified several cases where internal controls had not operated correctly);
- problems in the valuation of the costs of the activities and the activation of assets;
- problems with the Financial Rules.

The Joint Undertaking's replies:

- the development phase will be characterised by an expected imbalance between revenues and expenditure, particularly in its early years;
- the Joint Undertaking's operational programme management system is effective since the end of 2009;
- the Joint Undertaking remains confident that it will be able to identify the funding source and costs necessary to activate assets at a proper value when required ;
- the Joint Undertaking is moving progressively, with the Commission services, to implement the new financial rules.

Lastly, the Court of Auditor’s report contained a summary of the Joint Undertaking’s a**ctivities in 2009** in the following areas:

- 69 % of the projects were initiated by the end of 2009 in line with the targets established in the work programme of 2009;
- new staff was recruited under the ‘Staff Regulations of the EU;
- the Membership process was concluded with the Administrative Board decision to award the membership to the 15 pre-selected candidate members together with the award of activities.

2009 discharge: SESAR Joint Undertaking to develop the new generation European air traffic management system

2010/2188(DEC) - 10/05/2011 - Text adopted by Parliament, single reading

The European Parliament adopted by 537 votes to 81, with 26 abstentions, a decision to grant discharge to the Executive Director of the SESAR Joint Undertaking in respect of the implementation of the SESAR’s budget for the financial year 2009.

Noting that the SESAR’s (Single European Sky Air Traffic Management Research) annual accounts for the financial year 2009 are reliable, and the underlying transactions are legal and regular, Parliament approves the closure of the SESAR’s accounts. However, it makes a number of recommendations that need to be taken into account when the discharge is granted:

- **implementation of the budget:** Parliament notes that the Joint Undertaking final 2009 budget included commitment appropriations of EUR 325 million and payment appropriations of EUR 157 million. It also notes that the utilisation rates for commitment and payment appropriations were 97.1% and 43.2% respectively. Members recognise that the Joint Undertaking is still in a start-up period. They also stress that year-end bank deposits totalling EUR 86.8 million represent a breach of the budgetary principle of equilibrium. They consider it important to set out the conditions under which, if the balance of the outturn account is positive, it shall be entered in the budget of the Joint Undertaking of the following financial year in order to specify the application of this derogation from the general budgetary principle of equilibrium. Parliament is also concerned by the fact that, in December 2009, no integrated management system had been set in place. It asks that a report on carryovers of appropriations not used in the previous year specifying the reasons why these resources were not deployed be attached to the budget of each financial year;
- **Members’ contribution:** Parliament calls on SESAR to harmonise the presentation of members' contributions in the Accounts under the guidance of the Commission;
- **internal control systems:** Parliament urges SESAR to complete the implementation of its internal controls and financial information system and to include in its Financial Rules a specific reference to the powers of the Internal Audit Service of the Commission as its internal auditor. Members consider that the role of the Commission as internal auditor should be to advise SESAR on dealing with risks, by issuing independent opinions on the quality of management and control systems and by issuing recommendations for improving the conditions of implementation of operations and promoting sound financial management. In view of the size of its budget and the complexity of its tasks, SESAR should consider establishing an audit committee, reporting directly to the Administrative Board;
- **Financial Regulation:** Members welcome the adoption by SESAR of new Financial Rules.