Basic information

2013/2248(DEC) DEC - Discharge procedure	Procedure completed
2012 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	RÜBIG Paul (PPE)	10/10/2013
	Shadow rapporteur STAVRAKAKIS Georgios (S&D) GERBRANDY Gerben-Jan (ALDE) STAES Bart (Verts/ALE) ANDREASEN Marta (ECR) DE JONG Dennis (GUE/NGL) VANHECKE Frank (EFD) EHRENHAUSER Martin (NI)	

Committee for opinion	Rapporteur for opinion	Appointed
ITRE Industry, Research and Energy	The committee decided not to give an opinion.	
TRAN Transport and Tourism	DANTIN Michel (PPE)	04/11/2013

European Commission

Commission DG	Commissioner
Budget	ŠEMETA Algirdas

Key events

Date	Event	Reference	Summary

26/07/2013	Non-legislative basic document published	COM(2013)0570	Summary
22/10/2013	Committee referral announced in Parliament		
18/03/2014	Vote in committee		
20/03/2014	Committee report tabled for plenary	A7-0197/2014	Summary
02/04/2014	Debate in Parliament		
03/04/2014	Decision by Parliament	T7-0337/2014	Summary
03/04/2014	Results of vote in Parliament		
03/04/2014	End of procedure in Parliament		
05/09/2014	Final act published in Official Journal		

Technical information

Procedure reference	2013/2248(DEC)
Procedure type	DEC - Discharge procedure
Other legal basis	Rules of Procedure EP 165
Stage reached in procedure	Procedure completed
Committee dossier	CONT/7/14230

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE521.711	28/01/2014	
Committee opinion	TRAN	PE526.097	21/02/2014	
Amendments tabled in committee		PE528.211	26/02/2014	
Committee report tabled for plenary, single reading		A7-0197/2014	20/03/2014	Summary
Text adopted by Parliament, single reading		T7-0337/2014	03/04/2014	Summary

Council of the EU

Document type	Reference	Date	Summary
Document attached to the procedure	05851/2014	05/02/2014	Summary

European Commission

Document type	Reference	Date	Summary
Non-legislative basic document	COM(2013)0570	26/07/2013	Summary

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
CofA	Court of Auditors: opinion, report	N7-0010/2014 OJ C 369 17.12.2013, p. 0049	22/10/2013	Summary

Additional information

Source	Document	Date
European Commission	EUR-Lex	

Final act

Budget 2014/0633
OJ L 266 05.09.2014, p. 0347 Summary

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

2013/2248(DEC) - 26/07/2013 - Non-legislative basic document

PURPOSE: presentation by the Commission of the consolidated annual accounts of the European Union for the financial year 2012, as part of the 2012 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 2012 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 2012, the tasks and budget of the Joint Undertaking 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. The aim of this Joint Undertaking is to ensure the modernisation of the European air traffic management system and the rapid implementation of the European air traffic management Master Plan by coordinating and concentrating all relevant research and development efforts in the EU
- **budget of the Joint Undertaking for the 2012 financial year**: the budget for SESAR's development phase (2008-2013) is provided in equal parts by the EU, by Eurocontrol and by public and private partners. At 31 December 2012, the Commission held 46.12 % of the ownership participation in SESAR. The total (indicative) Commission contribution foreseen for SESAR (from 2007 to 2013) is EUR 700 million. The cumulative unrecognised share of losses is EUR 157 million.

Please also consult SESAR Joint Undertaking's final accounts.

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

2013/2248(DEC) - 05/02/2014

Having examined the revenue and expenditure accounts for the financial year 2012 and the balance sheet at 31 December 2012 of the SESAR Joint Undertaking, and the report by the Court of Auditors on the annual accounts of the Joint Undertaking for the financial year 2012, accompanied by the Joint Undertaking's replies to the Court's observations, the Council recommends the European Parliament to give a discharge to the Executive Director of the Joint Undertaking in respect of the implementation of the budget for the financial year 2012.

The observations in the Court of Auditors' report in relation to the financial year 2012 call for some comments by the Council, which may be summarised as follows:

- **Internal controls**: the Council notes that, following the Court's assessment, improvements are necessary with regard to the ex-ante controls and welcomes the Joint Undertaking's commitment to continue working on the elements raised by the Court.

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

2013/2248(DEC) - 22/10/2013 - Court of Auditors: opinion, report

PURPOSE: presentation of the EU Court of Auditors' report on the annual accounts of the SESAR Joint Undertaking, together with the Joint Undertaking's replies.

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

This audit concerned, amongst others, the annual accounts of the SESAR Joint Undertaking.

In the Court's opinion, **the SESAR Joint Undertaking's Annual Accounts fairly present, in all material respects, its financial position as of 31 December 2012** and the results of its operations and its cash flows for the year then ended, in accordance with the provisions of its financial rules and the accounting rules adopted by the Commission's accounting officer.

It also considers that the **transactions underlying the annual accounts** of the Authority for the financial year ended 31 December 2012 are, in all material respects, **legal and regular**.

The report confirms that the SESAR Joint Undertaking's 2012 budget amounted to EUR 156 564 786 in commitments and EUR 124 198 884 in payments.

The report also makes a series of observations on the budgetary and financial management of the Joint Undertaking, accompanied by the latter's response. The main observations may be summarised as follows:

Court's comments: the Court notes that improvements are required in the following *ex ante* control areas: (i) improvements could be made to the documentation of controls on the monitoring of project deliverables, project performance analysis, subcontractor monitoring and cost claim certificates; (ii) a technical review report produced by external experts at an airborne equipment manufacturer in relation to projects carried out by it for the SESAR and Clean Sky Joint Undertakings concluded that improvements could be made to the exchange of data and results between the two Joint Undertakings.

Joint Undertaking's replies: SESAR states that it is committed towards the improvement of its system and procedures allocating the resources available to enhance its risk management, controls and governance processes to ensure the achievement of the SESAR programme objectives.

On an operational level, the Court's report stated that at 31 December 2012, the SESAR Joint Undertaking development phase consisted of work by 16 members on programme activities involving more than 100 private and public entities and subcontractors. Of the 336 projects selected, 312 (92.8%) were being implemented.

As regards the **activities of the Joint Undertaking in 2012**, the report refers to the Annual Activity Report 2012 which can be found at http://www.sesarju.eu/.

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

2013/2248(DEC) - 03/04/2014 - Text adopted by Parliament, single reading

The European Parliament adopted a decision concerning the discharge to be granted to the Executive Director of the SESAR Joint Undertaking in respect of the implementation of the Joint Undertaking's budget for the financial year 2012. The vote on the discharge decision covered the closure of the accounts (in accordance with Annex VI, Article 5(1) of Parliament's Rules of Procedure).

Noting that the Court of Auditors stated that the 2012 annual accounts of the Joint Undertaking present fairly, in all material respects, its financial position as of 31 December 2012 and the results of its operations and its cash flows for the year then ended, Parliament adopted by 474 votes to 58, with 19 abstentions, a resolution containing a series 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:** Parliament 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**: Parliament 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**: Parliament reiterated its 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. It 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. Parliament noted its previous recommendation that **any potential conflicts of interest should not be dismissed** but addressed properly. It points out that the Joint Undertaking's success in the implementation of the SESAR programme is key to developing a modernised air traffic management system for Europe.

Parliament made a series of observations on in-kind contributions, internal controls and internal audits and horizontal aspects of European Research Joint Undertakings. It 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: Parliament 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. It recalled that the total Union contribution deemed necessary for the Joint Undertakings for their period of existence amounts to EUR 11.5 billion.

It recalled that Parliament has 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. Parliament agreed with the Court of Auditors' conclusion that the JTIs have been set up to support long-term industrial investment, in particular research areas but noted that it has 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.

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.

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

2013/2248(DEC) - 03/04/2014 - Final act

PURPOSE: to grant discharge to the SESAR Joint Undertaking for the financial year 2012.

NON-LEGISLATIVE ACT: Decision 2014/633/EU of the European Parliament on discharge in respect of the implementation of the budget of the SESAR Joint Undertaking for the financial year 2012.

CONTENT: with the present decision, the European Parliament grants discharge to the Executive Director of the SESAR Joint Undertaking in respect of its budget for the financial year 2012.

This decision is in line with the European Parliament's resolution adopted on 3 April 2014 and comprises a series of observations that form an integral part of the discharge decision (please refer to the summary of the opinion of 3 April 2014).

Amongst the main observations made, Parliament made a number of **cross-cutting comments as regards all the Joint Undertakings (JUs)** and invited the Court of Auditors to conduct a detailed analysis of the JUs in a separate report in light of the substantial amounts involved and the risks - notably reputational - presented.