Basic information

2015/2197(DEC) DEC - Discharge procedure	Procedure completed
2014 discharge: SESAR Joint Undertaking to develop the new generation European air traffic management system **Subject** 8.70.03.04 2014 discharge	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
CONT Budgetary Control	MARINESCU Marian-Jean (PPE)	19/08/2015
	Shadow rapporteur POCHE Miroslav (S&D) FITTO Raffaele (ECR) GERBRANDY Gerben-Jan (ALDE) DE JONG Dennis (GUE/NGL) ŠOLTES Igor (Verts/ALE) VALLI Marco (EFDD) KAPPEL Barbara (ENF)	

Committee for opinion	Rapporteur for opinion	Appointed
ITRE Industry, Research and Energy	The committee decided not to give an opinion.	
TRAN Transport and Tourism	AYALA SENDER Inés (S&D)	21/10/2015

European Commission

Commission DG	Commissioner
Budget	GEORGIEVA Kristalina

Key events

Date	Event	Reference	Summary

23/07/2015	Non-legislative basic document published	COM(2015)0377	Summary
05/10/2015	Committee referral announced in Parliament		
04/04/2016	Vote in committee		
07/04/2016	Committee report tabled for plenary	A8-0089/2016	Summary
27/04/2016	Debate in Parliament		
28/04/2016	Decision by Parliament	T8-0199/2016	Summary
28/04/2016	Results of vote in Parliament		
28/04/2016	End of procedure in Parliament		
14/09/2016	Final act published in Official Journal		

Technical information

Procedure reference	2015/2197(DEC)
Procedure type	DEC - Discharge procedure
Stage reached in procedure	Procedure completed
Committee dossier	CONT/8/04240

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE571.629	03/02/2016	
Committee opinion	TRAN	PE572.936	18/02/2016	
Amendments tabled in committee		PE576.940	04/03/2016	
Committee report tabled for plenary, single reading		A8-0089/2016	07/04/2016	Summary
Text adopted by Parliament, single reading		T8-0199/2016	28/04/2016	Summary

Council of the EU

Document type	Reference	Date	Summary
Supplementary non-legislative basic document	05587/2016	27/01/2016	Summary

European Commission

Document type	Reference	Date	Summary
Non-legislative basic document	COM(2015)0377	23/07/2015	Summary

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
CofA	Court of Auditors: opinion, report	N8-0007/2016 OJ C 422 17.12.2015, p. 0070	06/10/2015	Summary

Additional information		
Source	Document	Date
European Commission	EUR-Lex	

Final act	
Budget 2016/1594 OJ L 246 14.09.2016, p. 0418	Summary

2014 discharge: SESAR Joint Undertaking to develop the new generation European air traffic management system

2015/2197(DEC) - 28/04/2016 - Final act

PURPOSE: to grant discharge to the SESAR Joint Undertaking for the financial year 2014.

NON LEGISLATIVE ACT: Decision (EU) 2016/1594 of the European Parliament on discharge in respect of the implementation of the budget of the SESAR Joint Undertaking for the financial year 2014.

CONTENT: with the present decision, the European Parliament grants discharge to the Executive Director of the SESAR Joint Undertaking for the implementation of the latter's budget for the financial year 2014.

This decision is in line with the European Parliament's resolution adopted on 28 April 2016 and comprises a series of observations that form an integral part of the discharge decision (please refer to the summary of the opinion of 28 April 2016).

Amongst Parliament's main observations in the resolution accompanying the discharge decision, the latter highlighted the vital role of the Joint Undertaking in coordinating and implementing research into the SESAR project, which is a pillar project of the Single European Sky. It encouraged the Joint Undertaking and the Deployment Manager, in collaborating with Member States, to **increase the number and quality of projects** proposed under the Connecting Europe Facility (CEF) transport programme.

2014 discharge: SESAR Joint Undertaking to develop the new generation European air traffic management system

2015/2197(DEC) - 28/04/2016 - Text adopted by Parliament, single reading

The European Parliament decided to grant the Executive Director of the SESAR Joint Undertaking discharge in respect of the implementation of the Joint Undertaking's budget for the financial year 2014. The vote on the decision on discharge covers the closure of the accounts (in accordance with Annex V, Article 5 (1) (a) to Parliament's Rules of Procedure.

Noting that the Court of Auditors has stated that it has obtained reasonable assurances that the Joint Undertaking's annual accounts for the financial year 2014 are reliable and that the underlying transactions are legal and regular, Parliament adopted by 515 votes to 111 with 1 abstention, a resolution containing a series of recommendations, which form an integral part of the decision on discharge and which add to the general recommendations set out in the resolution on performance, financial management and control of EU agencies:

- **General remark**: Parliament noted that the Court of Auditors' report is based on too many general remarks to the detriment of viable, specific ones. It therefore called for an audit with a sharper focus on the annual financial performance, on the implementation status of multiannual projects (including a clear presentation of the implementation of the budget for the respective year and for previous years) and on the results and their implementation.
-

It also noted that the Institutions and Bodies are required to produce each year a Report on Budgetary and Financial Management and that the information provided by the Joint Undertaking in this report lacked harmonisation and was **often incomplete**. It called for guidance from the Commission as to the nature and content of the report.

- **Budget and financial management**: Parliament noted that the Joint Undertaking's final budget for the financial year 2014 included commitment appropriations of EUR 13 119 600 and payment appropriations of EUR 121 942 760. It noted that the utilisation rate for commitment appropriations was 99.4 %.
- It took into consideration that 100 % (EUR 556 million) of the Union and Eurocontrol cofinancing contributions payable to the other 15 members (since 1st January 2014) under the fourth amendment to the MFA have been committed and noted furthermore that 66 % (EUR 369 million) were paid out by 31 December 2014, while the remaining 34 % (EUR 187 million) are expected to be paid by 31 December 2017.
- **Audits**: Parliament noted the lack of information regarding the ex-post audits performed by SESAR and SESAR2. It called on the Court of Auditors to include, in the future reports, information regarding the number of ex-post audits, the total amounts covered and the findings.

Parliament also made a series of observations on conflicts of interest within the joint undertaking, its legal framework and on procurement, as well as risk management.

As far as the **role of the joint undertaking** is concerned, Parliament recalled that it plays a vital role in coordinating and implementing research into the SESAR project, which is a pillar project of the Single European Sky. It encouraged the Joint Undertaking and the Deployment Manager, in collaborating with Member States, to increase the number and quality of projects proposed under the Connecting Europe Facility (CEF) transport programme. It recalled Parliament's position during the budgetary procedure which is in favour of recovering the total amounts that were relocated from CEF to the European Fund for Strategic Investments.

2014 discharge: SESAR Joint Undertaking to develop the new generation European air traffic management system

2015/2197(DEC) - 07/04/2016 - Committee report tabled for plenary, single reading

The Committee on Budgetary Control adopted the report by Marian-Jean MARINESCU (EPP, RO) on discharge in respect of the implementation of the budget of the SESAR Joint Undertaking for the financial year 2014.

The parliamentary committee calls on the European Parliament to grant the joint undertaking’s Executive Director discharge in respect of the implementation of the joint undertaking’s budget for the financial year 2014.

Noting that the Court of Auditors issued a statement of assurance as to the reliability of the accounts and the legality and regularity of the underlying transactions for the financial year 2014, Members call on Parliament to approve the closure of the joint undertaking’s accounts.

They made, however, a number of recommendations that need to be taken into account when the discharge is granted. They may be summarised as follows:

- **Budget and financial management:** Members note that the Joint Undertaking's final budget for the financial year 2014 included commitment appropriations of EUR 13 119 600 and payment appropriations of EUR 121 942 760. They note that the utilisation rate for commitment appropriations was 99.4 %.
- They take into consideration that 100 % (EUR 556 million) of the Union and Eurocontrol cofinancing contributions payable to the other 15 members (since 1st January 2014) under the fourth amendment to the MFA have been committed and note furthermore that 66 % (EUR 369 million) were paid out by 31 December 2014, while the remaining 34 % (EUR 187 million) are expected to be paid by 31 December 2017.
- **Audits:** Members note the lack of information regarding the ex-post audits performed by SESAR and SESAR2. They call on the Court of Auditors to include, in the future reports, information regarding the number of ex-post audits, the total amounts covered and the findings.

Members also make a series of observations on conflicts of interest within the joint undertaking, its legal framework and on procurement, as well as risk management.

As far as the **role of the joint undertaking** is concerned, Members recall that it plays a vital role in coordinating and implementing research into the SESAR project, which is a pillar project of the Single European Sky. They encourage the Joint Undertaking and the Deployment Manager, in collaborating with Member States, to increase the number and quality of projects proposed under the Connecting Europe Facility (CEF) transport programme. They recall Parliament's position during the budgetary procedure which is in favour of recovering the total amounts that were relocated from CEF to the European Fund for Strategic Investments.

2014 discharge: SESAR Joint Undertaking to develop the new generation European air traffic management system

2015/2197(DEC) - 06/10/2015 - Court of Auditors: opinion, report

PURPOSE: presentation of the EU Court of Auditors’ report on the annual accounts of the SESAR Joint Undertaking for the financial year 2014, together with the Joint Undertaking’s reply.

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 (research programme on air traffic management in the Single European Sky).

Statement of assurance: pursuant to the provisions of Article 287 of the Treaty on the Functioning of the European Union (TFEU), the Court has audited:

- the annual accounts of the SESAR Joint Undertaking, which comprise the financial statements and the reports on the implementation of the budget for the financial year ended 31 December 2014;
- the legality and regularity of the transactions underlying those accounts.

External auditor: it should be noted that 2014 is the first year whereby the **annual accounts of SESAR were verified by an independent external auditor** (audit firm) according to Article 208(4) of the EU Financial Regulation and Article 107(1) of the new framework financial Regulation for agencies and other bodies. The Court's opinion on these accounts considered the audit work performed by the independent external auditor and the action taken in response to the auditor's findings.

Opinion on the reliability of the accounts: in the Court's opinion, the Joint Undertaking's annual accounts present fairly, in all material respects, its financial position as at 31 December 2014, 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 rules adopted by the Commission's accounting officer.

Opinion on the legality and regularity of the transactions underlying the accounts: in the Court's opinion, the transactions underlying the annual accounts for the year ended 31 December 2014 are, in all material respects, legal and regular.

The audit also revealed the following points:

- **budgetary management**: the budgetary implementation rate for commitment appropriations ranged between 90 % and 100 % for most Joint Undertakings including SESAR and the rate for payment appropriations was 80%, which is mostly explained by delays in the funding of projects;
- **procurement:** the Court notes that with regard to calls for proposals, the final rate of appropriations committed achieved a figure between 90 % and 100 %, including SESAR.

Cross-cutting remarks for all the Joint undertakings: the monitoring and reporting of research results is laid down in the Seventh Framework Programme (FP7). In the grant agreements signed with members and other beneficiaries, the Joint Undertakings have included specific provisions governing intellectual property rights and the dissemination of research activities and results. The implementation of these provisions is monitored by the Joint Undertakings at different stages of the funded projects and significant progress has been achieved in 2014. However, in order to meet the requirements of Horizon 2020 and to better contribute to the dissemination of FP7 research results, the Court considers that cooperation between the Joint Undertakings and the Commission must be developed as much as possible with special regard to the further integration of some of the Joint Undertakings' data into the Commission's systems.

The Court also indicates that there is room to improve procedures, in particular in the implementation of the ex-post audit strategy, and cooperation with the Commission as regards the integration of the research results.

Replies of the Joint Undertaking: the Joint Undertaking replies point by point to all the technical remarks made by the Court of Auditors.

With regard to the **activities of the Joint Undertaking in 2014**, the report refers to the Joint Undertaking's latest available annual activity report for 2014 available at the following address: http://www.sesarju.eu/.

It should be noted that the budget for SESAR was EUR 13 119 600 in commitment appropriations and EUR 121 942 760 in payment appropriations.

2014 discharge: SESAR Joint Undertaking to develop the new generation European air traffic management system

2015/2197(DEC) - 23/07/2015 - Non-legislative basic document

PURPOSE: presentation by the Commission of the consolidated annual accounts of the European Union for the financial year 2014, as part of the 2014 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 2014 as prepared on the basis of the information presented by the institutions, organisations and bodies of the EU, in accordance with Article 148 (2) of the Financial Regulation applicable to the EU's General Budget, including the SESAR Joint Undertaking.

The document contains the figures on which the discharge procedure is based.

On this basis, the Financial Controller of the European Commission ensures the certification of the consolidated accounts as declared by the institutions, agencies and bodies of the European Union.

Discharge procedure of the EU Joint Undertakings: the EU Budget finances a wide range of policies and programmes throughout the EU. In accordance with the priorities set by the European Parliament and the Council in the multi-annual financial framework (MFF), the European Commission carries out specific programmes, activities and projects in the field with the technical support of some specialised agencies.

The consolidated annual accounts of the EU provide information on the activities of the institutions, agencies and other bodies of the EU from a budgetary and accrual accounting perspective.

The consolidated reports on the implementation of the general budget of the EU include the budget implementation of all Institutions. **Agencies and Joint Undertakings (JUs) do not have a separate budget inside the EU budget**; and they are partially financed by a Commission budget subsidy.

This document sets out how the JUs spent and implemented their budget in 2014. Each agency is subject to its own discharge procedure.

SESAR: in 2014, 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 (BE), 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;
- **accounts of the JU**: the budget for SESAR's development phase is provided in equal parts by the EU, by Eurocontrol and by public and private partners. At 31 December 2014, the Commission held 43.53% of the ownership participation in SESAR.

Please also consult the SESAR Joint Undertaking's final accounts.

2014 discharge: SESAR Joint Undertaking to develop the new generation European air traffic management system

2015/2197(DEC) - 27/01/2016 - Supplementary non-legislative basic document

Having examined the revenue and expenditure accounts for the financial year 2014 and the balance sheet as at 31 December 2014 of the SESAR Joint Undertaking, as well as the Court of Auditors' report on the annual accounts of the Joint Undertaking for the financial year 2014, accompanied by the Joint Undertaking's replies to the Court's observations, the Council recommended 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 2014.

The Council welcomed the fact that the observations in the Court of Auditors' report in relation to the financial year 2014 do not call for any comments considering that the implementation of the budget of the Joint Undertaking is such as to allow a discharge to be given.