



**2018/2212(DEC)**

22.1.2019

# **OPINION**

of the Committee on Transport and Tourism

for the Committee on Budgetary Control

on discharge in respect of the implementation of the budget of the Safety of air navigation (SESAR) Joint Undertaking for the financial year 2017 (2018/2212(DEC))

Rapporteur for opinion: Innocenzo Leontini

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## SUGGESTIONS

The Committee on Transport and Tourism calls on the Committee on Budgetary Control, as the committee responsible, to incorporate the following suggestions into its motion for a resolution:

1. Welcomes the finding of the Court of Auditors (“the Court”) that the accounts of the Single European Sky Air Traffic Management Research (SESAR) Joint Undertaking ('the Undertaking') for the 2017 financial year are legal and regular in all material respects;
2. Notes that the Undertaking has presented its budget in two separate sections: (1) SESAR 1 and (2) SESAR 2020; notes further that SESAR 1 was co-financed from TEN-T and the Seventh Research Framework programmes and SESAR 2020 is co-financed from Horizon 2020;
3. Notes that the Undertaking’s final 2017 budget was EUR 113,3 million in commitment appropriations and EUR 191,8 million in payment appropriations and that the implementation rates were 80 % and 68 % respectively (for SESAR1: 11 % and 68 % and for SESAR 2020: 92 % and 68 %); notes that the low overall implementation rate is mainly due to delays or incomplete invoicing by non-members and efforts by the Undertaking to keep the running costs at the minimum necessary level;
4. Notes that at the end of 2017 the Undertaking was operating under four different sources of funding - Horizon 2020, Connecting Europe Facility and two types of assigned revenue mandates, each referring to the execution of grants (following calls for proposals) or studies (following calls for tender); recognises that these different legal frameworks mean a high degree of complexity for the Undertaking; however, is concerned by the shortcomings in the financial control processes identified in the course of the external audit of annual accounts and urges the Undertaking to take the necessary steps, including strengthening the capacity of its finance department;
5. Notes that in 2017 the Undertaking proceeded with the financial and administrative closure of SESAR 1; takes note that in 2017 SESAR 1 received EUR 37 million from the Union in order to cover the outstanding obligations towards the members of the Undertaking resulting from the assessment of the final financial statements, received and reviewed in 2017 and also to cover the provision of probable additional audits, potential legal actions against the Undertaking and the reimbursement of surplus cash contributions of its members; also notes that EUR 25,9 million was validated as cash contribution from Eurocontrol, of which EUR 13,4 million is from 2016, but is part of 2017 budget due to technical issues, and EUR 12,5 million for 2017; notes that the Undertaking received EUR 16,8 million as exceptional revenues, mainly composed of recoveries related to Members; welcomes the fact that the remaining cash surplus of EUR 23,1 million and payment appropriations of EUR 38,6 million are sufficient to meet all obligations and to close SESAR 1;
6. Welcomes the fact that for the first time the Section 2 of the 2017 budget includes the running costs and the in-kind contributions related to SESAR 2020; notes that SESAR 2020 received EUR 75,5 million from the Union to cover the outstanding obligations of

2017 and the first months of 2018 and EUR 6,7 million was received from Eurocontrol as cash contribution for the running costs;

7. Notes the findings of the special report of the Court on the Single European Sky, which is based on a performance audit evaluating the outcome and value for money of the SES; notes that the auditors sampled sixteen SESAR projects, which were audited in five different countries, and involved various SESAR stakeholders; calls on the Undertaking to fully take into account the recommendations of the special report and take appropriate action;
8. Notes that both, the Commission's final evaluation on the Undertaking's activities under the Seventh Research Framework and the Court's Special report 18/2017 on Single European Sky, have drawn attention to the delays in the execution of the ATM Master Plan, and the misalignment between the fixed regulatory lifespan of the Undertaking's activities and the planned duration of the work expected; supports therefore the Court's emphasis on the need to reinforce the Undertaking's accountability on the execution of the ATM Master Plan;
9. Calls on SESAR and the Commission to evaluate the results of the deployment of SESAR solution, especially from the point of view of assuring the interoperability and of the steps forward in completion of the Single European Sky;
10. Welcomes the publication by SESAR of the roadmap to ensure safe and secure drone operations across Europe; considers that a variety of innovations, including technologies related to Air Traffic Management, are required to safely integrate drones into European airspace; notes with interest its overview of the development of the European drone market to 2050 and the huge potential for Europe and its global competitiveness, as well as the actions that need to be taken in the coming 5 to 10 years to unlock that potential, including support for research and development achieved by setting up, at Union level, an ecosystem that encompasses both a regulatory framework and technology, and that brings together all key public and private stakeholders, and results in the provision of increased levels of Union funding, boosting small and medium-sized enterprises in the sector in particular;
11. Notes that the European airspace management remains fragmented and the Single European Sky as a concept has not yet been achieved; reiterates the vital role of SESAR in coordinating and implementing research into the SESAR project and meeting the project objectives;
12. Notes that the Undertaking's Internal Audit Service in 2017 published its final report of the audit on the adequacy of the design and the efficient and effective implementation of the internal controls in place in the Undertaking for the preparation of calls for proposals (including topic definition), the submission, evaluation and selection of grant proposals and the grant agreement preparation under the Horizon 2020 rules; notes that five recommendations, including one very important, were made and that the Undertaking was able to implement an action plan related to four of them; expects the Undertaking to implement the actions related to the last remaining recommendation;
13. Notes that as regards SESAR 1, 20 audit exercises in seven selected Members were launched of which 18 were completed in 2017 as part of the fourth cycle of audits in all

15 Members as described in the Ex-Post Audit Strategy of the Undertaking; is concerned by the residual error rate for the year 2017 of 5,01 %; however, is satisfied that the SESAR 1 cumulative residual error rate is 1,09 %; notes that the first audits of SESAR 2020 indicate that the number and level of errors is lower due to simplifications introduced in Horizon 2020 and the increased experience of major beneficiaries;

14. Notes the results of the 2017 Human Resources benchmarking exercise: 60 % operational posts, 30 % administrative and 10 % of neutral posts;
15. Proposes that Parliament grants the Executive Director of the Undertaking discharge in respect of the implementation of its budget for the financial year 2017.

## INFORMATION ON ADOPTION IN COMMITTEE ASKED FOR OPINION

<b>Date adopted</b>	22.1.2019
<b>Result of final vote</b>	+:               39 -:               2 0:               0
<b>Members present for the final vote</b>	Daniela Aiuto, Lucy Anderson, Georges Bach, Izaskun Bilbao Barandica, Deirdre Clune, Michael Cramer, Luis de Grandes Pascual, Andor Deli, Isabella De Monte, Ismail Ertug, Jacqueline Foster, Dieter-Lebrecht Koch, Innocenzo Leontini, Bogusław Liberadzki, Peter Lundgren, Elżbieta Katarzyna Łukacijewska, Marian-Jean Marinescu, Georg Mayer, Gesine Meissner, Gabriele Preuß, Christine Revault d'Allonnes Bonnefoy, Dominique Riquet, Massimiliano Salini, Claudia Ţapardel, Keith Taylor, Pavel Telička, Marita Ulvskog, Wim van de Camp, Marie-Pierre Vieu, Janusz Zemke, Roberts Zīle, Kosma Złotowski
<b>Substitutes present for the final vote</b>	Jakop Dalunde, Markus Ferber, Maria Grapini, Karoline Graswander-Hainz, Peter Kouroumbashev, João Pimenta Lopes
<b>Substitutes under Rule 200(2) present for the final vote</b>	Christelle Lechevalier, Julie Ward

## FINAL VOTE BY ROLL CALL IN COMMITTEE ASKED FOR OPINION

<b>39</b>	<b>+</b>
ALDE	Izaskun Bilbao Barandica, Gesine Meissner, Dominique Riquet, Pavel Telička
ECR	Jacqueline Foster, Innocenzo Leontini, Peter Lundgren, Roberts Zile, Kosma Złotowski
EFDD	Daniela Aiuto
ENF	Georg Mayer
GUE/NGL	Marie-Pierre Vieu
PPE	Georges Bach, Wim van de Camp, Deirdre Clune, Andor Deli, Markus Ferber, Luis de Grandes Pascual, Dieter-Lebrecht Koch, Elżbieta Katarzyna Łukacijewska, Marian-Jean Marinescu, Francisco José Millán Mon, Massimiliano Salini
S&D	Lucy Anderson, Isabella De Monte, Ismail Ertug, Maria Grapini, Karoline Graswander-Hainz, Peter Kouroumbashev, Bogusław Liberadzki, Gabriele Preuß, Christine Revault d'Allonnes Bonnefoy, Claudia Țapardel, Marita Ulvskog, Julie Ward, Janusz Zemke
VERTS/ALE	Michael Cramer, Jakop Dalunde, Keith Taylor

<b>2</b>	<b>-</b>
ENF	Christelle Lechevalier
GUE/NGL	João Pimenta Lopes

<b>0</b>	<b>0</b>

Key to symbols:

+ : in favour

- : against

0 : abstention