











Procedure file

Basic information		
DEC - Discharge procedure	2016/2195(DEC)	Procedure completed
2015 discharge: SESAR Joint Undertaking		
Subject 8.70.03.05 2015 discharge		

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	CONT Budgetary Control	 POCHE Miroslav	04/08/2016
		Shadow rapporteur	
		 HAYES Brian	
		 MARIAS Notis	
		 GERBRANDY Gerben-Jan	
		 TARAND Indrek	
		 VALLI Marco	
		 KAPPEL Barbara	
	Committee for opinion	Rapporteur for opinion	Appointed
	ITRE Industry, Research and Energy	The committee decided not to give an opinion.	
	TRAN Transport and Tourism		06/10/2016
		 SCHMIDT Claudia	
European Commission	Commission DG Budget	Commissioner GEORGIEVA Kristalina	

Key events			
10/07/2016	Non-legislative basic document published	COM(2016)0475	Summary
04/10/2016	Committee referral announced in Parliament		
23/03/2017	Vote in committee		
28/03/2017	Committee report tabled for plenary	A8-0096/2017	Summary
26/04/2017	Debate in Parliament		

27/04/2017	Results of vote in Parliament		
27/04/2017	Decision by Parliament	T8-0194/2017	Summary
27/04/2017	End of procedure in Parliament		
29/09/2017	Final act published in Official Journal		

Technical information

Procedure reference	2016/2195(DEC)
Procedure type	DEC - Discharge procedure
Stage reached in procedure	Procedure completed
Committee dossier	CONT/8/07521

Documentation gateway

Non-legislative basic document		COM(2016)0475	11/07/2016	EC	Summary
Court of Auditors: opinion, report		N8-0149/2016 OJ C 473 16.12.2016, p. 0066	18/10/2016	CofA	Summary
Committee draft report		PE593.968	01/02/2017	EP	
Supplementary non-legislative basic document		05875/2017	07/02/2017	CSL	Summary
Committee opinion	TRAN	PE595.623	28/02/2017	EP	
Amendments tabled in committee		PE599.876	06/03/2017	EP	
Committee report tabled for plenary, single reading		A8-0096/2017	28/03/2017	EP	Summary
Text adopted by Parliament, single reading		T8-0194/2017	27/04/2017	EP	Summary

Final act

Budget 2017/1747
OJ L 352 29.09.2017, p. 0367 Summary

2015 discharge: SESAR Joint Undertaking

PURPOSE: presentation by the Commission of the consolidated annual accounts of the European Union for the financial year 2015, as part of the 2015 discharge procedure.

Analysis of the accounts of the SESAR Joint Undertaking to develop the new generation European air traffic management.

CONTENT: the organisational governance of the EU consists of institutions, agencies and other EU bodies whose expenditure is included in the general budget of the Union.

The EU's operational expenditure of these institutions takes different forms, depending on how the money is paid out and managed.

From 2014 onwards, the Commission classifies its expenditure as follows:

- Direct management: the budget is implemented directly by the Commission services.
- Indirect management: the Commission confers tasks of implementation of the budget to bodies of EU law or national law, such as the EU agencies.
- Shared management: under this method of budget implementation tasks are delegated to Member States. About 80 % of the expenditure falls under this management mode covering such areas as agricultural spending and structural actions.

This Commission document concerns the EU's consolidated accounts for the year 2015 and details how spending by the EU institutions and bodies was carried out. The consolidated annual accounts of the EU provide financial information on the activities of the institutions, agencies and other bodies of the EU from an accrual accounting and budgetary perspective.

It is the responsibility of the Commission's Accounting Officer to prepare the EU's consolidated annual accounts and ensure that they present fairly, in all material aspects, the financial position, the result of the operations and the cash flows of the EU institutions and bodies, including the SESAR JU, with a view to granting discharge.

Discharge procedure: the final step of a budget lifecycle is the discharge of the budget for a given financial year. It represents the political aspect of the external control of budget implementation and is the decision by which the European Parliament, acting on a Council recommendation, "releases" the Commission (and other EU bodies) from its responsibility for management of a given budget by marking the end of that budget's existence. The European Parliament is the discharge authority within the EU.

The discharge procedure may produce three outcomes: (i) the granting; (ii) postponement or; (iii) the refusal of the discharge.

The final discharge report including specific recommendations to the Commission for action is adopted in plenary by the European Parliament and are subject to an annual follow up report in which the Commission outlines the concrete actions it has taken to implement the recommendations made.

Each agency is subject to its own discharge procedure, including the SESAR JU.

The SESAR Joint Undertaking: the SESAR JU, 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.

As regards SESARs accounts, these are presented in detail in the document published by the Joint Undertaking (please refer to the [final accounts of the SESAR JU](#)).

2015 discharge: SESAR Joint Undertaking

PURPOSE: presentation of the EU Court of Auditors report on the annual accounts of the SESAR Joint Undertaking for the financial year 2015, together with the Joint Undertakings 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 focused on the annual accounts of the SESAR Joint Undertaking (research programme on air traffic management ATM - in the Single European Sky). The SESAR project is divided into three phases:

- a definition phase (2004-2007) led by the European Organisation for the Safety of Air Navigation (Eurocontrol), with co-financing from the European Union budget through the Trans-European Networks Transport (TEN-T) programme. The outcome was the European ATM Master Plan, which defines the content and describes the development and deployment of the next generation of ATM systems;
- a two-term development phase (2008-2013, extended to 2015) managed by the SJU and leading to the production of new technological systems, components and operational procedures as defined in the European ATM Master Plan;
- a deployment phase (2014-2024) to be led by industry and stakeholders for the large-scale production and implementation of the new ATM infrastructure.

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 2015;
- the legality and regularity of the transactions underlying those accounts.

Opinion on the reliability of the accounts: in the Courts opinion, the Joint Undertakings annual accounts present fairly, in all material respects, its financial position as at 31 December 2015, 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 Commissions accounting officer.

Opinion on the legality and regularity of the transactions underlying the accounts: in the Courts opinion, the transactions underlying the annual accounts for the year ended 31 December 2015 are, in all material respects, legal and regular.

The audit also revealed the following points:

- budget and financial management: of the total operational commitments made in 2015 (EUR 74.5 million), 29 % were individual commitments based on completed award procedures for grants and contracts. The remaining 71 % were global commitments for which the award procedure was not completed. The high level of global commitments in 2015 is due to the fact that the first Horizon 2020 calls for proposals for EUR 51.5 million in grants were launched in the second half of 2015, and the related agreements would be signed in 2016.

Reply from the Joint Undertaking: the Joint Undertaking sought to highlight that the delay of two months for the first Horizon 2020 calls was beyond its control. The main reason was significant changes to the IT tool for grant preparation and evaluation. Therefore, when strictly following the Horizon 2020 grant procedures, the first grant agreements could only be signed in January 2016. The related unused 2015 payment appropriations were fully reintroduced into the 2016 budget.

2015 discharge: SESAR Joint Undertaking

Having examined the revenue and expenditure accounts for the financial year 2015 and the balance sheet as at 31 December 2015 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 2015, 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 2015.

The Council welcomed the Court's opinion that, in all material respects, the Joint Undertaking's annual accounts present fairly its financial position as at 31 December 2015 and the results of its operations and its cash flows for the year then ended, in accordance with the provisions of the Joint Undertaking's Financial Rules, and that the underlying transactions for 2015 are legal and regular in all material respects.

Nevertheless, some observations were by the Council:

- financial programming: the Council called on the Joint Undertaking to pay due attention to the proper programming and implementation of commitment and payment appropriations in the course of the budgetary year and to decommit unused appropriations if necessary;
- governance: the Council encouraged the Joint Undertaking to implement its action plan on operational governance and the Master Plan update without delay;
- conflict of interest: lastly, the Council invited the Joint Undertaking to incorporate in its procedures a declaration of absence of a conflict of interest as stated in the Commission's guidelines.

2015 discharge: SESAR Joint Undertaking

The Committee on Budgetary Control adopted the report by Miroslav POCHE (S&D, CZ) on discharge in respect of the implementation of the budget of the SESAR Joint Undertaking for the financial year 2015.

The committee called on the European Parliament to grant the joint undertakings Executive Director discharge in respect of the implementation of the joint undertakings budget for the financial year 2015.

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 2015, Members called on Parliament to approve the closure of the joint undertakings 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: 2015 was the first year of real transition from SESAR 1 (funded from FP 7 and TEN-T) to SESAR 2 (funded from Horizon 2020). The final budget for SESAR1 for the financial year 2015 included commitment appropriations of EUR 30 229 774 and payment appropriations of EUR 126 733 842. The final budget for SESAR 2020 for the financial year 2015 included commitment appropriations of EUR 51 470 000 and payment appropriations of EUR 10 300 000. The utilisation rates for commitment and payment appropriations were 100 % and 82.3 %, respectively. The payment appropriations rate of 82.3 % was due to delay of two months for the first Horizon 2020. Related unused 2015 payment appropriations were fully reintroduced into the 2016 budget.

Other observations: the report also contained a series of observations on procurement and recruitment procedures, the prevention and management of conflicts of interests, calls for proposal, internal audits and control systems.

In July 2015, the Commission issued guidelines to the Joint Undertakings related to rules on conflicts of interest, including a common template for the declaration of absence of a conflict of interest. Members urged the Joint Undertaking to reflect those guidelines in its procedures and to report to the discharge authority on the completion of the aforementioned declarations.

The report noted that the Administrative Board adopted in December 2015 the ATM Master Plan (2015 Edition) covering both SESAR development and deployment. It welcomed the development of a SESAR vision 2035+.

Members welcomed the successful delivery of the work mandated by the Commission concerning the Remotely Piloted Aircraft Systems (RPAS) definition phase.

Lastly, they highlighted the vital role of the Joint Undertaking in coordinating and implementing research into the SESAR project.

2015 discharge: SESAR Joint Undertaking

The European Parliament decided to grant the Executive Director of the [SESAR](#) Joint Undertaking discharge in respect of the implementation of the Joint Undertakings budget for the financial year 2015.

Based on the statement of assurance provided by the Court of Auditors concerning the reliability of the accounts and the legality and regularity of the underlying transactions, it decided to approve the closure of the accounts of the Joint Undertaking for the same financial year.

Noting that the Court of Auditors has stated that it has obtained reasonable assurances that the Joint Undertakings annual accounts for the financial year 2015 are reliable and that the underlying transactions are legal and regular, Parliament adopted by 499 votes to 105 with 9 abstentions, a resolution containing a series of recommendations which form an integral part of the decision on discharge.

General: 2015 was the first year of real transition from SESAR 1 (funded from FP 7 and TEN-T) to SESAR 2 (funded from Horizon 2020). Members noted research and innovation in the field of Air Traffic Management (ATM) continued beyond the initial 2007-2013 financial framework into the 2014-2020 financial framework under Horizon 2020. They noted the transition to the SESAR 2 Programme and the launch and execution of exploratory research, industrial research and innovation projects within the framework of SESAR 2020.

- **Budget and financial management:** the final budget for SESAR1 for the financial year 2015 included commitment appropriations of EUR 30 229 774 and payment appropriations of EUR 126 733 842. The final budget for SESAR 2020 for the financial year 2015 included commitment appropriations of EUR 51 470 000 and payment appropriations of EUR 10 300 000. Members noted that:
- the utilisation rates for commitment and payment appropriations were 100 % and 82.3 %, respectively. The payment appropriations rate of 82.3 % was due to delay of two months for the first Horizon 2020. Related unused 2015 payment appropriations were fully reintroduced into the 2016 budget;

- of the total operational commitments made in 2015, 29 % were individual commitments based on completed award procedures for grants and contracts and that the remaining 71 % were global commitments for which the award procedure was not completed.

Other observations: the resolution also contained a series of observations on procurement and recruitment procedures, the adoption of an anti-fraud strategy and prevention and management of conflicts of interests, calls for proposal, internal audits and control systems.

In July 2015, the Commission issued guidelines to the Joint Undertakings related to rules on conflicts of interest. Members urged the Joint Undertaking to report to the discharge authority on the issue.

Parliament noted that the Administrative Board adopted in December 2015 the ATM Master Plan (2015 Edition) covering both SESAR development and deployment. It welcomed the development of a SESAR vision 2035+.

Members welcomed the successful delivery of the work mandated by the Commission concerning the Remotely Piloted Aircraft Systems (RPAS) definition phase. Lastly, they highlighted the vital role of the Joint Undertaking in coordinating and implementing research into the SESAR project.

2015 discharge: SESAR Joint Undertaking

PURPOSE: to grant discharge to the SESAR Joint Undertaking for the financial year 2015.

NON-LEGISLATIVE ACT: Decision (EU) 2017/1747 of the European Parliament of on discharge in respect of the implementation of the budget of the SESAR Joint Undertaking for the financial year 2015.

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 2015.

This decision is in line with the European Parliament's resolution adopted on 27 April 2017 and comprises a series of observations that form an integral part of the discharge decision (please refer to the summary of the opinion of 27 April 2017).

Amongst Parliament's main observations in the resolution accompanying the discharge decision, the latter welcomed that the Joint Undertaking adopted in 2015 a multi-faceted approach to effectively review, manage and mitigate risks and that it has verification mechanisms in place in order to enable proper prevention and management of conflict of interest.