



**COUNCIL OF  
THE EUROPEAN UNION**

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**AVIATION 105**

**INFORMATION NOTE**

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From: General Secretariat of the Council

To: Permanent Representatives Committee/Council

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Subject: Proposal for a COUNCIL REGULATION amending Regulation (EC) No 219/2007 on the establishment of a Joint Undertaking to develop the new generation European air traffic management system (SESAR) as regards the extension of the Joint Undertaking until 2024  
- Outcome of the European Parliament's plenary vote  
(Brussels, 15 April 2014)

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For information purposes, delegations will find attached the result of the European Parliament's plenary vote on 15 April 2014 on the above mentioned proposal.

**P7\_TA-PROV(2014)0372**

**SESAR Joint Undertaking \***

**European Parliament legislative resolution of 15 April 2014 on the proposal for a Council regulation amending Regulation (EC) No 219/2007 on establishment of a Joint Undertaking to develop the new generation European air traffic management system (SESAR) as regards the extension of the Joint Undertaking until 2024 (COM(2013)0503 – C7-0254/2013 – 2013/0237(NLE))**

**(Consultation)**

*The European Parliament,*

- having regard to the Commission proposal to the Council (COM(2013)0503),
  - having regard to Articles 187 and 188 of the Treaty on the Functioning of the European Union, pursuant to which the Council consulted Parliament (C7-0254/2013),
  - having regard to Rule 55 of its Rules of Procedure,
  - having regard to the report of the Committee on Industry, Research and Energy and the opinion of the Committee on Transport and Tourism (A7-0062/2014),
1. Approves the Commission proposal as amended;
  2. Calls on the Commission to alter its proposal accordingly, in accordance with Article 293(2) of the Treaty on the Functioning of the European Union;
  3. Calls on the Council to notify Parliament if it intends to depart from the text approved by Parliament;
  4. Asks the Council to consult Parliament again if it intends to substantially amend the Commission proposal;
  5. Instructs its President to forward its position to the Council and the Commission.

**P7\_TC1-NLE(2013)0237**

**Position of the European Parliament adopted on 15 April 2014 with a view to the adoption of Council regulation amending Regulation (EC) No 219/2007 on the establishment of a Joint Undertaking to develop the new generation European air traffic management system (SESAR) as regards the extension of the Joint Undertaking until 2024**

**(Text with EEA relevance)**

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Articles 187 and 188 thereof,

Having regard to the proposal from the European Commission,

Having regard to the opinion of the European Parliament<sup>1</sup>,

Having regard to the opinion of the European Economic and Social Committee<sup>2</sup>,

Whereas:

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<sup>1</sup> Position of the European Parliament of 15 April 2014.

<sup>2</sup> OJ C , , p. .

- (1) The Single European Sky Air Traffic Management Research and Development project (the 'SESAR project') aims to modernise the air traffic management ('ATM') in Europe and represents the technological pillar of the Single European Sky ('SES'). It aims by 2030 to provide the Union with a high performance air traffic control infrastructure which will enable the safe and environmentally friendly development of air transport.
- (2) The SESAR project comprises three interrelated, continuous and evolving collaborative processes: the definition of the content and priorities, the development of new technological systems, components and operational procedures of the SESAR concept and the deployment plans of the next generation of ATM systems contributing to the achievement of the Single European Sky performance targets.
- (3) The first phase of the definition process ran from 2004 to 2008 and delivered the **SESAR ATM Master Plan (D5) which was the base for the** first edition of the European ATM Master plan (the 'ATM Master Plan') **endorsed by the Council on the 30th of March 2009**. The ATM Master Plan identifies three steps in the SESAR development process: Time Based operations (Step 1), Trajectory Based Operations (Step 2) and Performance Based Operations (Step 3). **The ATM Master Plan is the agreed roadmap to bring ATM research and development to the deployment phase.**
- (4) The SESAR Joint Undertaking (the 'Joint Undertaking') was set up by Regulation (EC) No 219/2007<sup>3</sup> of 27 February 2007, for the purpose of managing the activities of the development process of the SESAR project under the Union's 2007-2013 financial perspectives. **The main task of the Joint Undertaking is the execution of the ATM Master Plan.**

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<sup>3</sup> OJ L 64, 2.3.2007, p. 1.

- (5) The Joint Undertaking's work programme, covered by the Union's 2007-2013 financial perspectives, addresses all elements of Step 1 and approximately 80% of Step 2 of the ATM Master Plan. The related activities should be completed by 2016. The remaining activities of Step 2 and those related to Step 3 should start in 2014 under the Union's 2014-2020 financial framework. ***The cost of these activities has been estimated at EUR 1.585 billion, including EUR 85 million for exploratory research, EUR 1.2 billion for applied research and pre-industrial development and EUR 300 million for large-scale demonstrations. Exploratory research activities should be entirely paid from the Union budget. In this light the Union budget for the execution of the remaining activities should be supplemented by contributions of industry and EUROCONTROL, following the same approach taken during the Union's 2007-2013 financial perspectives.***
- (6) In accordance with Article 1(2) of Regulation (EC) No 219/2007, the Joint Undertaking should cease to exist on 31 December 2016 or eight years after an endorsement by the Council of the European Air Traffic Management Master Plan (the 'ATM Master Plan'), whichever is the earlier. The Commission communicated the ATM Master Plan to the Council on 14 November 2008<sup>4</sup> and the Council endorsed it on 30 March 2009.
- (7) The Joint Undertaking fulfils the criteria for public-private partnerships established under ***Regulation (EU) No 1291/2013 and Decision (EU) No .../2013 of the Council of ... 2013 establishing the Specific Programme implementing Horizon 2020 (2014-2020)***<sup>5</sup> (the 'Horizon 2020 Specific Programme').

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<sup>4</sup> OJ C 76, 25.3.2010, p. 28 ■ .

<sup>5</sup> OJ ... [H2020 SP]

- (7a) *Regulation (EU) No 1291/2013 of the European Parliament and of the Council of 11 December 2013 aims to achieve a greater impact on research and innovation by combining Horizon 2020 Framework Programme and private-sector funds in public-private partnerships in key areas where research and innovation can contribute to the Union's wider competitiveness goals, leverage private investment, and help tackle societal challenges. Those partnerships should be based on a long-term commitment, including a balanced contribution from all partners, be accountable for the achievement of their objectives and be aligned with the Union's strategic goals relating to research, development and innovation. The governance and functioning of those partnerships should be open, transparent, effective and efficient and give the opportunity to a wide range of stakeholders active in their specific areas to participate. Union involvement in these partnerships can take the form of financial contributions to joint undertakings established on the basis of Article 187 of the Treaty under Decision No 1982/2006/EC.*
- (8) To continue the development of the activities defined in the ATM Master Plan, it is necessary to extend the duration of the Joint Undertaking until 2024, which reflects the duration of the Union's 2014-2020 financial framework and allows 4 additional years for completion of *the Joint Undertaking's Work Programme and the closing of* projects that would be initiated by the end of that *financial framework. Such an extension should therefore allow for the execution of the whole ATM Master Plan (step 2 and step 3) as it stands today.*
- (9) Council Regulation (EC) No 1361/2008 of 16 December 2008 amending Regulation (EC) No 219/2007 on the establishment of a joint undertaking to develop the new generation European air traffic management system (SESAR)<sup>6</sup> indicates that the mandate of the Executive Director in force on 1 January 2009 shall cease on the date on which the Joint Undertaking shall cease to exist and that in the event of an extension of the duration of the Joint Undertaking, a new procedure leading to the appointment of the Executive Director should be launched in accordance with Article 7(2) of the Annex to Regulation (EC) No 219/2007.

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<sup>6</sup> OJ L 352, 31.12.2008, p. 12 ■ .

- (10) *An open call for new members should be organised for the activities to be carried out under the Union's 2014-2020 financial framework and the membership of members of the Joint Undertaking who do not contribute to the activities financed under the Union's 2014-2020 financial framework should be terminated by 31 December 2016.*
- (10a) *The Joint Undertaking should continue to be open to and encourage the widest possible participation and representation of stakeholders from all Member States, including small and medium enterprises, through the accession of new members or other forms of participation. Furthermore, participation should ensure a proper balance between airspace users, air navigation service providers, airports, military, professional staff and manufacturers, and offer opportunities to SMEs, academia and research organisations.*
- (10b) *Horizon 2020 should contribute to the closing of the research and innovation divide within the Union by promoting synergies with the European Structural and Investment Funds (ESIF). Therefore the SESAR Joint Undertaking should seek to develop close interactions with the ESIF, which can specifically help to strengthen local, regional and national research and innovation capabilities in the area of the SESAR Joint Undertaking and underpin smart specialisation efforts.*
- (10c) *The SESAR Joint Undertaking should operate in an open and transparent way providing all relevant information in a timely manner to its appropriate bodies as well as promoting its activities, including information and dissemination activities to the wider public. The rules of procedure of the bodies of the Joint Undertaking should be made publicly available.*

- (10d) *The SESAR Joint Undertaking should also use electronic means managed by the Commission to ensure openness, transparency and facilitate participation. Therefore, the calls for proposals launched by the SESAR Joint Undertaking should also be published on the single portal for participants as well as through other Horizon 2020 electronic means of dissemination managed by the Commission. Moreover, relevant data on inter alia proposals, applicants, grants and participants should be made available by SESAR Joint Undertaking for inclusion in the Horizon 2020 reporting and dissemination electronic systems managed by the Commission, in an appropriate format and with the periodicity corresponding to the Commission's reporting obligations.*
- (11) The experience acquired from the operation of the Joint Undertaking as a Union body under Article 185 of Regulation (EC, Euratom) No 1605/2002<sup>7</sup> shows that the current framework of operation is sufficiently flexible and adapted to the needs of the Joint Undertaking. The Joint Undertaking should operate in accordance with Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union<sup>8</sup>, which replaced Article 185 of Regulation No 1605/2002, and should adopt financial rules which should not depart from the framework Financial Regulation except where its specific needs so require and with the Commission's prior consent.
- (12) The participation in indirect actions funded by the Joint Undertaking should comply with Regulation (EU) No ... /2013 of the European Parliament and of the Council of [...] 2013 laying down the rules for the participation and dissemination in "Horizon 2020 - the Framework Programme for Research and Innovation (2014-2020)"<sup>9</sup> and no derogation in accordance with Article 1(3) of Regulation (EU) No [...] should be required. *The SESAR Joint Undertaking should, moreover, ensure consistent application of these rules based on relevant measures adopted by the Commission.*

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<sup>7</sup> OJ L 248, 19.6.2002, p. 1.

<sup>8</sup> OJ L 298, 26.10.2012, p. 1 ■ .

<sup>9</sup> OJ ... [H2020 RfP]



*(12a) With a view to the overall aim of Horizon 2020 to achieve greater simplification and coherence, all calls for proposals under the SESAR Joint Undertaking should take into account the duration of Horizon 2020 Framework Programme."*

(13) In order to ensure uniform conditions for the implementation of this Regulation, implementing powers should be conferred on the Commission. Those powers should be exercised in accordance with Regulation (EU) No 182/2011 of the European Parliament and of the Council of 16 February 2011 laying down the rules and general principles concerning mechanisms for control by Member States of the Commission's exercise of implementing powers.

(14) Therefore, Regulation (EC) No 219/2007 should be amended accordingly,

HAS ADOPTED THIS REGULATION:

## Article 1

### Amendments to Regulation (EC) No 219/2007

Regulation (EC) No 219/2007 is amended as follows:

1. Article 1, is amended as follows:

(a) paragraph 2 is replaced by the following:

“2. The Joint Undertaking shall cease to exist on 31 December 2024. *In order to take into account the duration of the Horizon 2020 Framework Programme, calls for proposals under the Joint Undertaking shall be launched at the latest by 31 December 2020. In duly justified cases calls for proposals may be launched until 31 December 2021.*”

(b) paragraph 3 is deleted;

(c) in paragraph (5), the fifth indent is replaced by the following:

"- ensuring the supervision of activities related to the development of common products duly identified in the ATM Master Plan, through grants to Members and through the most appropriate measures, such as procurement or the award of grants following calls for proposals to achieve the programme objectives, in accordance with Regulation (EU) No[...] laying down the rules for participation and dissemination in 'Horizon 2020 – the Framework Programme for Research and Innovation (2014-2020)'.";

2. In Article 2a, paragraph 5 is replaced by the following:

“5. The staff of the Joint Undertaking shall consist of temporary agents and contract agents. The total period of engagement shall not in any case exceed the duration of the Joint Undertaking.”;

3. Article 4 is amended as follows:

(a) the first subparagraph of paragraph 2 is replaced by the following:

"2. The ■ Union contribution ■ under the Multiannual Financial Framework 2014-2020 ■ , including EFTA contributions, paid from the budget appropriations allocated to the Horizon 2020 - The Framework Programme for Research and Innovation (2014-2020) *shall be EUR 585 million*<sup>10</sup>. ";

(aa) *the second subparagraph of paragraph 2 is replaced by the following:*

*"The arrangements for the Union contribution shall be established by means of a general agreement and annual financial implementation agreements, which shall be concluded between the Commission, on behalf of the Union, and the Joint Undertaking. The arrangements shall include provision of data necessary to ensure that the Commission is able to meet its dissemination and reporting obligations; including on the single portal for participants as well as through other Horizon 2020 electronic means of dissemination managed by the Commission and provisions for the publication of calls for proposals of the Joint Undertaking also on the single portal for participants as well as through other Horizon 2020 electronic means of dissemination managed by the Commission."*

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<sup>10</sup> *Indicative amount in current prices. The amount will depend on the final agreed amount for DG MOVE for the theme 'Smart, green and integrated transport' which will be approved by the Budgetary Authority in the final version of the legislative and financial statement.*

(b) paragraph 3 is replaced by the following:

"3. All Union financial contributions to the Joint Undertaking shall cease upon expiry of the 2014-2020 financial framework unless otherwise decided by the Council on the basis of a Commission proposal.";

4. Article 4a is amended as follows:

(a) paragraph 1 is replaced by the following:

"1. The financial rules applicable to the Joint Undertaking shall be adopted by the Administrative Board after consulting the Commission. They shall not depart from the framework Financial Regulation unless it is specifically required for the Joint Undertaking's operation and the Commission has given its prior consent.";

(b) paragraph 2 is deleted.

5. Article 5 is amended as follows:

(a) paragraph 2 is replaced by the following:

"The Commission shall adopt the Union position in the Administrative Board."

(b) paragraph 3 is deleted.

(c) paragraph 4 is replaced by the following:

"4. Without prejudice to paragraph 2, the position of the Union in the Administrative Board as regards decisions concerning significant modifications of the ATM Master Plan shall be adopted by the Commission. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 6(2)."

6. Article 6 is replaced by the following:

"Article 6

1. The Commission shall be assisted by the Single Sky Committee established by Regulation (EC) No 549/2004. That committee shall be a committee within the meaning of Regulation (EU) No 182/2011.
2. Where reference is made to this paragraph, Article 5 of Regulation (EU) No 182/2011 shall apply. ***Where the committee delivers no opinion, the Commission shall not adopt the draft implementing act and the third paragraph of Article 5(4) of Regulation (EU) 182/2011 shall apply.***

7. Article 7 is replaced by the following:

"Article 7

#### ***Evaluation***

***By 30 June 2017 the Commission shall carry out, with the assistance of independent experts, an interim evaluation on the implementation of this Regulation and the results obtained by the Joint Undertaking, focussing in particular on the impact and effectiveness of these concrete results achieved under the given term, in accordance with the ATM Master Plan. The evaluation shall also cover the working methods, as well as the general financial situation of the Joint Undertaking. The Commission shall prepare a report on that evaluation which includes conclusions of the evaluation and observations by the Commission. The Commission shall send that report to the European Parliament and to the Council by 31 December 2017. The results of the interim evaluation of the Joint Undertakings shall be taken into account in the in-depth assessment and in the interim evaluation referred to in Article 32 of Regulation (EU) No 1291/2013.***

8. The Annex is amended in accordance with the Annex to this Regulation.

#### Article 2

##### Transitional provisions relating to the mandate of the Executive Director

The mandate of the Executive Director in office on 1 January 2009 shall expire on 31 December 2016 at the latest. Upon expiry of that mandate or the replacement of the Executive Director in office on 1 January 2009, a new procedure leading to the appointment of the Executive Director shall be launched in accordance with Article 7(2) of the Annex to Regulation (EC) No 219/2007.

#### Article 3

##### Transitional provisions relating to the membership in the Joint Undertaking

Membership in the Joint Undertaking shall end by 31 December 2016 with regards to the Members of the Joint Undertaking who, as of 1 January 2014, do not contribute in kind or in cash to the costs of the Joint Undertaking's work programme related to the Union's 2014-2020 financial framework.

#### Article 4

##### Transitional provisions relating to the activities of the Joint Undertaking financed under the Union's 2007-2013 financial framework

The activities of the Joint Undertaking financed under the 7<sup>th</sup> Framework Programme for research and technological development and the Framework Programme on Trans-European networks initiated until 31 December 2013 shall be terminated by 31 December 2016, with the exclusion of project management activities related to their closing down.

## Article 5

### Entry into force and application

This Regulation shall enter into force on the twentieth day following that of its publication in the *Official Journal of the European Union*.

It shall apply from 1 January 2014.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at

*For the Council*

*The President*

The Annex is amended as follows:

1. Article 5 is amended as follows :

(a) in paragraph 1, *points (m) and (n) are* replaced by the following:

"(m) laying down the rules and procedures for awarding the contracts or grants and any other agreement necessary to implement the ATM Master Plan, including specific procedures for avoidance of conflict of interest;

(n) *deciding on proposals to the Commission to amend the statutes*";

(b) in paragraph 2, point (a) is replaced by the following:

"(a) the Administrative Board shall meet at least three times a year. Extraordinary meetings shall be convened either at the request of one-third of the members of the Administrative Board representing at least 30 % of the voting rights, at the request of the Commission or of the Executive Director;";

2. In Article 6, paragraph 1 is replaced by the following:

"1. Members of the Joint Undertaking or of the Administrative Board and Joint Undertaking staff are not allowed to participate in the preparation, evaluation or the award procedure of financial support from the Joint Undertaking, in particular following calls for tender or calls for proposals if they own, represent or have agreements with bodies which are potential candidates or applicants."

3. In Article 7, paragraph 2 is replaced by the following:

"2. The Executive Director shall be engaged as a temporary agent of the Joint Undertaking under Article 2(a) of the Conditions of employment of other servants. The Executive Director shall be appointed by the Administrative Board, from a list of candidates proposed by the Commission, following an open and transparent selection procedure.



For the purpose of concluding the contract with the Executive Director, the Joint Undertaking shall be represented by the Chairperson of the Administrative Board.

The term of office of the Executive Director shall be five years. By the end of that period, the Commission shall undertake an assessment that takes into account an evaluation of the performance of the Executive Director and the Joint Undertaking's future tasks and challenges.

The Administrative Board, acting on a proposal from the Commission, which takes into account the assessment referred to in the third subparagraph of this paragraph, may extend once the term of office of the Executive Director for no more than five years.

An Executive Director whose term of office has been extended may not participate in another selection procedure for the same post at the end of the overall period.

The Executive Director may be removed from office only upon a decision of the Administrative Board acting on a proposal from the Commission.";

4. In Article 9, paragraph 1 is replaced by the following:

"In order to carry out the tasks defined in Article 1(5) of this Regulation, the Joint Undertaking may conclude specific agreements with and award grants to its members, *in accordance with the applicable financial regulations*.";

5. Article 10 is replaced by the following:

"Article 10

Contracts and grants

1. Notwithstanding the provisions of Article 9, the Joint Undertaking may conclude service and supply contracts or grant agreements with undertakings or a consortium of undertakings, in particular to carry out the tasks provided for in Article 1(5) of this Regulation.
2. The Joint Undertaking shall ensure that the contracts and grant agreements and agreements referred to in paragraph 1 provide for the right of the Commission to carry out controls in order to ensure that the financial interests of the Union are protected.
3. The contracts and grant agreements referred to in paragraph 1 shall include all appropriate provisions relating to the intellectual property rights referred to in Article 18. In order to avoid any conflict of interest, members involved in defining work that is subject to a procurement or grant procedure, including their staff seconded under Article 8, may not take part in carrying out that work."

5a. *In Article 12(3), the first subparagraph is replaced by the following:*

*"The members referred to in the second indent of Article 1(2) shall undertake to pay a minimum initial contribution of EUR 10 million within a period of one year from when their accession to the Joint Undertaking is accepted. This amount shall be reduced to EUR 5 million for members that subscribe to the Joint Undertaking within 24 months of its constitution or after a call for new membership."*

6. In Article 13, paragraph 2 is amended as follows:

"Any interest yielded by the contributions paid by the members of the Joint Undertaking shall be considered to be revenue of the Joint Undertaking."

7. In Article 16, the introductory part of paragraph 1 is replaced by the following:

"The Joint Undertaking shall draw up its work programme on the basis of the financial framework referred to in Article 4(2) *of this Regulation* and on the basis of sound management and accountability principles setting out clear deliverables and milestones. It shall consist of:";

8. Article 17 is replaced by the following:

"Article 17

Protection of the Union's financial interests

1. The Joint Undertaking shall take appropriate measures ensuring that, when actions financed under this Regulation are implemented, the financial interests of the Union are protected by the application of preventive measures against fraud, corruption and any other illegal activities, by effective checks and, if irregularities are detected, by the recovery of the amounts wrongly paid and, where appropriate, by effective, proportional and deterrent penalties.
2. The Commission or its representatives and the Court of Auditors shall have the power of audit, on the basis of documents as well as on-the-spot, over all grant beneficiaries, contractors and subcontractors who have received Union funds.
3. The European Anti-Fraud Office ('OLAF') shall be authorised to carry out on-the-spot checks and inspections on economic operators concerned directly or indirectly by such funding in accordance with the procedures laid down in Council Regulation (Euratom, EC) No 2185/96 of 11 November 1996 concerning on-the-spot checks and inspections carried out by the Commission in order to protect the European Communities' financial interests against fraud and other irregularities with a view to establishing that there has been fraud, corruption or any other illegal activity affecting the financial interests of the Union in connection with a grant agreement or decision or a contract concerning Union funding.
4. Without prejudice to paragraphs 1, 2 and 3, cooperation agreements with international organisations, grant agreements, decisions and contracts resulting from the implementation of this Regulation shall expressly entitle the Commission, the Court of Auditors and OLAF to conduct such audits, on-the-spot checks and inspections."

9. Article 24 is deleted.

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