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| From: | General Secretariat of the Council |
| To: | Permanent Representatives Committee/Council |
| No. prev. doc.: | ST 11436/4/19 REV4 |
| Subject: | Council conclusions on the European Court of Auditors' Special Report No 11/2019 entitled 'The EU's regulation for the modernisation of air traffic management has added value – but the funding was largely unnecessary' – Adoption |

1. On 25 June 2019, the European Court of Auditors published Special Report No 11/2019 entitled "The EU's regulation for the modernisation of air traffic management has added value – but the funding was largely unnecessary".
2. Pursuant to the rules set out in the Council conclusions on improving the examination of special reports drawn up by the European Court of Auditors¹, on 3 July 2019 the Permanent Representatives Committee instructed the Aviation Working Party to examine the report².

¹ Doc. 7515/00 FIN 127 + COR 1.

² Doc. 10666/19 FIN 439 AVIATION 133 RECH 389

3. The Aviation Working Party examined the Special Report and the text of the draft Council Conclusions proposed by the Presidency in its meetings on 11 July, 5 and 26 September, 24 October and 7 November 2019. Following the comments and suggestions proposed by the delegations, the text of the draft Council Conclusions was revised further.
 4. Subject to confirmation by Coreper, the Council is invited to adopt the draft Council Conclusions as set out in the Annex to this Note in one of its forthcoming meetings.
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COUNCIL CONCLUSIONS

on Special Report No 11/2019
of the European Court of Auditors:

"The EU's regulation for the modernisation of air traffic management has added value – but the funding was largely unnecessary"

THE COUNCIL

1. TAKES NOTE of the European Court of Auditors' Special Report No 11/2019 *"The EU's regulation for the modernisation of air traffic management has added value – but the funding was largely unnecessary"*, regarding the impact of Union legislation and financial support on the modernisation of Air Traffic Management (ATM).
2. HIGHLIGHTS the constructive approach of the European Court of Auditors to the opportunity of EU public funding and the specific added value of such funding for ATM modernisation, and WELCOMES the European Court of Auditors' open and critical findings on the effectiveness of EU funding in relation to some audited SESAR deployment projects and the impact of such funding on ATM modernisation.
3. HIGHLIGHTS the benefits of coordination at Union level for ATM modernisation, with a view to ensuring interoperability between stakeholders in order to support the deployment of new ATM technologies and operational procedures in the provision of air navigation services.
4. STRESSES the importance of coordination of all stakeholders and necessary buy-in with a view to the timely implementation of common projects.

5. RECALLS the importance of Single European Sky Air Traffic Management Research and Development (SESAR) as an essential enabler for the implementation of the Single European Sky. With the aim to mitigate the delay of some SESAR solutions the Council UNDERLINES the need to ensure the timely availability and deployment of technological and operational solutions for the modernisation of the ATM environment through an acceleration of related investments and the synchronisation of efforts.
6. STRESSES that the financial support in the New Financial Framework 2021-2027 should be maintained and duly justified in terms of added value, represent an efficient use of resources and contribute to improving the performance of the European ATM network in the Union.
7. STRESSES the importance of ensuring that SESAR solutions transit seamlessly and in a timely manner from the development phase to the industrialisation and implementation phases, NOTING the difference between the airborne equipment and the ground systems industrialisation processes, and HIGHLIGHTING that a timely and effective deployment of mature new concepts should be supported by the prompt release of suitable technical and operational specifications and by the consistent adherence to them and SUPPORTS, where proven necessary, continued and more focussed Union financial support to the synchronised and timely deployment of essential SESAR solutions in particular with a view to bridging gaps between industrialisation and implementation processes.
8. TAKES NOTE that the European Court of Auditors' Special Report concludes that there is a lack of standardisation in the SESAR projects and RECOGNISES the contribution of standardisation in ensuring interoperability.
9. HIGHLIGHTS the inconsistencies between the procedures for fund allocation within the CEF mechanism and the five-year investment planning required by the EU charging Regulation 2019 /317.
10. RECALLS that the Commission Implementing Regulation (EU) No 409/2013 provides details on the definition of common projects, the establishment of governance, the roles of the operational stakeholders, and the identification of incentives supporting the implementation of the European ATM Master Plan, and TAKES NOTE that the European Court of Auditors' Special Report underlines the importance of the operational stakeholders in implementing deployment activities.

11. RECALLS that the Commission Implementing Regulation (EU) No 716/2014 sets up the Pilot Common Project and identifies a first set of ATM functionalities to be deployed in timely, coordinated and synchronised way so as to achieve the essential operational changes stemming from the European ATM Master Plan. However, the European Court of Auditors has observed that some developed functions had not been sufficiently mature at the moment of inclusion in the Regulation (EU) No 716/2014 on the Pilot Common Project. Furthermore, compliance with the regulatory requirements in terms of Commission Implementing Regulation (EU) No 409/2013 is jeopardised due to a delay in releasing mature solutions.
12. WELCOMES the fact that the Commission accepts the European Court of Auditors' recommendations and URGES the Commission to reflect, based on the lessons learnt and the European Court of Auditors' Special report, on how to improve SESAR's deployment and to avoid any conflict of interests.
13. INVITES the Commission to review the Pilot Common Project in the light of the European Court of Auditors' recommendations, as the review is intended to address a number of the shortcomings reported and to explore the means for improving the effectiveness of common projects within the SESAR innovation cycle, while maintaining the momentum already initiated by the Pilot Common Project.
14. INVITES the Commission, together with the involved bodies, in the light of the recommendations made by the European Court of Auditors, and in order to reinforce the effectiveness of common projects, to better define priorities and target financial support provided by the Union, so as to ensure that the projects have the greatest possible impact, to clarify and review the role of the SESAR Deployment Manager so as to enhance transparency in preparing and submitting applications for funding, and to ensure appropriate monitoring of the benefits delivered to the whole aviation sector.

15. INVITES the Commission to reflect on how to better link the definition, development, industrialisation and implementation processes of the SESAR project and enhance their connection with other Single European Sky mechanisms, also considering the European Court of Auditors' recommendations from its Special Report n° 18/2017 on the performance of the Single European Sky.
 16. HIGHLIGHTS the importance of the ATM masterplan and SESAR as essential tools to the development and the deployment of the ATM infrastructure in EU Member States.
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