



2024/2374

10.10.2024

RESOLUTION (EU) 2024/2374 OF THE EUROPEAN PARLIAMENT

of 11 April 2024

with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the Single European Sky ATM Research 3 Joint Undertaking for the financial year 2022

THE EUROPEAN PARLIAMENT,

- having regard to its decision on discharge in respect of the implementation of the budget of the Single European Sky ATM Research 3 Joint Undertaking for the financial year 2022,
- having regard to Rule 100 of and Annex V to its Rules of Procedure,
- having regard to the opinion of the Committee on Transport and Tourism,
- having regard to the report of the Committee on Budgetary Control (A9-0094/2024),
- A. whereas the Single European Sky Air Traffic Management Research 3 (SESAR 3) Joint Undertaking ('Joint Undertaking'), located in Brussels, was set up in November 2021 under the Horizon Europe programme for the period ending on 31 December 2031 ⁽¹⁾; notes that the SESAR 3 JU replaced and succeeded the SESAR JU that was set up in February 2007 under the Seventh Research Framework Programme for a period of 8 years ⁽²⁾ (SESAR 1) and extended in June 2014 to continue to operate under the Horizon 2020 programme for a period until 31 December 2024 ⁽³⁾;
- B. whereas Joint Undertaking is a public-private partnership for the development of modernised air traffic management (ATM) in Europe and to accelerate through research and innovation the delivery of the Digital European Sky; whereas its founding members are the Union, represented by the Commission, the European Organisation for the Safety of Air Navigation (Eurocontrol), and more than 50 organisations covering the entire aviation value chain, from airports, airspace users of all categories, air navigation service providers, drone operators and service providers, the manufacturing industry and scientific community;
- C. whereas, to increase transparency, the Joint Undertaking should disclose in its annual accounts, relevant information regarding members' contributions at programme level; whereas, for each programme under which they operate, the Joint Undertaking should present per member category up to the year-end, all relevant information including the legal contribution targets set for the respective programme, the volume of contributions received, and the volume of legal commitments; whereas the Joint Undertaking should continue to improve transparency;

General

1. Notes, from the Consolidated annual activity report ⁽⁴⁾, that the Digital European Sky programme commenced in 2022 with the approval of the multiannual work programme and the first biannual work programme, and the launch of the first two calls within the framework of Horizon Europe for (1) exploratory and industrial research and (2) fast-track to innovation and market uptake; notes that of the 127 project proposals received, 48 have been selected, representing a total investment of EUR 350 million;
2. Welcomes the contribution of the Joint Undertaking to react to the illegal and unjustified Russian war of aggression against Ukraine as some traffic flows were affected, necessitating the adaptation of air traffic control (ATC) operations of the Joint Undertaking, which led to an increased need for air traffic controller (ATCO);

⁽¹⁾ Council Regulation (EU) 2021/2085 of 19 November 2021 establishing the Joint Undertakings under Horizon Europe and repealing Regulations (EC) No 219/2007, (EU) No 557/2014, (EU) No 558/2014, (EU) No 559/2014, (EU) No 560/2014, (EU) No 561/2014 and (EU) No 642/2014 (OJ L 427, 30.11.2021, p. 17).

⁽²⁾ Council Regulation (EC) No 219/2007 of 27 February 2007 on the establishment of a Joint Undertaking to develop the new generation European air traffic management system (SESAR) (OJ L 64, 2.3.2007, p. 1).

⁽³⁾ Council Regulation (EU) No 721/2014 of 16 June 2014 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 (OJ L 192, 1.7.2014, p. 1).

⁽⁴⁾ <https://www.sesarju.eu/node/4509>.

3. Notes, that in 2022, the Joint Undertaking made progress in completing the research and innovation (R & I) activities of the SESAR 2020 programme while enabling the new SESAR 3 JU partnership to become fully functional and the Digital European Sky R & I programme to get up and running;
4. Notes, furthermore, that the activities developed are an important contribution to the European Commission's strategic priorities and initiatives, namely the single European sky, the European Green Deal and a Europe fit for the digital age;

Budgetary and financial management

5. Welcomes the contribution of the Joint Undertaking to react to the illegal and unjustified Russian war of aggression against Ukraine as some traffic flows were affected, requiring the reworking of ATC operations, which led to an increased need for ATCO;
6. Notes that, for 2022, the available budget ⁽⁵⁾ was EUR 146,9 million in payment appropriations (EUR 69,9 million in 2021) and EUR 158,8 million in commitment appropriations (EUR 34,8 million in 2021);
7. Notes that the changes in the size of the Joint Undertaking's budget largely depend on the implementation phase of the multiannual research and innovation programmes; notes that, in 2022, the Joint Undertaking started with the implementation of the Horizon Europe programme, therefore, the 2022 budget includes the commitment budget for the first Horizon Europe calls planned for 2022, and the payment budget for the related pre-financing payments;
8. Notes that the Governing Board of the Joint Undertaking adopted the 2022 budget in December 2021 and that this decision approved some transitional elements related to the annual work programme, budget, staff establishment plan and procurement plan of the Joint Undertaking for 2021 and 2022; notes that the 2022 budget was amended twice in October 2022, and with the third amendment, in December 2022 ⁽⁶⁾;
9. Notes, from the Court of Auditor's (the 'Court') report, that, in the Joint Undertaking's 2022 annual accounts, the amounts of contributions recognised per member category (Union, private members, and Eurocontrol) differ significantly from each other; notes that this is because Union cash contributions are validated and recognised when paid to the Joint Undertaking at the beginning of the project implementation, but members' in-kind contributions are only recognised after validation of the costs incurred and declared for project implementation;
10. Notes that the gap between the recognised amount of cash contributions on the one hand and in-kind contributions on the other hand, should be addressed by providing information on the Joint Undertaking members' legal commitments at year end, in terms of signed grant agreements and contracts;
11. Notes, as regards the implementation of Horizon 2020, that, at the end of 2022, the Joint Undertaking had fully committed the maximum EU operational contribution of EUR 555,8 million for signed grant agreements and contracts under the programme and that of this committed amount, around EUR 65,7 million (or 11,8 %) remains to be paid in the coming years for projects and contracts yet to be completed; notes, in addition, that the private members had legally committed to provide their entire in-kind contributions of EUR 280 million, defined as target in the industry membership agreement and that of this amount, industry members reported EUR 278,5 million (or 99,5 %) at the end of 2022; notes, moreover, that Eurocontrol had fully committed the target of EUR 467 million of operational contributions, defined in the bilateral agreement and that of this amount, it reported EUR 313,6 million (or 67 % of the target) at the end of 2022;
12. Notes that, for Horizon 2020 activities, the Joint Undertaking received no new operational commitment appropriations, as the Joint Undertaking had finished its last call for proposals by the end of 2020; notes that the Joint Undertaking's implementation rate for its 2022 operational budget was significantly lower than in previous years (54 % in 2022 – 93 % in 2021), owing to the rising costs and delivery problems faced by beneficiaries in the wake of the COVID-19 crisis and the war of aggression against Ukraine; notes, therefore, that the duration of most Horizon 2020 projects had to be prolonged and final payments postponed to 2023;

⁽⁵⁾ Which includes unused appropriations of previous years, re-entered in the budget of the 2022 year, assigned revenues and reallocations to the next year.

⁽⁶⁾ Consolidated annual activity report (p. 59).

13. Notes, that the Horizon Europe appropriations for 2022 were fully implemented for the first two calls launched in April 2022; notes that the Commission made a cash contribution of EUR 83,5 million for the implementation of these projects in 2022; notes, however, that as the evaluation phase was not finalised by the end of the year, the cash contributions could only be used in the first half of 2023, when the grant agreements are signed, and the related pre-financing payments can be made;
14. Welcomes the fact that the Joint Undertaking continued to manage 71 projects in exploratory, industrial and validation research, with 300 different beneficiaries, of which nearly 20 % are SMEs, 17 % are higher education institutions and 9 % are research organisations; recalls that the Joint Undertaking creates new opportunities for SMEs;
15. Notes that in 2022, the Joint Undertaking continued to strengthen its partnership with the European Union Aviation Safety Agency (EASA), aiming to foster cooperation with it as part of the service-level agreement (SLA), and to task EASA with providing services within the area of ATM or air navigation services, including the implementation of the Single European Sky; stresses the importance of the further development of the Single European Sky;
16. Notes the 2022 surplus of EUR 107,2 million, attributed to the late adoption of the Single Basic Act;
17. Stresses the importance of the Joint Undertaking in achieving the Digital European Sky, resulting in 48 selected projects, including the launch of five Digital Sky Demonstrators, with a total investment of EUR 350 million; welcomes the close dialogue since 2011 between the Joint Undertaking and the European Defence Agency (EDA) on military matters and inputs into the Digital European Sky programme; notes that the EDA now serves as the main interface between the Digital European Sky programme on the one hand, and military aviation and ATM on the other, and is responsible for coordinating military views with regard to the Single European Sky and SESAR;

Management and control systems

18. Notes that, for Horizon 2020 and Horizon Europe expenditure, the Common Audit Service of the Commission's DG RTD performed the *ex post* audits; notes that for Horizon 2020 expenditure (clearings and final payments), the Joint Undertaking reported a representative error rate of 2,4 % and a residual error rate of 1,8 % ⁽⁷⁾; notes that for the Horizon Europe programme, *ex post* audits have yet to be carried out, as the first interim payments are only expected in 2024;
19. Notes that to assess the operational payments controls of the Joint Undertaking, the Court audited randomly sampled Horizon 2020 payments made in 2022, at the level of the final beneficiaries ⁽⁸⁾; notes, furthermore, that the Court did not find serious quantifiable errors at the Joint Undertaking beneficiaries sampled; notes, nevertheless, that for one case the Court reported a systemic issue resulting from ineligible costs declared by the beneficiary for non-mandatory certificates of financial statement, related to interim financial statements;
20. Notes that the Court considered that half of the Joint Undertakings, including SESAR 3, lacked a structured risk-based approach to *ex ante* controls for Horizon 2020 grants;
21. Reminds that, pursuant to Article 21 of the Joint Undertakings' financial rules, the purpose of *ex ante* controls is to prevent errors and irregularities before the authorisation of operations and to mitigate risks of non-achievement of objectives;
22. Notes, in this regard, that for SESAR, based on the review of internal documentation, and interviews with Joint Undertaking's staff, the Court found that at the end of 2022, the Joint Undertaking's risk monitoring approach only considered beneficiaries that had been *ex post* audited, mainly top beneficiaries; notes, moreover, that potentially risky beneficiaries that had never been *ex post* audited and newcomers were therefore excluded from the risk assessment;

⁽⁷⁾ Consolidated annual activity report, chapter 4.1.1.2.3.

⁽⁸⁾ For grant payment transactions tested at the beneficiaries, the reporting threshold for quantifiable errors is 1 % of the audited costs.

23. Notes, in addition, that the Joint Undertaking did not assess risk at project level;
24. Calls on the Joint Undertaking to enhance its risk monitoring approach to *ex ante* controls to identify potentially risky beneficiaries currently not included in the population (such as beneficiaries that had never been *ex post* audited and newcomers) and risky projects;
25. Calls on the Joint Undertaking to address weaknesses in the use of the reinforced monitoring tool ⁽⁹⁾; reminds in this regard that the tool it is designed to help in targeting *ex ante* controls on the most important risks assessed for a project or beneficiaries, allowing officer at any moment during the project implementation, to record identified important risks and trace the respective monitoring and risk mitigating action;
26. Notes that for an effective and efficient use of the tool, officers should define a relevant and achievable deadline (due date) for the targeted completion of the reinforced monitoring action; notes, however, that, for the Joint Undertaking, upon expiry of the defined due date, the reinforced monitoring flag was neither renewed nor closed and that, additionally, the risk level was not reassessed by the officer after the implementation of the control actions;
27. Agrees with the Court that the Joint Undertaking should ensure that all reinforced monitoring actions are accompanied by specific control actions targeting the identified risks, and that they are followed-up at a pre-defined deadline;
28. Notes that, in line with the Court's assessment, the importance for Joint Undertakings to implement their specific risk-based approach to grant management has increased under Horizon Europe;
29. Highlights that the beneficiary or project structure of the Joint Undertaking is changing significantly under the Horizon Europe programme, such as the increased number of SMEs, newcomers and larger consortia, as well as the requirement to only use open call procedures for Horizon Europe activities and, as a result, the risk factors identified in previous programmes may no longer be relevant and new risk factors may emerge;
30. Agrees with the Court that these changes highlight the importance for the Joint Undertaking to implement or adapt their specific risk-based approach to grant management;
31. Welcomes the Joint Undertaking's commitment to address the new risk factors stemming from the Horizon Europe framework and adaptation of its new risk-based approach to *ex ante* controls as well as putting in place new risk-based tools for assessing risks at project level and for newcomers; invites the Joint Undertaking to provide information on these activities in its 2023 annual activity report;

Procurement and staff

32. Notes that due to its ramp-up activities, the Joint Undertaking focused on the management of its existing contracts covered by operational appropriations and on selecting the providers of specific programme management services and, as a consequence, the Joint Undertaking decided to move the indicative dates of some operational procurements to the first quarter of 2023;
33. Notes that the Joint Undertaking's approved 2022 staff establishment plan allows for 37 temporary agents, one contract agent and two seconded national experts, as set out in the annual general budget of the European Union for the European Commission;

⁽⁹⁾ According to section 3.2.2 on reinforced monitoring in the CIC (Common Implementation Centre of the Commission's DG RTD) guidance on Horizon 2020 *ex ante* controls, the reinforced monitoring tool supports officers dealing with grants (project officers, financial officers, and legal officers) to perform a risk assessment of projects or beneficiaries.

34. Notes that the effective allocation of staff remained a priority for the Joint Undertaking during 2022 and that efforts were focused on the professional and career development of its staff, in addition to ensuring that allocated staff were used in the most economic, efficient and effective way;
35. Notes that the vacancy rate at the end of 2022 was 8,1 %; notes from the Consolidated Annual Activity Report, that as the Joint Undertaking's staff establishment plan has only 37 temporary agent positions, each temporary staff departure increases the relevant vacancy rate by 2,7 %;
36. Notes that the implementation of the Sysper Job information system module began during 2022; notes from the Consolidated Annual Activity Report, that the Joint Undertaking will complete Sysper human resources management System in 2023;
37. Notes that, regarding gender and geographical balance, the Joint Undertaking remained committed to ensuring that its overall balance remains stable, notes that at the end of 2022, 59 % of the 37 staff were female and 41 % were male, with 15 nationalities represented;

Follow-up of previous years' observations

38. Notes that 'observations' in the Joint Undertakings specific annual reports are in fact 'not timed recommendations' by the Court; notes that the Court follows-up on those observations annually by assessing their status as 'open' or 'closed';
 39. Welcomes that the Joint Undertaking has taken corrective action in response to the Court's observation issued in 2021.
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