

Meeting ADB(M)036

Minutes

ADB(M)036- MoM

Date of the Meeting: 28 April 2016

Time: 10:00-14:00

Place: SJU, av. de Cortenbergh, 100 - 1000 Brussels

Board Members and other participants

SJU Members	Representative		
European Union represented by the European Commission (EC)	Mr Henrik Hololei	Member	
	Mr Marco De Sciscio	Observer	
	Mr Octavian Vasile	Observer	
	Ms Christel O	Observer	
Eurocontrol (ECTL)	Mr Frank Brenner	Member	
	Mr Philippe Merlo	Alternate	
Airbus	Mr Bruno Darboux	Member	
DFS	Mr Ralf Bertsch	Alternate	<i>excused</i>
DSNA	Mr Philippe Barnola	Alternate	<i>excused</i>
ENAIRE	Mr Fernando Ferrandez	Observer	
ENAV	Mr Cristiano Cantoni	Alternate	<i>excused</i>
Finmeccanica	Mr Stefano Porfiri	Member	
Frequentis	Mr Michael Holzbauer	Alternate	
Honeywell	Mr Sander Roosendaal	Alternate	
INDRA	Mr David Luengo	Observer	
NATMIG	Mr Aage Thunem	Member	
NATS	Mr Peter Whysall	Alternate	
NORACON	Mr Niclas Guvstasson	Alternate	<i>excused</i>
SEAC	Mr Gérard Battistella	Member	<i>excused</i>
Thales	Mr Luc Lallouette	Alternate	

Stakeholder representatives	Representative		
Military European Defence Agency (EDA)	Air Com (ret.) Chris Lorraine	Member	
	Mr Roland Van Reybroeck	Alternate	
Civil users of airspace (CUA)	Mr Simon McNamara	Member	
	Mr Giancarlo Buono	Alternate	
Air Navigation Service Providers (ANSP)	Mr Guenter Martis	Member	
Equipment manufacturers (EM) Airports (APT)	Mr Vincent de Vroey	Member	<i>excused</i>
	Mr Panos Spiliotis	Alternate	<i>excused</i>
Staff in the ATM sector (STAFF)	Mr Theodore Kiritsis	Alternate	<i>excused</i>
Scientific community (SC)	Prof. Peter Hecker	Member	<i>excused</i>

Permanent representatives	Representative		
SJU Executive Director	Mr Florian Guillermet		
SJU Deputy Executive Director	Mr Peter Hotham		
SJU US Liaison Officer	David Batchelor		
SJU Chief Administration Affairs	Mr José Calvo Fresno		
SJU Accounting Officer	Mr Marcel Dedic		
SJU Internal Audit Capability	Mrs Véronique Haarsma		
Secretary of the Board	Mrs Ilaria Vazzoler		

Item 1 Introduction

The Chairperson welcomed the Board Members to the 36th Ordinary Meeting of the SJU Administrative Board, the first meeting of 2016.

He informed that:

- ENAIRE representatives were unable to attend and Mr Fernando Ferrandez participated as an observer
- Mr Stefano Porfiri participated representing Finmeccanica (previously representative for Selex es)
- INDRA representatives were not able to attend and were represented by Mr David Luengo, Indra's Head of Brussels Office
- ENAV and DSNA were not able to participate and have delegated NATS to represent them

He reminded the participants of their obligation to provide their CVs to be published on the SJU website and invited those who did not have the opportunity to do that yet, to comply with the requirement by the end of May.

Verification of the voting quorum

- ▷ The Chair noted that the meeting had the required voting quorum.

Adoption of the agenda

No Board Members proposed changes to the draft Agenda.

- ▷ The Board adopted the Agenda.

Disclosure of conflicts of interests

The Chair reminded the participants of their obligation to declare any real or potential conflict of interest on any agenda item. Board Members and participants were required to fill in and sign the relevant declaration in accordance with Article 2.4 of the Board decision on conflict of interest ADB(D)-10-2008 as modified by Decision ADB(D)-03-2012. Copies of the complete text of the decision were available in the meeting room in order to allow participants to better understand their obligations in terms of declaration of conflict of interest.

- ▷ The Chairperson noted that no conflict of interest was declared on any agenda item and that all participants had completed the declarations on conflict of interest.

The Chairperson provided an update on the latest events in the EC since the adoption of the EU Aviation Strategy and informed that the European Commission has started to work

in cooperation with the aviation stakeholders to deliver the results set last year: the EASA Basic Regulation is currently being reviewed in the Council AVIA Group; in March the Commission received a mandate from the Council to open negotiations for safety agreements with China and Japan; the Council is also currently assessing the mandates for the Commission to negotiate comprehensive transport agreements with ASEAN countries, Gulf Countries and Turkey; the European Commission continues the internal preparatory work for a Proposal to revise Regulation 868/2004 on unfair practices later on this year.

On SESAR Deployment, the Chairperson informed that the 2015 CEF call for proposals for SESAR deployment attracted enormous interest. The SESAR Deployment Manager and 87 partners have submitted 3 proposals comprising PCP implementation projects, for the value of over EUR 2.4 billion. Other 50 projects were submitted outside the scope of the PCP. Mr Hololei informed that due to the limited available funding of EUR 515M (+ EUR 300M for cohesion), the EC will not be able to support every initiative. At the end of April, the evaluation and selection process were under way to ensure that projects with the highest relevance, maturity, impact and cost-effectiveness receive funding.

The Chairperson expressed satisfaction about the growing involvement of the military stakeholders; he added that the EC is exploring possibilities to find resources for another SESAR deployment call this year. In parallel, the Deployment Manager has started the preparation of the 2016 Deployment Programme and the first draft was circulated for consultation in March.

On the Cooperation with the USA, Mr Hololei confirmed that the EC has been discussing with the FAA on the possibility to extend the cooperation to all phases of ATM modernisation and has been initiating the necessary actions to ask the Council for a formal mandate to negotiate with the USA a new agreement.

He ensured that the good cooperation between the SJU and the FAA will continue and that the SESAR Deployment Manager will be closely involved under the new arrangements.

Mr Martis (ANSP) expressed his utmost appreciation for the strong emphasis on the cooperation with the US.

Item 2 Voting rights allocation*

Mr Hololei explained that being the first meeting of the year, the voting rights allocation needed to be confirmed. He reminded that the allocation is based on the contributions (in cash and in-kind) that each of the Members have committed to deliver. He reminded those Members who were late with reporting in-kind contributions for 2014 of their obligation and invited them to deliver the required information in time to allow the SJU to fulfil its reporting obligations and to allocate voting rights accordingly.

Mr Guillermet specified that Finmeccanica contribution is calculated summing Alenia's and Selex ES's contributions.

Mr Ferrandez noticed that AENA's name needed to be updated with ENAIRE's, this was noted for update.

The Chairperson confirmed that the European Commission was in favour of the proposed decision, where no modification was presented to the voting rights allocation compared to last year's.



Conclusions on item 2

Decision ADB(D)-05-2016

- The Board took note of the information and adopted the Decision ADB(D)-05-2016 on the allocation of voting rights.

Item 3 Report on the progress of the Programme and other on-going key activities

The Chairperson gave the floor to Mr Guillermet who informed that the presentation was covering the SESAR 1 closure, Release 5, Progress towards PCP, SESAR Solutions, Performance Results, AWP2016 Objectives.

Mr Hotham addressed the final topics and said that the trend of the programme completeness moved to 86% in Q4 2015, moving forward according to plan. He reminded the Members that, as the rate of projects closure will increase, the amount of available efforts will reduce and recalled the need to shift the focus from SSESAR 2020 to SESAR 1 again.

With regard to the closure of SESAR 1, out of 369 projects, 179 are in execution, 53 in closure process and 137 are closed.

According to the closure plan, 2 projects have to be closed on average every working day, underlying that the significance of the workload for both the SJU and the Members. Mr Hotham reminded that the maximum delay for the submission of deliverables is end of October 2016 and the costs claimed for the deliverables not submitted on time cannot be considered for reimbursement.

Mr Hotham continued speaking about Release 5, that includes 39 exercises covering 32 potential Solutions; 26 completed, 2 cancelled/merged, 1 cancelled and replaced by the i-IOP exercise, 10 in preparation to be concluded in May, including 1 Airbus flight trial finalizing 3 exercises and the i-IOP exercise planned in October.

To provide an insight of the Programme exercises, the cases of “Continuous Descent Operations & Noise Abatement” and the “Guidance Assistance through airfield ground lightning”, covering SESAR Solutions, were presented.

As regards progress towards PCP objectives, Mr Hotham informed that the SJU assessment per PCP AF requirements is ongoing to detect any potential gap and presented the current status of AFs deliveries: AF 1,2,4,6 are on track; AF 3 presents risks on Free Routing that are mitigated through development planning compliant with PCP; AF5 presents risks on IOP that are mitigated with IOP development roadmap and delivery of i-IOP solution in SESAR 1.

Mr Guillermet provided a short introduction of what will be presented in June at the SESAR Showcase event in Amsterdam to show the overall value generated by the SESAR project. More than 200 Real Time simulations have been conducted covering different validation activities, systematically coupling different components of the system (airports, cockpit, air navigation centres...) which were previously put together only on ad-hoc basis.

More than 50 live trials have been conducted and the most significant ones will be presented in Amsterdam.

Several flight tests were performed in the context both of the Programme and Demonstration activities, with the aim of pushing SESAR Solutions towards the market.

Mr Guillermet recalled that out of the 57 SESAR Solutions identified for SESAR1, 25 are completed and 32 ongoing and being closely followed up by the SJU and the Members.

He also informed that the SJU is preparing the SESAR Solutions catalogue, to be published for the Showcase event and used to underline the added value reached by the partnership and to “sell” the SESAR project.

As regards the performance assessment for 2015, SESAR 1 is getting close to the target foreseen, except for the area of “Fuel efficiency”. Investigations are ongoing to understand the reason of this difficulty, which could be linked to a trade-off effect with the others performance targets.

Information and data on performance are publicly available and the example of “Airport Capacity” and “Fuel Efficiency” were presented.

This information is shared with the Deployment Manager.

Mr Guillermet then provided an overview of the progress of the SJU activities against the objectives fixed in the AWP 2016:

1. Completion and closure of SESAR 1: is overall on track.
2. Ramp-up of SESAR 2020: the Membership accession process is completed, the Membership Agreements signature is in preparation; for the Exploratory Research call, 28 proposals were selected and 20 grant agreements were signed as of 28 April. It was underlined that the Grant Agreement preparation is a very cumbersome process, 2 projects are still under ethics review and 6 in preparation.
A new, second, call in the context of Exploratory Research - RPAS is in preparation and expected to be launched by end of Q2.
The launch of the SESAR 2020 Exploratory Research third call is expected by the end of Q4 and will require a Work Programme update around mid-year to fully define the call in accordance with the rules.
3. Stakeholders engagement by the SJU: several engagements are in place with stakeholders, the one with airports has just been completed.
4. Assist stakeholders in other areas concerning the technological pillar of the SES: the SJU has progressed further with specific mandate (e.g. a study on Drones is ongoing), and updated various cooperative arrangements.
5. Provision of an effective organization to support delivery of SJU's mandate: the SJU is transiting the H2020 procedures to SESAR 2020 management and the staff being trained accordingly.

Mr Hololei thanked the SJU for the efforts and encouraged to keep the SJU work programme on track and to continue to monitor progress very closely.

He underlined that with the end of 2016 approaching, it is crucial that all Members fully engage with the SJU to speed up the work and deliver the results of SESAR 1 as expected.

He emphasized that the EC is looking forward to seeing the SESAR solutions catalogue in June and that the achievements made in R&D activities will have important repercussions on the future of funding for SESAR after 2020.

He also reminded that the work of the SJU is not an isolated endeavour, as the SESAR development phase is at the heart of the SESAR cycle between the definition and the deployment of SESAR solutions. It is therefore important to keep the timeline in delivering concrete results.

He shared his understanding about the fact that for various reasons by the end of SESAR 1 the SJU will have spent less than planned, but it is important to deliver the expected results.

Mr Porfiri (Finmeccanica) took the opportunity to clarify the position of Finmeccanica. From the 1st January 2016, Selex ES, Agusta Westland and Alenia Aermacchi were merged into Finmeccanica, a company with more than 47.000 employees. Consequently, the contributions to the SESAR Programme of Selex ES and Alenia were unified into Finmeccanica. He announced that a change of name could occur shortly and will be communicated to the SJU.

He also expressed Finmeccanica's full commitment to support the SJU in performing the activities described in the AWP2016. Mr Porfiri continued underling that 2016 represents a very critical year in terms of concentration of activities; he also underlined the unity and value of the SJU as a PPP sharing work and objectives. He added that, despite the extreme difficulties in following H2020 rules, the partnership accepted them, trusting that the EC will in the future be able to support the SJU and the Members to better use resources to provide Solutions.

Mr Hololei thanked Mr Porfiri for his commitment and concurred with the fact that following H2020 rules is very complex for the SJU. He thanked the ED and his team for finding a way to adapt to use the H2020 framework.

Mr Lallouette asked how many of the 57 Solutions are PCP related. He supported the idea of a Solutions catalogue and asked to clearly identify as well those that are generated by SESAR 2020 - Wave 1.

As PCP is the main driver for the Deployment, Mr Lallouette asked the EC if and when a mandate will be given to the SJU to make recommendation for the second common project, in order to have some visibility on a longer term planning.

Mr Guillermet confirmed that 28 Solutions are PCP related and informed that the number of Solutions that will be secured with SESAR 2020 - Wave 1 will be confirmed as soon as the Grant Agreement preparation is concluded and agreed that visibility should be given to those Solutions, also in the SJU public website.

Regarding the second Pilot Common Project, the SJU has started a preliminary analysis on the mature material that could meet the criteria for the PCP. Mr Hololei added that the EC is currently working on the matter taking into account the outcome of the recent call and the input from the Deployment Manager. Thus the timeline will be defined once these elements are clear.

Mr Whysall (NATS) concurred with the view that 2016 is a crucial year in terms of completion of SESAR 1, ramp up of SESAR 2020 and transition between the two. He underlined that this phase is particularly delicate, both in terms of continuity of work and human resources allocation. He asked for support to manage this transition as effectively as possible to keep the momentum of work during this phase.

Mr Darboux (AIRBUS) supported Mr Whysall's position underling that the support of all the SJU Members is needed to succeed in this particularly difficult year. Mr Darboux emphasised the importance of the open call for VLD planned at the end of Q4, as this is the opportunity for different actors to engage in a different way and to contribute to the programme.

Mr Guillermet agreed on the importance to secure the VLD call, connected to the result of SESAR 1. The scope is being defined on the basis of the proposals received for the current IR-VLD call.

Mr Brenner (Eurocontrol) expressed his appreciation for the civil - military results. The future traffic rise in Europe entails the urgent need to come to technological solutions otherwise the military requirements will not be fulfilled to the extent needed. On UAV, research is urgently needed to prevent accidents with drones. He added that 4D trajectory systems are really fundamental for SESAR Solutions and Eurocontrol would like that work on IOP trajectory is adequately and timely addressed.

He reminded that on "Follow the greens" the EU industry has a leading role that can be promoted worldwide.

Mr Guillermet replied by saying that on IOP trajectory, major and critical risks have been identified and mitigation actions developed and a specific governance arrangement/escalation process has been set up within the Members in close cooperation with EUROCAE. The SJU has established a roadmap for IOP and convergent steps covering standardisation and development in SESAR 1 and subsequently in SESAR 2020; has also scoped the work to deliver SESAR 1 Solutions with an initial IOP. The ED recognised the presence of a big risk for the AF 5 and the fact that mitigation actions will be successful only if all stakeholders cooperate to progress the issues.

Mr Martis (ANSP) supported Eurocontrol position on IOP and expressed his regret that after many years of work, connections do not work sufficiently well. He finally enquired about the timeline of the work on IOP, as work performed in SESAR2020 will depend also on IOP results.

Mr Guillermet explained that i-IOP Solutions need to be achieved within SESAR 1 and confirmed that the SJU will not continue to invest on IOP if a clear outcome is missing. Validation activities are planned in the course of the summer to

contribute delivering these solutions. Progress has been made since the beginning of the programme, and some regressions have appeared afterwards, thus leading to a recovery plan. The crucial moment will be the delivery of the initial IOP Solutions out of SESAR 1: this will form the basis of all the subsequent activities, which are not only about technology but also operational usage.

Mr Porfiri stated that Finmeccanica underestimated the issue and had to deal with initial shortcomings and with a new concept affecting Flight Data Processing (FDP) interoperability. He reminded the Board Members about the commitment of all stakeholders, including ANSPs to work together to deliver solutions by the end of the year.

Mr Lallouette (Thales) enquired about concrete difficulties faced during the Exploratory Research (ER) Grant Agreement Preparation (GAP) and signature and lesson learned; he sought confirmation on the fact timing for SESAR 2020 grants signature would be reduced; he asked more information about timing, budget, content of the call scheduled for the end of the year.

Mr Hotham explained that a wide range of new actions had to be performed for the Grant Agreement Preparation (GAP) and given that each project had a completely different set of beneficiaries it raised many new issues that had to be solved on a project-by-project basis. When entering in the GAP phase for IR-VLD Wave 1, restricted call to the SJU Members, the Members will be invited to info sessions in order to have a common understanding and approach to face. This was difficult in the ER case due to the high number of different organisations that were awarded.

Mr Guillermet specified that in addition to a lack of knowledge of beneficiaries, other factors affected the GAP for the ER call: interruptions due to the Christmas break, failures on information transfer across different tools, mostly consisting of dependencies outside the SJU control. He stressed that several steps of the process are no longer under the control of the SJU. As an example while the proposals for IR/VLD call had been submitted, two weeks later they are not yet available to the SJU to proceed with the evaluation. Regarding the VLD "open" call to be launched by the end of the year, the budget is estimated to be EUR 18 million with an additional EUR 500K coming from the Parliament through DG MOVE and the scope is currently under definition. The AWP 2016 will have to be updated to take this into account.

Mr Lallouette warned about the fact that, due to summer holidays, a similar situation may occur for the GAP for IR-VLD, leading to a significant risk of having a gap between closure of SESAR1 and ramp up of S2020. He requested the SJU to address this risk and invited to make use of the H2020 provision allowing starting the work before the signature of the grant in order to prevent a critical loss of resources for SESAR 2020.

Mr Guillermet confirmed the SJU is aware this possibility exists; it will be analysed and may be implemented based on justified needs while being fully in accordance to H2020 rules.

Mr Ferrandez (ENAIRES) confirmed that ANSPs are currently working a lot on IOP and on PCP elements to be prepared for the Deployment Manager. Mr Ferrandez (ENAIRES) confirmed that ANSPs are currently working a lot on PCP, and expressed that it should be difficult to address in short a new CP. It has to be guaranteed that just fully mature and complete solutions shall be included in a new CP.

Mr Lallouette lastly commented that in PCP some functionalities are not fully matured yet; other functionalities, currently not in the PCP, are now mature and could be considered for a Common Project.

On the External Relations, Mr Guillermet reported about the World ATM Congress held in March, a successful event that registered a wide participation from

different regions of the World and positive feedback from the participants to the various sessions. The SJU has been able to picture the SESAR project as a whole in a very good manner together with the Deployment Manager. The SES award was also successful.

Regarding the Cooperative arrangements, an overview of the preparation of different arrangements for 2016 (ranging from EASA, EDA, ESA, Japan, National Authorities), in accordance with the AWP 2016, was provided. A number need to be updated in the context of SESAR 2020 or to be formalised, according to the procedure presented during the December Board meeting.

Mr Guillermet informed that the slides containing information about the content of the arrangements were made available after the meeting and invited the Board members to revert to the SJU in case of comments or questions by the end of May 2016. After that date the SJU will pursue with the signature of the arrangements, in line with what reported in the presentations.

Mr Guillermet concluded with the SESAR showcase event in Amsterdam, whose objective is to show the results produced by SESAR, through a series of technical sessions and an exhibition.

He mentioned that Members' contribution to the exhibition is essential for the success of the event, which is a tremendous opportunity to reach a wider audience than the "SESAR family". Other important events like the "Flight test" and "SWIM global demonstration" will also take place in June.

Mr Hololei concluded inviting the SJU and the Members to use events such as the WAC or the Showcase event in Amsterdam to better promote the results of SESAR to stakeholders and saying that SESAR should be a driver to reinforce the presence of EU industry in third countries. He confirmed that the Commissioner and DG MOVE put a lot of effort in developing cooperation agreements with third countries as cooperation in the field of ATM should be included in a broader SES context, focusing on performance and market opportunities.



Conclusions on item 3

- The Board thanked Mr Guillermet, Mr Hotham for their valuable reports and took note of the Members positions.

Item 4 SESAR 2020 update

Mr Hotham reminded the Board that the SESAR 2020 Membership Accession decision was adopted and the next step is the signature of the Membership Agreements before the awarding of IR-VLD grants resulting from the call evaluations, as these are restricted to the SJU Members.

On the Annual Work Programme 2015, Amendment n. 2 was adopted to introduce the results of the Membership Accession process, i.e. the list of Members and Beneficiaries, in the IR-VLD call conditions and the call deadline was also extended to the 20 April. The proposals evaluation phase will conclude in June and the Grant Agreement Preparation will follow and everything will be conducted strictly following the H2020 procedures. The signature of the Grant Agreements is still scheduled as of September and is subject to the earlier signature of the MA. The SJU is aiming to shorten the grant preparation timeline - compared to the one of the ER call - and information meetings with all Members will be organised in order to have a common understanding and approach to the GAP phase.

Mr Hotham stressed that the SJU will engage in supporting this phase as much as possible, although some processes are outside the SJU's control, e.g. the transfer of proposals from the Participant Portal to the SEP tool to be used for the evaluation encountered some problems due to IT configuration issues. The launch of projects is expected to begin from October.

He then continued informing that the accession of new Members triggers the need to

re-constitute the Administrative Board as of the October meeting. Existing and new Members will be asked to appoint their representatives, according to the ADB Rules of Procedure. The SJU underlined that new Members will not have rights and obligations over SESAR 1 and conflict of interests will be managed accordingly during the October and December Board meetings.

The voting rights will be allocated based on the net contributions of the Members, in accordance with the Membership Agreement and the Statutes. Initial voting rights will be established using the information received in response to the final call for Members and updated based on the information contained in the Grants awarded. An ADB decision replacing the ADB(D) 14-2008 will have to be adopted.

The Chairperson expressed the EC's satisfaction about the results of the Membership selection process, which confirms the strong commitment from the industry, and about new Members joining the Partnership. He acknowledged the difficulty in the transition from SESAR 1 to SESAR 2020 and the efforts made by Members, SJU and the Commission to address the legal and financial problems. He concluded thanking the Members for the strong commitment to SESAR, demonstrated through the proposals submitted to the IR-VLD call.

Mr McNamara (Airspace Users) underlined that 2016 will be a critical year for the transition from SESAR1 to SESAR 2020 and that the risk of delay is quite significant; he therefore asked about the SJU assessment of the risk of delay and requested for transparency about the feasibility of meeting the deadlines set. On the re-constitution of the ADB and allocation of voting rights, he enquired whether the EC, Eurocontrol, Airspace Users voting rights would be changed or not.

Mr Hotham replied that EC, Eurocontrol, Airspace Users contributions and voting rights are clearly defined in the SJU Regulation.

Mr Lallouette insisted on the criticality of the transition phase and consequent risk of delay with the ramp up of SESAR 2020. He therefore asked if an alternative plan existed, as the experience with the proposals preparation and GAP phase for the Exploratory Research were quite difficult. He suggested anticipating the risk of late signature of SESAR 2020 grants.

Mr Whysall reinforced Thales position and underlines the importance of this transition phase and asked about possible ways to accommodate the need to have continuity in terms of work and allocations of resources.

Mr Guillermet confirmed that information is already available and will continue to be shared with the Members in full transparency. He recognized the high risk of delay as in the past two years all the margins were used and because some processes are totally outside the SJU planning and control. He confirmed that, based on the ER call experience, the SJU is putting in place all the measures to perform activities in the best possible way, considering the constraints of external factors. He reassured the planning presented is realistic, despite the presence of high risks due to external factors as illustrated earlier in relation to the IR/VLD call for proposals.

Replying to a question on the role of independent experts, Mr Guillermet said that this is described by the H2020 Rules for Participation that have to be strictly followed by the SJU.



Conclusions on item 4

- The Board took note of the information provided by the SJU on the SESAR2020 update.

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Item 5 Planning and Reportig

Item 5a Annual Activity Report 2015

Item 5b Overview of the new approach for Planning and Reporting documents cycle: SPD and CAAR

Mr Hotham stated that on 21 April the draft consolidated AAR 2015 was shared with the Members. The document contains the 2015 notable achievements (preparation and launch of SESAR 2020, execution of Release 5, including PCP, completion of over 80% of SESAR 1 by 31 December 2015, execution of specific mandates relating to Data Communication and RPAS, the European ATM Master Plan update 2015) and describes the way available resources were used by the SJU in line with the activities as described in the work programme; internal control and management in place; required building blocks of assurance (management assessment, exception register, audits etc.); main risks to the delivery of the SJU's key objectives identified and relevant mitigating measures adopted.

Mr Hotham underlined that a new requirement has been introduced: Article 46 of the SJU Financial Regulation requires that a Consolidated Annual Report (CAAR 2015) to be submitted to the Administrative Board for assessment. Members' comments received to the draft CAAR 2015 will therefore be used to prepare the ADB written assessment that will be sent together with the CAAR to the Budgetary Authority before 1 July 2016, in accordance with the Financial Regulation. The main change from the previous AAR to the new CAAR is the integration of the ADB assessment.

On 4 February the SJU received confirmation from the EC that some changes also apply to the planning, with the objective of improving coordination across documentation set and establishing earlier preparation: the new Single Programming Document (SPD) integrates the Annual Work Programme (AWP), Multi-Annual or 'Global' Work Programme (MAWP), Budget and Multi-annual Staff Policy Plan (MSPP).

Mr Hotham underlined that all obligations to provide Finance (draft budget 2017) and HR (MSPP) data to the EC by 31 January 2016 had been met and that in accordance with the new requirement the SJU had also provided an initial draft of the SPD on 5 February; this including information that had been prepared in accordance with our previous planning obligations. He then presented the timeline for the preparation of the final draft and the adoption of the SPD 2017 and 2018. As the required deadline (1 January 2016) for the preparation for the final draft SPD 2017 was impossible to meet, both documents will have to be prepared in 2016. The complete SPD 2017 document will be prepared during April-May with subsequent EC and Board consultations, with the aim of having it adopted by the ADB by the December 2016 meeting.

In parallel the preparation of the draft SPD 2018 will have to start immediately in order to respect the following planning:

- April - August: Preparation of consolidated draft document;
- September: First informal consultation with EC;
- December: Consolidated draft submitted to ADB for initial review;
- 31 January 2017: Launch formal EC consultation;
- July 2017: Formal opinion of EC received, incorporate requested changes then consult with ADB for adoption;
- October 2017: Formal adoption by ADB.

This entails a significant workload during this busy transition year, but as of next year the work will just be performed further ahead.

Mr Hololei specified that the CAAR is a formal requirement stemming from the Financial Rules, but it is also an opportunity to show results and increase the

awareness of SJU among politicians and stakeholders.

The draft report circulated by the SJU contains some initial feedback received from the Commission, who will continue to examine the document to ensure that it meets all reporting requirements.

He added that this year there is a clear requirement for the Board to assess the CAAR and to provide an opinion on the report and on the work of the SJU in general: to this end the comments and opinion of Board Members will be consolidated by the SJU and will constitute the Board's assessment.

The Chairperson also underlined the importance of timely preparation of the new planning reporting documents the fact that the Single Planning Document consolidates the planning process and reduces the number of documents to be prepared and approved.

He stressed that 2016 is a transition year and that the SJU is making efforts to catch up with the new planning timeline, but as the SJU is late in formally submitting the 2017 SPD to the Commission Services, he encouraged to further speed up the SPD preparation process.



Conclusions on item 5a and 5b

- The Board took note of the information provided by the SJU adopted the SJU on the CAAR and SPD.

Item 6 General Administrative and budget items

Item 6a

Mr Calvo informed the Board that the Provisional Annual Accounts 2015 have been submitted to the European Court of Auditors (ECA) and the European Commission (EC) on 1 March as required by the Financial Rules and the Report on Budgetary and Financial Management was submitted to ECA, EP, Council and EC on 31 March.

The Final Annual Accounts will be submitted by 1 July together with the Administrative Board opinion to the Budgetary Authority.

He added that the 2015 Accounts have been audited by ECA in January and by an external audit firm in March 2016. The final audit is due in July 2016.

Regarding the Budget establishment 2017-2018, Mr Calvo informed that the provisional draft estimate of revenue and expenditure for 2017 was sent to the EC on 31 January as required by the Financial Rules and according to the new SPD structure. More precise information on estimated revenue and expenditure for the year 2017 will be prepared and made available through the Single Programming Document (SPD).

Regarding the Draft Budget 2017 it will be provided to the ADB in time for approval by written procedure as required by the Financial Rules.

On Legal and Procurement matters, Mr Calvo reported that in addition to SESAR 2020 activities, 20 procurement and calls for proposals files were managed of a value of over 17 million euros; significant effort was amongst others allocated to the Quality and Management System file and to the provision of communication support services. He added that in the next months the activity will focus on third party engagement- airspace users and professional staff - on the provision of support services to the SESAR development, on the Document Management System.

Regarding HR matters, in order to adapt and to reinforce the SJU operational capabilities, the SJU has launched two selection procedures in order to create a reserve list for the following positions "Call Coordinator" and "Grant Manager". Moreover, with the closure of the liaison office in Washington, the position of "Head of International Affairs" has been published in Strategy & External Affairs, with the objective to increase the SJU contribution to the roll-out of the aviation strategy.

These positions are in line with the SJU Staff establishment Plan and within Budget.

Mr Hololei informed the Board that the European Parliament has decided to provide additional financial support to the research on drones in the form of a EUR 500 000 for Pilot Project. The money was given to DG MOVE, but as the SJU is better placed to make use of it, DG MOVE will make the necessary arrangements to transfer this amount to the SJU which will use it to increase the funding of an Exploratory Research call. As this is not coming from H2020 funding, the Commission and the SJU will have to update the Delegation Agreement. According to Art 7 of the SJU Financial Rules, the Board will be consulted before the signature of this agreement.

▷ **Conclusions on item 6a**

- The Board took note of the information provided by Mr Calvo and Mr Hololei.

Item 6b Decision on implementing provisions for temporary staff under article 2(f)

Mr Calvo explained that the Board was required to adopt a Decision on implementing provisions on the procedure governing the engagement and use of Temporary Staff under Article 2(f) of the Conditions of Employment of Other Servants of the European Union, which has introduced a new category of TAs exclusively engaged by Agencies/JUs. This decision will, inter alia, allow the mobility of TA within Agencies/JUs.

▷ **Conclusions on item 6b** Decision ADB(D)-06-2016

- The Board adopted Decision on implementing provisions on the procedure governing the engagement and use of Temporary Staff under Article 2(f) of the Conditions of Employment of Other Servants of the European Union.

Item 6c IAC Annual Activity Report

Ms Haarsma provided an overview on the audits performed in 2015 and an insight of the main recommendations and/or observations provided by the European Court of Auditors, the European Commission/IAS, the SJU IAC and the European Parliament.

On the Annual Accounts 2014, the audit conducted by the ECA confirmed that the Annual accounts are reliable and transactions legal and regular; no significant risks were reported.

On the Closure process, the audit conducted by the IAC revealed that, while the process is being correctly implemented, deadlines need to be stricter and that enhancements were required in Final Project and Closure Gate Reports.

On Internal Control Standards and Contract Management, the IAC concluded that most of the recommendations made in previous audits were implemented but there is still a lack of an operational solution to document management.

The audit performed by the IAS on Operational Governance and the Master Plan update recognized the significant efforts invested in strengthening the process by gradually building more top-down logic and stressed the importance of keeping an holistic view and ensuring consistency on the three levels of the MP to ensure effective steering of the SESAR project as a whole. Three key recommendations to drive further improvements were issued : the need to reinforce reporting on execution of the MP on an annual basis, including information in the Annual Activity Report; to improve coordination with Deployment Manager with regard to deployment monitoring and reporting; to evolve SJU governance in the context of SESAR 2020 avoiding ad-hoc arrangements.

Ms Haarsma reported that the European Parliament showed in 2015 an increased interest in Joint Undertakings compared to previous years and submitted various questions to the SJU. She added that the EP granted the discharge to the Budget 2013.

She added that all 2015 audit reports were accepted by SJU management and actions plans were set up to address the recommendations. The IAC will inform the Board in due course on the implementation of the actions.

Mr Haarsma shared her satisfaction that no critical recommendation or risks regarding the functioning of the organisation was reported.

She then provided an overview of the audits planned in 2016: in May a Performance Audit on the SES will be conducted by the Court of Auditors, in October the IAS will perform an audit on H2020 grant process in parallel with the Interim Evaluation of the SJU which will be led by the European Commission.

Following the adoption of the Anti-Fraud Strategy, an action plan has been put in place and is currently being implemented.

The Chairperson expressed the EC satisfaction about the way audits are dealt with and encouraged to keep up the good work on the financial management side as well.

He underlined that the European Commission will carry out its H2020 mid-term evaluation of SESAR 2020. The focus will be on the processes put in place by the SJU.

He concluded by saying that the Commission expects the SJU to ensure proper follow-up of all recommendations resulting from Audits (either ECA accounts audit, or IAS or the upcoming audit on SES).

Mr Merlo (Eurocontrol) expressed his satisfaction about the outcome of the audit on the Master Plan update and highlighted the crucial importance of one of the recommendations, i.e. keeping the consistency of the 3 levels of the MP, which is considered very important by Eurocontrol.



Conclusions on item 6c

- The Board thanked Ms Haarsma for her report on audit matters.

Item 7 AOB

The dates for Administrative Board meetings in 2016 are: 20 October and 15 December.

The Chairperson thanked the Members, the SJU and Eurocontrol for their valuable inputs during the meeting.

Annexes

- Annex 1 Board Members attendance list
- Annex 2 Declarations on conflicts of interest

Done in Brussels, 28/04/2016

Chairperson
Mr Henrik Hololei



Secretary
Ms Ilaria Vazzoler



Annex 1

Attendance list

Annex 2
Declarations on conflicts of interest