

Meeting ADB(M)038

Minutes

ADB(M)038- MoM

Date of the Meeting..... : 15 December 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	
Eurocontrol	Mr Frank Brenner	Member	
Airbus	Mr Bruno Ley	Alternate	
AT-ONE	Mr Dirk Kügler	Member	
B4 Consortium	Mr Maciej Rodak	Observer	
COOPANS	Ms Susanne Isaksen	Member	
Dassault	Ms Catherine Champagne	Alternate	
DFS	Mr Ralf Bertsch	Alternate	
DSNA	Mr Maurice Georges	Member	
ENAIRE	Mr Mariluz de Mateo	Alternate	
ENAV	Mr Cristiano Cantoni	Alternate	
Frequentis SESAR Partners	Mr Michael Holzbauer	Alternate	
Honeywell	Mr Sander Roosendaal	Alternate	
INDRA	Mr Francisco Sanchez Romero	Observer	
Leonardo	Mr Stefano Porfiri	Member	
NATMIG	Mr Aage Thunem	Member	
NATS	Mr Jonathan Astill	Member	
SEAC	Mr Gérard Battistella	Alternate	
Skyguide	Mr Thomas Buchanan	Member	
Thales Air System SAS	Mr Luc Lallouette	Member	
Thales Avionics SAS	Mr Pascal Combe		

Stakeholder representatives	Representative		
Military European Defence Agency (EDA)	Mr Chris Lorraine	Member	
	Mr Jurgen Stegmeir	Observer	
Civil users of airspace (CUA)	Mr Simon McNamara	Member	
Air Navigation Service Providers (ANSP)	Mr Guenter Martis	Member	
Equipment manufacturers (EM)	Mr Vincent de Vroey	Member	
Airports (APT)	Mr Panos Spiliotis	Alternate	
Staff in the ATM sector (STAFF)	Mr Michele Altieri	Member	<i>excused</i>
	Mr Theodore Kiritsis	Alternate	
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 Chief Administration Affairs	Mr José Calvo Fresno		
SJU Accounting Officer	/		
SJU Internal Audit Capability	Mrs Véronique Haarsma		
Secretary of the Board	Mrs Ilaria Vazzoler		

Item 1 Introduction

The Chairperson, Mr Hololei welcomed the Board Members to the 38th Ordinary Meeting of the SJU Administrative Board, the third and last meeting of 2016.

He informed the Board about the fact that B4 Consortium representatives have changed and welcomed Mr Maciej Rodak as main participant and Mr Lubos Hlinovský as alternate.

He also welcomed Mr Francisco Sanchez Romero, participating as an observer in for Indra.

Adoption of the agenda

No Board Members proposed additional changes to the Agenda.

▷ The Board adopted the Agenda.

Disclosure of conflicts of interests

The Chairperson 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 overview on the progress of the policy initiatives stemming from the Aviation Strategy adopted in 2015.

On comprehensive air transport agreements with ASEAN, Turkey, UAE and Qatar he explained that the first round of negotiations had taken place with Qatar (on 19-21 September), ASEAN (on 26-28 October) and Turkey (on 9-11 November). The second round is scheduled for early next year, allowing for more detailed discussions on technical issues. The negotiations with UAE have not started yet. As these agreements will give new opportunities for SESAR, in particular to "export" SESAR solutions, the EC promotes technical cooperation with these countries in parallel to negotiations by involving the relevant EU bodies, namely EASA and SJU.

On the revision of safety regulation (EASA Regulation) Mr Hololei reported that a general approach was reached at the TTE Council on 1st December. In Parliament, the TRAN Committee adopted the MARINESCU report (10 November) giving the

rapporteur a mandate to engage with the Council in view of an agreement on the text. Negotiations between the Council and Parliament will start under the Maltese Presidency. The objective is to reach an agreement before the summer break.

He highlighted that one of the main initiatives of the aviation strategy concerns the insertion of drones into airspace. On the regulatory side, in the context of the EASA Regulation, it is expected that EASA will gain extended competence to cover the full range of drones.

As anticipated at the previous Board, the Commission supported the Polish Government to organise a high level conference on Drones in Warsaw on 23-24 November, important to assess the options of speeding up the establishment of the EU drone services market. To this end, EASA should further study the integration between drones and manned aircraft and develop the necessary rules in a proportional manner, focusing on performance and risks, in line with global standards.

Mr Hololei stressed that there is a sense of urgency to develop a proper operational environment for a specific category of drones flying at low levels especially in urban areas. A dedicated task force involving various Commission DGs and led by MOVE DDG, Mr Matthew Baldwin has been set up to study the matter.

In this area, the Commissioner called for the development of the "U-space" within the next six months. The SJU will have a key role to play in demonstrating the feasibility of emerging technologies and operational concepts. The ATM Master Plan will have to be amended accordingly in 2017. An effective coordination mechanism will be set up to involve all actors on the institutional side and all operational stakeholders concerned.

The Chairperson then talked about the H2020 interim evaluation of the SESAR JU. As required by the amended SJU Regulation, the Commission is currently carrying out an interim evaluation (as it does for all JUs operating under Horizon 2020), with a deadline to have an evaluation report by 30 June 2017.

Preliminary findings of this evaluation will be used as input to the overall interim evaluation exercise of Horizon 2020 programme, which runs in parallel.

The evaluation will assess, among others, the openness, transparency, and effectiveness, including the European added value and the associated leverage effect of the JU (the ratio between EU funds invested and the contribution from other PPP Members).

The Chairperson informed that a public stakeholder consultation on the SESAR JU was launched one week before the Board meeting. The consultation is a mandatory part of the interim evaluation of the JU. It will remain open for 13 weeks (until the 10 March 2017). The results of this evaluation will be used to improve the implementation of the JUs under Horizon 2020, to contribute to the design of the final set of the 2018-2019 Annual Work Plans, to feed into the Commission proposal for the new Multi-annual Financial Framework and to serve as a basis for the preparation of the ex-ante impact assessment of the next generation of JUs.

The Commission will prepare a Commission Staff Working Document summarising the seven evaluations. The European Parliament and the Council will be informed about the outcome of these evaluations by 31 December 2017. This exercise comes under a lot of scrutiny, as there is pressure to demonstrate the benefits of EU spending for its citizens in the context of the Budget for Results initiative.

The Chairperson then informed that the European Commission has launched the 2017 edition of the Single European Sky Awards contest. The rules for participation have been published on the EC/DG MOVE web site and foresees 3 categories for which candidates can apply: Technology, Performance and Cooperation. The awards ceremony will take place as last year at the World ATM Congress in Madrid on 7 March at the SESAR stand, where Transport Commissioner Bulc will personally deliver the awards. The deadline for submitting the proposals is 31/1/2017.

The Chairperson invited all Members to submit proposals and to spread the news

amongst respective partners.

Mr de Vroey (Equipment manufacturers) highlighted one of the main conclusions of the SJU Outlook study, i.e. the funding gap in Europe, constituting a big risk for the European industry competitiveness compared to the US and emerging markets industry and asked the EC to look into possible means to support the EU aviation industry.

Mr Lallouette (Thales Air System SAS) welcomed the industry participation to the EC task force on Drones.

Item 2 Report on the progress of the Programme and other on-going key activities

The Chairperson gave the floor to Mr Hotham who informed that by 14 December, 271 (73%) of the SESAR 1 projects were closed; 99 (27%) were in closure process, of which 53 included complementary activities. At the end of Q3, the completion ratio was 96% with a total progress against plan of 100%, indicating that the projects should all be completed and closed by the end of the year.

Mr Hotham continued by saying that based on current estimates the SJU will be close to 90% of Budget consumption at completion; equivalent to around EUR 60 million of unused budget.

Mr Hotham informed that all Release 5 exercises have been completed with 34 solutions validated, of which 15 are linked to the PCPs and 4 rejected because of lack of performance benefits. The status on 2 December shows a total of 59 SESAR Solutions to be delivered at the end of SESAR1.

He mentioned that the main residual risk of the Programme is around the IOP, for which the validation exercise was completed and the Definition of the Ops & Technical requirements was finalised. SESAR 2020 IOP projects have been launched into execution (PJ18 & PJ29) and project plans are under review to synchronise validation and Demonstrations activities in Wave 1, establish a monitoring mechanism to closely follow up on progress particularly in relation to PCP and to ensure compliance with the PCP Regulation.

Mr Lallouette commented that the partnership was completing and validating 59 Solutions, of which 30 are not PCP related and thus potential candidate for next CP. He then enquired about any forecast on the second CP and the SJU involvement.

Mr Guillermet explained that there is an option for the SJU to conduct some activities related to CP and discussions are ongoing within the EC to assess if these will occur in 2017 or later.

The Chairperson replied that the EC will provide a feedback on this at a later stage.

He also thanked all the Members and the SJU staff for the intense efforts made to successfully close SESAR 1 by the end of this year. He expressed his regret for the fact that not all the EU funds initially allocated to the SJU have been absorbed.

He recognised that when the SJU was launched in 2005, there was a certain degree of uncertainty regarding the way the SJU and the SESAR development phase would eventually evolve. He added that - as a positive note - one of the reasons why not all the funds have been used is related to savings made, especially on the administrative costs, proving that all necessary efforts to use the TEN-T and FP7 funds on projects were made. He also underlined that R&D has its risks and good management is deciding to stop projects that are not delivering as expected and to re-allocate resources and reorient work plans.

He mentioned the difficulties, regularly reported to the Board, in keeping the level of resources allocated to projects in accordance with the initial commitments, experienced towards the end of SESAR 1 and in particular with the

launch of SESAR deployment activities. He invited the Members to address this issue to avoid being confronted with a similar situation in SESAR 2020.

He added that the EC, with the help of the European Parliament, had secured a EUR 20 million budget increase for the SJU from EUR 80 million to EUR 100 million for 2017. This came against the initial Council position who actually wanted to cut at least EUR 20 million instead.

As all these figures are closely monitored by the budgetary authority, the SJU has to be extremely careful on the use and consumption of these funds in the Programme.

The Chairperson expressed some concerns about the delays in delivering milestone objectives such as the "initial IOP" and about SESAR solutions not delivering the expected performance improvements.

These issues shall be addressed as a partnership and through its governance mechanisms, taking full advantage of the experience we gained in SESAR 1 as well as the experience with deployment activities.

He suggested the Board to consider having an open discussion on the general outcome of SESAR1 in the first meeting of 2017.

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 and remains the first priority until the very end of the year. He reminded the Board that the SJU will work until the last day of the year to ensure the signature of all files related to the closure of SESAR 1. He recognised significant efforts made by all Members to deliver a very good quality report and stressed that R5 has been very ambitious.

Ramp-up of SESAR 2020: the Membership accession process was completed and the Membership Agreements were signed in June; the Agreement with Eurocontrol was signed in September; for the Exploratory Research call, 28 proposals were selected and all grant agreements were signed as of 28 April; for the IR-VLD call the grant agreement preparation phase concluded earlier than expected and the transition to SESAR 2020 is accomplished; the second call in the context of Exploratory Research dedicated to Drones was launched in July and the evaluations of more than 60 proposals started mid-December.

The launch of the SESAR 2020 Exploratory Research and VLD (open) call is expected for the 15 December.

2. Stakeholders' engagement by the SJU: the agreements with airports have been completed, the call for the engagement of airspace users is ongoing; arrangements to involve national authorities in the Programme and engagement of professional staff associations in SESAR 2020 is progressing, although with some delays.
3. Assist stakeholders in other areas concerning the technological pillar of the SES: the SJU has progressed further with specific mandate (e.g. delivery of ELSA study in June 2016; completion of the RPAS Outlook delivered in July, and made public in the occasion of the Warsaw event); update of a number of cooperative agreements (EASA signed; EDA to be signed at the end of December).
4. Provision of an effective organization to support delivery of SJU's mandate: significant changes in the SJU to adapt to the new H2020 environment. Some contracts have been closed to allow the opening of new positions dedicated to H2020 grant agreements management which will help alleviate the administrative burden at the Members side. The ED reminded that 2016 was a particularly busy year due to the running of the two Programmes simultaneously.

On the External Relations, Mr Guillermet reported about the Cooperative arrangements, and reminded that the SJU identifies the Cooperative Arrangements, in accordance with the Annual Work Programme, provides a preview of the content to the Board and eventually proceeds with the final round of negotiations before the signature. He reminded that the Memorandum of Understanding with EASA was signed on 23 November and the one with EDA was

due on the 19 December. The SJU has revised the contract with ACI, has organised a call for tender with Airspace Users, (whose proposals were under evaluations, at the time of the meeting), to engage them in SESAR 2020 from a top-down perspective; with National Authorities, the SJU's approach is based on MoCs and experts involvement, for which the signature is planned for Q1 2017; with Professional Staff Organisations, the approach is based on MoCs with associations and experts involvement, being prepared during Q4 2016, and signature in Q1 2017.

Regarding International arrangements, Mr Guillermet concluded by saying that a number of countries have expressed interest to cooperate with the SJU and showed the areas where the SJU has ongoing and active relationships (USA, UAE, China); has limited activity (Japan, Singapore, Mexico), but Singapore showed more interest in participating in 2017; has agreements under preparation (Qatar, Brazil, ASEAN).

Concerning Communication activities, Mr Guillermet mentioned the at WAC, taking place in Madrid in March, the SJU and the SESAR Deployment Manager will have a stand hosting a number of other SESAR and SES actors.

Among the upcoming publication, the following were mentioned: the update of the "State of Harmonisation Report", issued in 2014, has been delivered in 2016 Q4, marking a significant achievement in terms of technical aspects and SJU/Next-Gen plans; "SJU/SDM highlights" to present common key achievements, is planned to be presented at the WAC; the update of the SESAR Solutions catalogue, to take stock of the results of SESAR 1, is planned for Q2 2017.

The Chairperson expressed the EC's satisfaction about the signature of the MoC with EASA, which clarifies and strengthens EASA's role in SESAR research and development and in ATM in general.

He also welcomed the upcoming MoC with EDA, which will ensure a better synchronisation of R&D activities with the needs of the military.

He expressed appreciation for the SJU engagement in the external dimension and informed about his commitment to promote the SJU activities where appropriate.

Finally, he stressed that it is extremely beneficial and appropriate that SESAR is presented by both SJU and SDM at the World ATM Congress 2017. In fact, the SESAR stand will have a more Single European Sky flavour, bringing together a number of entities working within the Single Sky framework and beyond the SESAR partnership showing the strong link, not only within the SESAR project, but also with the Single Sky framework.

Mr Martis (ANSP) observed the remarkable achievements of the SJU, since its creation, and results attained by the SESAR project, which qualifies it as a major EU project.

Mr Rodak (B4 Consortium) suggested that the Cooperation SJU/ICAO could be an additional area of work.

Mr Guillermet confirmed that the SJU cooperates with ICAO under the EU umbrella and broader coordination where other organisations such as Eurocontrol and EASA are as well represented. The SJU participates to ICAO meetings and is going to be actively involved in the next GANP update, with the aim at making the link between ICAO block evolution and the SESAR Master Plan clearer.



Conclusions on item 2

- The Board took note of the information provided during the presentation and the discussion.

Item 3 SESAR 2020 update**Item 3a Grant Agreement status**

Mr Hotham provided an overview of the calls for proposals launched: the first ER call (H2020-SESAR-2015-1), for which 125 eligible proposals were received and 28 grants awarded for a total value of EUR20.4 million. ER grant agreements are currently in execution and being managed in compliance with H2020 Rules and through the H2020 IT tools. The first reporting and payment period is approaching and this will allow the SJU to prove the workflow for this unused part of the H2020 IT Tools.

The second ER/RPAS call (H2020-SESAR-2016-1) for EUR9.0 million closed on 15 November, 59 proposals were received and the eligibility checks were being performed at the time of the meeting.

The third ER call for a value of EUR10.0 million was due to open at mid-December.

As regards, Very Large Scale Demonstration, Mr Hotham reminded that the 1st Call for EUR 18.0 million was planned to open mid-December, specifying that the Drones & Geo-fencing scope was still included to progress the subject, but with an additional call planned for 2017 using EUR 500.000 of assigned revenue to supplement/gap-fill earlier drone/RPAS calls.

Concerning the Industrial Research & VLD Wave 1 Call for EUR260.1 million awarded 25 Grants for EUR246.5 million from 28 applications, all grants signed, pre-financed and most in execution by the mid-December.

It was added that Pj13 revised scope will be included in Call for Wave 2 (SPD 2018).

Mr Hotham then provided detailed information regarding the IR-VLD call: 25 Grants have been signed by SJU; 1 fixed starting date approved for 1 September (PJ31); 7 PJs still to finalise process with signature of Accession forms by beneficiaries (PJ02; PJ03a; PJ04; PJ10; PJ25; PJ27 & PJ28); 2 PJs 'clock expired' for signature of Accession forms (PJ10 & PJ27), monitored by the SJU and under resolution; 1 date Amendment signed (PJ22), another under preparation (PJ31); 24 Grants have Pre-Financing paid; 1 Grant (PJ25) pre-financing in progress as start date is January 2017.

All IR-VLD grants will require amendment in 2017 to adapt the SJU budget contribution; functionality for this event has been recently developed by the CSC and included in the H2020 IT Tool configuration. A detailed procedure, coming from the steps agreed with DGs BUDG, RTD and MOVE has been developed by the SJU, submitted to the Commission and expected to be integrated into the SJU Amendment Procedure & Process documented in the Quality Management System of the SJU.

He concluded providing a 6 months outlook, where the most important tasks will be the PMP development, the organisation of information sessions for various projects to be held; the SDSS project in order to have the new collaboration platform for 2017 Q2; the preparation of grants budget amendment (in 2017, Q2).

Regarding Governance, the Terms of Reference of the Working Groups were adopted; the first meeting of the new Programme Committee (PC01) was held on 30 November, the Delivery Management Sub-committee meeting and the Operations & Technical Sub-committee meetings were scheduled for December 2016 - January 2017. The ATM Master Planning Committee has its first meeting scheduled for 24 January and the Scientific Committee first meeting is scheduled for 18-19 January, but rescheduling may occur.

The Chairperson congratulated the SJU on the fact that all grant agreements for industrial research were planned to be signed by the end of the year and that work can start immediately.

He stated that the European Commission had just transferred an additional EUR4

million to allow the SJU to honour all its payment obligations by the end of the year.

Ms de Mateo (ENAIRE) underlined the hard work done by the Members in order to sign all the 25 GAs. In relation to the procedure to prepare and execute the GA budget amendment, she requested the SJU to minimize the administrative burden on the Members that need to concentrate on R&D activities. The request was supported by DFS.

Mr Georges (Airbus) also expressed gratitude to all Members for their efforts and satisfaction for the achievements.

The Chairperson expressed his understanding for the Members' plea, but reminded that it is necessary to respect the obligations stemming from the Financial Regulation.



Conclusions on item 3

- The Board took note of the information provided.

Item 4 Planning, documents

Item 4a Single Programming Document (SPD) 2017

Mr Hotham explained to the Members that the document contains the planning for 2017 and a forward looking for 2018 and 2019. He added that in 2016, both the SPD 2017 and SPD 2018 had to be prepared in parallel, driving significant additional workload during the busy SESAR 2020 transition year. He went through the main milestones underlying the preparation of the SPD 2017:

- SJU Preparation and launch of EC consultation on 3 June
- Draft of EC formal opinion received on 8 November
- Submitted to ADB on 25 November
- Updated version including Final Budget (in order to reflect the final figures of the EC Budget 2017 and EFTA contributions) on 6 December
- Formal EC Opinion received on 14 December

In summary, the document focuses on SESAR2020 and presents the activities grouped into 5 Strategic Areas of Operations:

1. Deliver Exploratory Research (ER)
2. Deliver Industrial Research & Validation (IR)
3. Deliver Very Large-Scale Demonstration Activities (VLD)
4. Deliver Transversal Steering & SESAR Outreach
5. Deliver effective financial, administrative and corporate management

The document is also characterized by a stronger link with the ATM Master Plan ed. 2015 (Research pipeline, Key Features, ...); it integrates the budget, the Staff Establishment Plan, an update of the multi-annual work programme and the annual work programme and constitutes the SJU financing decision for 2017.

Mr Hotham underlined that a change was made to introduce a separate call to use the budget of EUR 500.000 of assigned revenue from the Commission (originating from the European Parliament) that will be used for funding proposal(s) on Geo-fencing. The exact scope will be defined taking into account the results of the evaluation of the call published in December.

The Chairperson added that the Commission had finalised its internal consultation process and the Commission opinion on the 2017 SPD was adopted by the College of Commissioners on 13 December. Ever since the substance of the opinion was agreed between Commission services in November, DG MOVE had worked with SJU to ensure that EC recommendations are addressed in the text of the SPD. As a result of this process, the Commission is ready to support the adoption of the SPD 2017.

Ms de Mateo (ENAIRE) said that SPD 2017 contains a series of obsolete information and recommend updating the text appropriately for the SPD 2018.

Mr Guillermet explained that the cycle underlying the adoption of the document may lead to the situation where information presented is outdated by the date of adoption (as the final draft was dated June 2016). He ensured that ENAIRE comment will be taken into account in the SPD 2018 as far as possible.



Conclusions on item 4a

ADB(D)22-2016

- The Board took note of the information provided by the SJU and adopted the decision ADB(D) 22-2016 on the SPD 2017.

Item 4b Draft Single Programming Document (SPD) 2018-2020

Mr Hotham provided the overview of the lifecycle of the document

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

The document presents activities broken down in 6 Strategic Areas of Operation (instead of 5 for SPD2017):

1. Provide Strategic Steering to the SESAR programme
2. Deliver Exploratory Research (ER)
3. Deliver Industrial Research & Validation (IR)
4. Deliver Very Large-Scale Demonstration Activities (VLD)
5. Deliver Transversal Steering & SESAR Outreach
6. Deliver effective financial, administrative and corporate management

The change was introduced to strengthen the strategic steering role of the SJU and its role in maintaining the ATM Master Plan. Besides that, the SPD 2018 ensures clear external links with the SES policy, between SESAR Solutions and ATM MP Performance scheme; defines planned Calls for which will serve as financing decision; defines call conditions of ER4 and IR-VLD Wave 2 calls.

Mr Hotham underlined the difficulty of anticipating all the call details and said that an update might be necessary next year.

The SJU requested the Members to have initial comments on the SPD 2018 document by 15th January 2017 as the document must be submitted to the EC by the 31st January for review and informed that the Board will have a second opportunity to review it in Q3/Q4 2017, prior to the formal adoption.

The Chairperson stressed that the SPD is a fundamental planning and working document for the SJU and asked the Members to provide any support needed to the SJU in preparing the SPD.

Mr Bertsch (DFS) enquired if the document foresees something more specific on Drones, as UTM are valuable resources for ATM activities. He stressed that it would be important for the SJU to proactively engage in this area, avoiding that other international take the lead on this area.

Mr Guillermet explained that the SJU currently does not have the ability to put together a comprehensive programme on UTM/U-Space, both from a budget perspective and from a mandate point of view, as the ATM MP does not contain UTM as such and therefore does not give the ability to the SJU to act on that. Nevertheless the call launched in July allows covering research on UTM/U-Space elements, but going beyond requires defining the level of ambition first and should be treated from a policy point of view.

▷ **Conclusions on item 4b**

- The Board took note of the information provided by the SJU on the SPD 2018-2020.

Item 5 General Administrative and financial items

Item 5a SESAR Identification of Foreground

Mr Calvo explained that a list of deliverables related to the period 01/01/2014 - 30/06/2015, was initially presented to the ADB in December 2015, but 30% of the deliverables was requiring further clarifications. Clarifications expected in November 2015 revealed differences in views affecting 2016 deliverables; the list submitted to the Board in November 2016 in view of its adoption contained 1150 deliverables fully agreed between the SJU and the Members.

On 3 deliverables the SJU received 3 comments regarding projects 15.3.6, that will be included in the final list.

Mr Calvo added that the second batch of deliverables, covering the period 01/07/2015-31/12/2016 will be presented to the ADB in Q2 2017. The most critical ones have already been worked on.

The EC supported the adoption of the SESAR 1 Foreground covering the 1 January 2014 - 30 June 2015 period, as submitted to the Board.

▷ **Conclusions on item 5a**

ADB(D)23-2016

- The Board took note of the information provided by and the Board adopted Decision ADB(D)23-2016 on SESAR 1 Foreground.

Item 5b Overview of the Administration and Finance activities

Mr Calvo listed the main administrative and financial activities in 2016 Q3 and Q4:

- Membership Agreement signed by all Members & SJU on 06/07/2016
- SJU-EUROCONTROL Agreement signed on 07/09/2016
- 25 IR-VLD Grant Agreements signed
- First amendments of the ER Grants being processed
- Grant Amendment Procedure on budgetary grounds for IR/VLD Wave 1 actions prepared
- 8 calls for tenders/proposals/ expressions of interest processed
- more than 34 resulting contracts/grant agreements
- 5 specific contracts
- 13 contractual amendments
- 4 MoCs: UAE, ESA, EASA, EDA

▷ **Conclusions on item 5b**

- The Board took note of the information provided.

Item 5c IFS

Mr Calvo continued explaining that the SJU was planning to pay all Interim Financial Statements 2015 before the end of the year and acknowledged the effort of both the SJU financial team and the Members; he also reminded that next year both parties will have to do their utmost to be able to pay by year end.

He continued informing that the SJU estimates that Members cash contribution to the administrative costs are around 3% (i.o.5%). The difference will be paid back to the Members when final figures are available.

The ED highlighted that this is the first time the SJU manages all IFS during the current year. He acknowledged the fact that the SJU put a lot of pressure on Members but the effort was worthwhile.

He also informed that all accounting and treasury activities have been transferred to the EC Accounting Officer and to DG BUDG.

**Conclusions on item 5c**

- The Board thanked Mr Calvo and Mr Guillermet for the information on IFS.

Item 5d Assessment methodology of in-kind contribution

Mr Calvo informed the Board that the methodology for the assessment of in-kind contributions is based on the Membership agreement, the SJU financial rules and European Commission guidelines on the subject. The document aims at summarizing all the necessary elements for the assessment of in-kind contributions, that for the SJU are operational in-kind contributions based on full costs.

For SESAR 2020 there will be the obligation to have a certification on IKC that should not differ from the certification provided for the actual costs incurred and is in line with the certification provided for SESAR1.

Similarly to SESAR 1, Members will have the obligations to report actual cost incurred within 120 calendar days from end of the year. In addition to that a report on the estimates should be provided by the end of January. This is to be able to justify the SJU accounts in terms of net assets and liabilities.

The SJU proposal is to adopt a simplified approach, i.e. to have a single reporting cycle.

The Chairperson confirmed the EC support to the adoption of Decision approving the methodology for assessing and validating in-kind contributions to the SESAR JU, as submitted to the Board before the meeting.

Ms de Mateo (ENAIRES), pointed out that from a practical point of view, it seems that Members will have to report about similar information several times a year and ENAIRES has estimated that 25 certificates should be provided by ENAIRES in three years. Thus asked the SJU and the EC to optimize and shorten the process as much as possible.

Mr Rodak (B4 Consortium) asked about the applicability of this methodology to third parties and Mr Calvo confirmed that the obligations expressed in this methodology shall apply also to third parties.

**Conclusions on item 5d**

ADB(D)24-2016

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

Decision ADB(D)24-2016 on Assessment methodology of in-kind contribution.

Item 5e Grant Amendments procedure

Mr Calvo presented to the Board the main steps of the grant amendments procedure as regards the budget. The procedure was developed from the steps agreed with DGs BUDG, RTD and MOVE and was submitted to the Commission.

In accordance with the AWP 2015, AWP 2016, SPD 2017-2019, the process has been structured in 2 steps: the first part is to be initiated by the SJU and the second one by the Members.

The first step consists of: SJU to determine available total budget & calculate budget available for each project; Members to submit technical/financial report of activities undertaken, Governance to confirm conditions of the next activities.

The second step consists of: Members to submit the amendment request in accordance with the confirmed conditions; SJU to evaluate request with possibly external experts; result (approve or reject the amendment request, as there is no possibility to accept part of the proposed changes).

Step 1 is planned to take place in January-March, Step 2 in April-May.

The EC supported the approach presented.

▷ **Conclusions on item 5e**

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

Item 5f SJU ED mandate renewal

Mr Hololei reminded the Board that a letter was sent to all the Members in November regarding the extension of the mandate of the Executive Director and informing about the Commission's intention to propose an extension of Mr Guillermet mandate for a maximum of 5 years duration.

Although several Members had already replied with a supportive approach to the renewal of the mandate, the Chairperson took the opportunity to ask about Members view, before initiating the EC processes to submit a formal proposal.

He also expressed his high appreciation for the ED's work. The EC is also examining Mr Guillermet promotion, this being a standard practice in case of mandate renewal, where all the conditions are met. Mr Hololei expressed his personal support both to the renewal and the promotion; he reported that also the vice Chair, Mr Brenner has responded positively to Mr Guillermet mandated extension.

As the formal College decision, necessary to define the EU position in the Administrative Board, is expected by mid-January, the ADB decision could be consequently be adopted before the end of March.

Airspace Users, DSNA, DFS, Airbus, B4 consortium, ENAIRE, SEAC 2020, Honeywell, Dassault, took the opportunity to express appreciation for Mr Guillermet work and to confirm their full support to the proposal.

▷ **Conclusions on item 5f**

- The Board took note of the information provided.

Item 6 Audit: 2016 audit activities and 2017 planned activities

Mrs Haarsma, the Internal Audit Capability of the SJU, presented the audits carried

out in 2016 and provided an overview of those planned for 2017.

Regarding 2016, she informed the Board that the SJU was subject to 5 audits and/or evaluations.

First, as every year, the SJU Annual Accounts of the previous year were scrutinised by the European Court of Auditors. The Court confirmed that the SJU Annual Accounts of 2015 are reliable and that transactions underlying the accounts are legal and regular.

Secondly, in 2016 the European Court of Auditors launched a Performance audit of the Single European Sky evaluating the outcome and value for money of the SES. The audit scope comprises 3 components: construction of the SES, regulatory components and SESAR. The auditors sampled 16 SESAR projects which were audited in 5 different countries. Furthermore various stakeholders were involved such as National Supervisory Authorities, ANSPs, Political level, User community and SESAR users. The final report is expected by June 2017.

Mrs Haarsma then informed the Board regarding the audit that was conducted by the Internal Audit Service of the European Commission (IAS) on H2020 processes in October 2016. This audit assessed the SJU's compliance to H2020 processes, namely with regards to topic identification, the evaluation and selection of proposals and the preparation of the grant agreements. The final report is expected in February 2017.

Additionally, the SJU was subject to the interim evaluation of the JUs operating under Horizon 2020, launched by the EC. This evaluation assesses a.o. the following criteria: openness to newcomers, transparency, inclusiveness of a wide community of stakeholders, easy and effective access to information, European added value and leverage effects. The final report is expected in June 2017.

Finally, the EC launched the Interim Evaluation of the SJU. In this evaluation the SJU is evaluated on operational effectiveness and efficiency, achievements of KPI's, scientific output and socio-economic impact. The final report is expected in June.

In parallel, the Board was informed that in May 2016, the European Parliament granted discharge to the SJU regarding the financial year 2014.

Mrs Haarsma then continued by explaining that her activity in 2016 focused on the implementation of SESAR 1 Closure process and potential risks; review of complementary activities; fraud prevention training and guidance for staff.

Besides that, the IAC performed a follow-up of the measures put in place by the SJU to address recommendations stemming from previous years audits, namely the audits on Risk Management and the Master Plan.

In this context, she informed the Board that the SJU Risk Management Policy is planned to be updated in Q1 2017.

The IAC informed that the Board will receive a written report containing a summary with the conclusions of all these audits.

Mrs Haarsma continued by providing an overview on the IAC Audit plan for 2017. This Audit plan was established in agreement with the ED on the basis of a risk assessment and audits previously conducted. The Plan includes

- Follow up of open recommendations and implementation of the action plan
- Validation of granted ABAC authorizations and users
- Liaising with relevant audit actors for the 2017 audits (Annual Audit on the accounts; Audit on common support center H2020 coordination; Interim evaluation H2020; Interim evaluation SJU; new performance audit by the Court of Auditors)
- Consulting missions (Review how the H2020 grants are managed/executed; Review how H2020 grant amendments are managed; Fraud prevention training & guidance for staff; Enforcement of the COI policy in all SJU working groups/committees; Ad-hoc advice on efficient and effective management)

The IAC Audit Plan for 2017 will be sent to the Board for adoption by written procedure in January.

The Chairperson expressed his satisfaction for positive outcome of the audits and

thanked the SJU and its Members for the efforts made in this field.

▷ Conclusions on item 6

- The Board thanked Mrs Haarsma for her presentation and took note of the information provided.

Item 7 AOB Follow up of Members request of MA amendments

Mr Calvo informed that the task force set up to deal with the Members request to amend the Membership Agreement (MA), was kicked off in November with a webex meeting. The discussion touched upon six main topics: confidentiality, liability, dispute resolution, payment, IPRs.

The SJU requested the Members to further discuss some aspects at the Membership level and revert to the SJU, with a common position by mid-January 2017. Members request is planned to be discussed with the European Commission in February in order to have an updated draft membership agreement to be shared at Board level in Q2 2017.

The Chairperson thanked all Members for their dedication to the SJU and the SJU staff for their work during the year.

The dates for the Administrative Board ordinary meetings in 2017 are:

- Friday 5 May (*and not Tuesday 25 April, as announced during the meeting*)
- Thursday 19 October
- Thursday 14 December.

Annexes

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

Done in Brussels, 15/12/2016

Chairperson
Mr Henrik Hololei



Secretary
Ms Ilaria Vazzoler



Annex 1
Attendance list

Annex 2
Declarations on conflicts of interest