

Meeting ADB(M)045

Draft Minutes

ADB(M)045- MoM

Date of the Meeting : 12 December 2018

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 Maurizio Castelletti | Observer | |
| | Mr Marco de Sciscio | Observer | |
| | Mr Octavian Vasile | Observer | |
| Eurocontrol | Mr Eamonn Brennan | Member | |
| | Mr Philippe Merlo | Alternate | |
| | Mr Donal Handley | Observer | |
| Airbus | Mr Hugues de Beco | Alternate | |
| AT-ONE | Mr Dirk Kügler | | <i>excused</i> |
| B4 Consortium | Mr Maciej Rodak | Member | |
| COOPANS | Ms Susanne Isaksen | Member | |
| Dassault | Mr Frédéric Falchetti | Member | |
| DFS | Mr Ralph Bertsch | Alternate | |
| DSNA | Mr Philippe Barnola | Alternate | |
| ENAIRE | Ms Mariluz de Mateo | Alternate | |
| ENAV | Mr Cristiano Cantoni | Alternate | |
| Frequentis SESAR Partners | Mr Michael Holzbauer | Member | <i>excused</i> |
| Honeywell | Mr George Papageorgiou | Member | |
| INDRA | Mr Rafael Gallego | Member | |
| Leonardo | Mr Stefano Porfiri | Member | |
| NATMIG | Mr Trond Bakken | Alternate | |
| NATS | Mr Dave Curtis | Alternate | |
| SEAC | Mr Frank Poetsch | Observer | |
| Skyguide | Mr Thomas Buchanan | Member | |
| Thales Air System SAS | Mr Luc Lallouette | Member | |
| Thales Avionics SAS | Mr Pascal Combe | Alternate | |

Stakeholder representatives

Representative

| | | | |
|---|----------------------|-----------------------|----------------|
| Military / European Defence Agency (EDA) | Mr Chris Lorraine | Member | |
| | Mr Christophe Vivier | Observer | |
| Civil users of airspace (AU) | Mr Giancarlo Buono | Member | <i>excused</i> |
| | Mr Robert Baltus | Alternate | |
| | Ms Sylviane Lust | Permanent Observer | |
| Air Navigation Service Providers (ANSP) | Ms Tanja Grobotek | Member | |
| Equipment manufacturers (EM) | Mr Vincent de Vroey | Member | |
| Airports (APT) | Mr Aidan Flanagan | Alternate | |
| Staff in the ATM sector (STAFF) | Mr Theodore Kiritsis | Member | |
| Scientific community (SC) | Mr Jacco Hoekstra | Alternate | <i>excused</i> |

Permanent Observers

| | | | |
|---|----------------------|-----------|----------------|
| European Commission – Directorate General for Research and Innovation | Ms Clara de la Torre | Member | <i>excused</i> |
| | Mr Sebastiano Fumero | Alternate | <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 Internal Audit Capability | Mrs Véronique Haarsma | | |
| Secretary of the Board | Mrs Ilaria Vazzoler | | |
| DG Budget | Mr Martin Koelher | | |
| DG Budget | Mrs Ilona Loeser | | |
| DG Budget | Mrs Ivana Filipovska | | |

Item 1 Introduction

The Chairperson, Mr Hololei, welcomed the Board Members to the 45th Ordinary Meeting of the SJU Administrative Board, the last ordinary meeting of 2018.

In particular he welcomed:

- Mr Robert Baltus, Chief Operations Officer of EBAA, appointed as alternated for the Airspace users, and Ms Ms Sylviane Lust, Director General of AIRE appointed as permanent observer for the Airspace users.
- Mr Frank Poetsch, participating as observers for SEAC 2020 in view of its appointment as alternate.
- Mr Aidan Flanagan, ACI Manager Safety, Capacity, ATM&SES, participating as alternate for Airports.
- representatives from DG Budget.

He excused Frequentis and the Scientific Community, whose representatives could not attend due to personal reasons.

He also informed that Mr Christopher Lorraine, Chairman Military ATM Board, was participating to the meeting for the last time.

Verification of the voting quorum

- ▷ The quorum was verified.

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.

Mr Hololei provided an update on the most important developments on the Commission's side since the October meeting.

On the SES Regulatory Framework, during the Single Sky Committee of the last week of November, the Network Functions Implementing Regulation was approved by the Member States. The next step is the adoption by the College early next year, with a foreseen date of application of 1 January 2020.

The revised Performance and Charging scheme received a broad support in view of a final vote on 17 December.

In parallel the European Commission is assessing Eurocontrol proposal for the Network Manager appointment. Member States will be requested to give their opinion on the appointment Decision, either via SSC written procedure or at SSC71 in March 2019.

On the progress of the EC aviation strategy implementation and on comprehensive air transport agreements the Chairperson specified that:

- ASEAN: good progress with the ASEAN countries in Singapore in October and in Salzburg in November;
- Qatar: good progress; Mr Hololei invited Mr Guillermet to accompany him in Qatar in February to further strengthen the links with SESAR and follow up on the MoC signed in December 2017;
- Turkey: a new round is tentatively scheduled for January 2019;
- Azerbaijan: work with the Azeri authorities is ongoing with a view to finalising negotiations next year;
- UAE: negotiations will start early in 2019. The EC received a mandate from the Council to start negotiations with Oman and plan to start negotiations in 2019 Q1;
- China: the EC could not sign neither the BASA nor the Horizontal Agreement during the EU-China Summit on 16-17 July due to the need to clarify a technical but important issue. The EC is working to settle this issue shortly with the help of EASA and CAAC.
- Japan: a 6th round of negotiations on the BASA will take place in Brussels on 18-19 December

The EC is also assessing the situation with countries that showed some interest in cooperating with the EU, e.g. Korea, Mexico.

On the revision of 868/2004 (Safeguarding competition), the trilogue negotiations have

been finalised in November and the EP and the Council are expected to confirm this agreement shortly.

The Chairperson updated the Members on the latest development on the future of SESAR in the next Multilateral Financial Framework.

First, in the context of negotiations in the Council on the Horizon Europe proposal, Member States stressed the need for them to play a bigger role into the partnerships. Although the actual impact on SESAR is still to be assessed, Mr Hololei commented that SESAR partnership has so far acted in full consensus with the Member States.

Secondly, Member States are proposing a capping on partnerships funding in the second pillar of Horizon Europe concerning global challenges and industrial competitiveness, and asking for a “majority of budgets to be implemented with actions outside partnerships”.

The important outstanding issue is the political agreement on areas for potential institutionalised partnerships. Recent Council discussions pointed out to a possible merger of the partnership areas (for SESAR, Clean Sky and Shift 2 Rail), but in DG MOVE’s opinion, having one partnership area for both aviation and rail does not mean that we cannot have more institutionalised partnerships under the topic.

Mr Hololei added that the Commission was busy with the technical preparations, waiting for a political green light, which were expected in November, but which will most likely come in March.

Mr Hololei stressed that preparations will also mean engaging with the current Members of the SJU to discuss about their interest in continuing to contribute to the new SESAR and see the best way to put in place a modern partnership that meets the new criteria of Horizon Europe. He also stressed the importance of a successful deployment.

He added that DG MOVE is fully committed to continuing the Union’s support for a coordinated European ATM research programme for the next decade and counts on this programme to continue to support the Single European Sky policy ambitions.

Mr Hololei informed that the Wise Persons Group on the future of SES, which is assisting the Commission to better shape the SES policy to address upcoming challenges in ATM and aviation, met several times; throughout November, December held full-day hearings as well as bilateral meetings with all key categories of SES stakeholders. The Wise-Persons Group report is expected in April.

Mr Hololei recalled the difficult “capacity” situation of the European ATM system experienced during the past summer season and added that the Network Manager is closely working with ANSPs to implement the seven short term measures which will help mitigate the delays next summer. While he expressed gratitude to Eurocontrol and NM for the work performed in the summer 2018, he emphasized that for the medium-long run, we will notably have to rely on the SESAR project and its solutions. It is therefore essential that these solutions target concrete improvements in terms of capacity.

Medium and long term SESAR Solutions have the potential to bring improvement to the capacity issue.

Mr Brennan (DG Eurocontrol) also recalled that 2018 was a difficult year. Looking ahead, Eurocontrol has agreed a number of measures with ANSP, requiring a much more proactive role for the NM to move traffic away from the busiest areas and to distribute it more evenly. Spreading the load is particularly important considering that estimates say that traffic will increase of 3% where reduction in ANSP capacity will be of 7-8%.

He also commented that the Wiseman group is working well.



Conclusions on item 1

- The Board took note of the information provided by the Chairperson.

Item 2 EU ATM Master Plan Activities

The SJU Executive Director reported to the Members the activities performed recently in the area of the Airspace Architecture Study and the EU Master Plan update campaign.

The AAS was conducted in close cooperation with Network Manager, that helped assessing the impacts and running simulations on design aspects. The AAS first outcomes were presented in November in an open workshop to gather views of stakeholders.

The AAS highlighted that the number of congested areas in Europe is growing as many ATCC in Europe are operating at the maximum of their capacity; market trends show an increase in traffic, but airlines will be unlikely to provide adequate solutions because of the airspace saturation.

The first AAS analysis re-confirms therefore the emergency to act and could serve as a basis to look collectively for the most suitable solutions.

It also points out that overall in the Airspace there is additional capacity, but the challenge is to bring it to the right place when needed.

The AAS analyses the factors limiting the overall capacity, scalability and resilience, using a layered approach: regulatory, ANS service, Airspace, Ops&Tech application, Data services.

The study proposes a number of solutions, combining technology, airspace and operations to improve the ATM Network in Europe. A strong consensus around these proposed solutions was shown during the workshop.

The study looks also at the conditions to increase the chances of success and in particular to secure the implementation timeline. The first is the so-called “capacity on demand”, e.g. the capacity to increase the resilience of the ATM system through horizontal collaboration between ANSPs; the second is the “ATM data service provider”, e.g. promote a new Air traffic Data Service Provisions; the third is the “reward of early movers” to exploit the momentum.

Mr Guillermet then provided the timeline, showing a progressive transition every 5 years, stressing that actions need to be undertaken as of now to deliver results in 2035. He also specified that the results of the impact assessment conducted within the AAS show that a combination of airspace design and operational harmonisation, together with the full implementation of the PCP, can provide sufficient capacity until 2030. The implementation of additional SESAR Solutions can provide sufficient capacity at least until 2035.

He concluded by listing the AAS preliminary recommendations: launch airspace re-configuration and Operational Excellence programmes to achieve quick wins; realise virtual de-fragmentation of European skies; create a SES framework that rewards early movers.

The AAS will be handed over to the European Commission by end of January.

The Chairperson thanked the SJU for the activities performed and said that the EC is looking forward to receive the AAS. He informed the audience that several stakeholders have shown interest and support for the main principles presented and that Member States well received the summary presented at the AVIA group meeting at the Council.

Ms de Mateo (ENAIRE) confirmed the support to the recommendations made in the AAS that demonstrate that all stakeholders have a part to play and should cooperate to achieve the aim and the vision of the Airspace Architecture.

The transition strategy will be key for the success of the study. For this reason, the transition strategy should be mature, based on realistic timescale, and on validated concepts; furthermore, elements such as the limited capability to deploy and a proper risk management plan should be taken into account.

The Chairperson stressed the importance of the holistic approach.

Mr Bertsch (DFS) expressed support to the AAS and stressed the need to have a chapter on risk management. Resurrecting cross border issues that jeopardised FABs needs to be

addressed.

The study also bases simulation on the so-called high growth scenario starting from 2019 up to 2024. Today we are not planning on the high growth scenario and may over-estimate the capacity needed. Certainly the situation is more complicated but not compatible with what we are doing on the regulation side, so need to reemphasise that figures are taken from a scenario, which is not the current one.

Mr Brennan (Eurocontrol) underlined the importance of service providers and stated that all projections are made in the capacity growth scenario. Eurocontrol advised stakeholders to have projection at 7% for the next 5 years and then actualized around 3%. He stressed that there is no reason to reduce capacity for the next 10-15 years.

Ms Grobotek (ANSP) expressed support for the AAS and stressed that it is very important to reward the early movers.

Mr Barnola (DSNA) expressed satisfaction for the content of the study and underlined importance of risk management to share risk among stakeholders. He added that virtualisation at the core of the proposal is very important.

Mr Rodak (B4) supported the need of the Transition Plan of the Airspace Architecture Study, as pointed by ENAIRE. This step shall however either contain in its beginning or be preceded by the validation of feasibility. At least one Study element was explicitly mentioned as requiring the feasibility verification - the Trajectory-Based ATC. Also taking due account of the position of Airspace Users quoted during the presentation of AAS progress, it is important to be precise in validating benefits from the elements of the Study. Not only technology but also operational use cases should be validated prior to deciding on implementation timeline and sequence.

Mr Guillermet underlined that the study is not an implementation plan but is expected to bring technology and operations closer and to discuss about use cases. The SJU should then find the best way to feed the results into the SESAR 2020 Programme. Most of the elements are already in operations in a small scale in the European Network. For this reason, the timetable seems feasible. Regarding the concept of “virtual defragmentation”, Mr Guillermet clarified that it refers to the idea of using virtualisation technique to achieve a real defragmentation.

Mr Guillermet then continued addressing the update on the ATM MP update process. The Master Planning Committee held on 29 November issued the following recommendations:

- Performance ambitions: secure overall consistency and same level as in 2015 Master Plan
- Essential Operational Changes: identify, describe and incorporate a limited number of EOCs that are the real “game-changers” that are required to deliver the vision of “Digital SES”
- Business View: review and update the high-level investment needs and benefits expected for 2035

The ED added that beyond this, more than 500 comments have been collected from all stakeholders and were in the process of being treated (at the time of the meeting) and PJ 20 handed over the draft to the SJU (with still some work on-going on the “Business view”).

Mr Guillermet underlined that the safety ambition level has been increased and that the text has been refined, in particular the one referring to the main objectives. He added that changes related to the Business view were analysed and costs related to the military were refined with EDA.

On Essential Operational Changes, a lot of work was done by the SJU in cooperation with the EC.

The update campaigning is reaching the end and should find the best way to take into account the results of the AAS and those of the Wiseman group. According to the timeline the handover to the ADB is planned for the end of March.

Mr Hololei confirmed that the MP updated shall be aligned with the new SES vision, resulting from the conclusions of the Wiseman group and the outcomes of the AAS.

Therefore the Chairperson suggested that the work of the Master Plan is concluded as planned, but that the next phase of the campaign, dedicated to fine tune the text and integrate the conclusions, is extended in order to have a more holistic and updated document. Consequently, the high-level event scheduled for January should be postponed.

Mr Brennan (Eurocontrol) supported the proposal of delaying the finalisation of the MP for 5/6 months to include the necessary results.

Ms de Mateo (ENAIRE) supported the extension and added that according to the ANSPs an additional MPG and MPC meeting will be necessary before the high-level event to check how the AAS results are integrated in the MP update.

Mr Rodak (B4) enquired about the elements of the Business view allowing the document to be applicable for a longer time.

Mr Guillermet specified that regarding the Business view, costs for ANSPs investments were eventually doubled since the last updated in 2015. Whereas for some elements the increase was justified, in a number of cases justifications were not sound. Therefore the ATM MP team is currently looking closer to these changes.

Mr de Beco (Airbus) underlined the importance of continuing to increase the safety of operations while adapting the ATM system to cope with traffic growth.

Mr Cantoni (ENAV) expressed appreciation for the hard work done in the context of the ATM MP update. He welcomed the possibility to have the MPC meeting in February to make sure that all results are integrated in the update. He also enquired about the way the update will be compatible with the PCP review and the CP2 campaign.

Mr Guillermet stressed that components of CP2 proposal are integrated in the MP, e.g. elements like CNS rationalisation are included, without reference to the CP2. He also added Wave 2 call for proposals is connected to the U-essential and to the MP 2015 version.



Conclusions on item 2

- The Board took note of the information provided on the EU ATM Master Plan related activities and agreed on a timeline extension of 6 months for the delivery of the final version of the document. The Chairperson concluded by saying that the new date for the high-level event will be communicated soon.

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

Item 3a Programme overview

Mr Hotham provided an update on Working Groups activities since the last ADB meeting and on the status of the calls for proposals, including U-space.

The Programme Committee endorsed the Release 9 Plan, committed to deliver the Wave 1 SESAR Solutions and confirmed continuous commitment on IOP development for first Validation Exercises Q1 2019.

The Master Plan Committee welcomed the good progress achieved in the context of the airspace architecture study, confirmed the transition to the final phase of the Master Plan update campaign and stressed the importance of the stakeholders' engagement in the final phase.

The Scientific Committee continued working closely to the ENGAGE Network, reviewed and provided recommendations for the Young Scientist Award, run task forces for the Innovation Pipeline, the Performance, the Automation, the Complex system and worked on the preparation for the SJU Academy.

Mr Hotham then provided the latest status of the overall Programme.

Regarding the open calls for proposals, the status was the following:

ER - Exploratory Research (H2020)

- 1st Call for 20.4M EUR all 28 grants in closure process (H2020 Final Fin & tech reporting)
- 2nd Call (RPAS) for 9.0M EUR with 9 Grants in execution
- 3rd Call for 10.0M with 8 Grants in execution
- 4th Call under preparation; target date for launching: end Q1 2019
- 5th Call (final) under development with target date Q2 2020

VLD - Very Large-scale Demonstration

- 1st Call for 18.0M EUR with 8 Grants in execution and 2 in the GAP (+ Reserve list) - H2020
- Geo-fencing call using 500K EUR with 1 Grant into execution - assigned revenue
- U-Space call for 9.5M EUR, with 6 Grants awarded (CEF funding)
- 2nd Call under preparation; target date for launching Q1 2020 (H2020 funding)

Regarding the IR & VLDs (Membership), Mr Hotham underlined that:

IR & VLD - Industrial Research & VLD, Wave 1 (H2020)

- Wave 1 Call awarded:
 - 24 Grants in execution
 - Specific Budget Grant Amendment process for the last budget instalment completed.
 - Preparation of Reporting and Payment ongoing

IR & VLD - Industrial Research & VLD, Wave 2 (H2020)

- Wave 2 Call material under preparation
 - Target date for launching Wave 2 call: Jan 2019.
- Wave 3 Call (final) target date Q1 2020

Mr Hotham then informed the audience that Release 8 covers SESAR Solutions performing maturity gates up to the end of April 2019, for a range of activities covering V1 to V3 maturity and 3 VLD projects. In terms of progress, 72% of the exercises were completed by mid-December 2018, 24% under preparation and 2% under execution. This was in line with the schedule.

Mr Hotham then provided the example of solution PJ.16-03 "Work Station, Service Interface definition & Virtual centre Concept; solution PJ.16-04 CWP HMI - Workstation, Controller productivity and solution PJ.17-01 - SWIM-TI Purple profile fir Air/Ground Advisory Information Sharing (see slides).

Release 9 covers SESAR Solutions validated from May 2019 to the end of Wave1 and contains 64 solutions from V1 to V3 and 4 VLD projects final demonstration activities. The SJU will closely monitor those that will contribute to the PCP.

Mr Hotham continued by providing a status update on IOP. The Build 2 testing was completed and resulted in the successful interconnection of the 4 sites (REIMS, MUAC , LIPU and KUAC validation platforms); an additional Use Case (What -If function) is successfully tested; the main technical issue is airspace environment definition to be further synchronised across the system.

The Build 3 testing is ongoing: securing the functionalities required for EXE01 with testing done till January on all platforms. Although there is some delay, the exercise schedule

remains unchanged and EXE01 should be completed by April 2019.

Mr Hotham invited the Members to continue to commit resources to secure the delivery of Wave 1 solutions, emphasising that 2019 must be a year of delivery for Wave 1 as this will be the measure of SESAR success.

Mr Hololei emphasised the importance of IOP topic and thanked the Members for the work done in this area. He expressed concern for the timely integration of IOP throughout the Network and the impact this might have.

Mr Gallego (INDRA) confirmed that IOP activities are progressing according to the plan and issues are mainly related to the adaptation of data.

An agreement with Eurocontrol is needed for the integration with the Network Manager.

Mr Hotham continued on the SESAR contribution to KPAs, on the basis of the Master Plan 2015. Further to the discussion that took place during the October Board meeting, the SJU re-confirmed its commitment to tackle the capacity issue, through a prioritisation among Wave 2 topics. He then presented a graph on 3 capacity related KPAs, Airport, en-route and TMA, showing those solutions secured as part of the SESAR 1, the forecast for V3 delivered solutions in Wave 1 and the target for V3 solutions in Wave 2 (see slide). He stressed that this is to be considered as a conservative view, as does not include solutions going to V2 and to implementation, whose data are not available.

The assessment is based on the assumption that all Solutions will be deployed.

Mr Hotham also presented the situation and the targets for the other KPAs: ATCO productivity, Technology cost, Environment/Fuel efficiency, Predictability, Punctuality.

Finally Mr Hotham provided an updated on U-space, recalling the timeline of the activities, ranging from concept definition to development and introduction of new technologies, to new operating concepts and demonstrations and the roll out plan from 2019 onwards.

Mr Hotham then added that SESAR awarded 6 projects, of a duration of 18 months and with a budget of EUR 9,5 mio provided by the CEF funds.

He then added that EASA is supporting the regulatory aspects related to demonstrations activities across the EU. He concluded by providing a couple of examples: project DroC2om, which aims to explore and validate Command & Control with the definition of technical requirements on the communication infrastructure and the drones; project CLASS about tracking and surveillance to detect cooperative and non-cooperative vehicles and fuse the collected data.

▷ Conclusions on item 3a

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

Item 3b External Relations and communication

Mr Guillermet informed that the SESAR Innovation Days, on 4-6 December 2018 in Salzburg, was a very good event to bring together the Research community, Industry, ANSP and Airlines to look at SESAR Innovation progress. It was positive also in terms of participation from third countries, like Singapore, US, etc and also hosted the Young Scientist Award.

He continued by saying that there are several events on the agenda for 2019, the first of which is the World ATM Congress in March in Madrid, where the SJU will participate to the European Village to showcase the cycle of innovation.

In terms of upcoming publications, Mr Guillermet mentioned the “SESAR innovation

pipeline - highlights 2018” that aims to explain how ideas are moving from research to implementation, to promote SESAR and create visibility on the outcome of the SESAR programme.

The SESAR Solution Catalogue 3rd ed. will be updated during 2019 Q1 and the U-space results brochure will be produced by 2019 Q2/3, in coordination with the EC and the Network of demonstrators.

For the preparation of ICAO General Assembly 2019, the SJU will work together with the other European actors to keep the momentum in this domain and to promulgate the Global Air Navigation Plan.

Concerning International Affairs activities, Mr Guillermet highlighted the intention to move forward in the cooperation with Qatar, where Members might be involved.

The Chairperson reminded that the SES award contest is open: the novelty this year is that the first four awards will be assigned on the basis of a selection of applications submitted by stakeholders; while the Single European Sky excellence award will be assigned by the jury based on a list of nominations proposed by various entities involved in the Single Sky.

He also invited members to participate to the WAC event, where all European actors will participate under the “European Village”.

▷ Conclusions on item 3b

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

Item 3c Annual work programme objective’s implementation

Regarding the Annual Work Programme implementation in the period 2018 Q4, Mr Guillermet underlined a shift in launching the open call initially planned to end of 2019 and now to 2020 Q1.

He noted that 2018 was an intense year for the SJU and the Membership and thanked Members for the excellent level of cooperation.

Mr Hololei noted and commented that there is good progress in on all areas of operation and expressed appreciation about the SESAR 1 activities wrap up, the progress of Wave 1 projects, results delivered by Exploratory Research projects and drones related activities.

▷ Conclusions on item 3c

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

Item 4 Planning and Reporting documents

Item 4a SPD 2019-2021

Mr Hotham recalled the Board Members the SPD 2019-2021 final edition was submitted to the ADB on 23 November 2018. The SJU has integrated the comments received from the Members and prepared an update to also include the EC opinion received on 3 December 2018.

He informed the Members that Amendment 1 is expected for January 2019 to adopt carry-

over of unused 2018 appropriations.

He shortly went through the main changes compared to version submitted in October, e.g. a statement on BrExit and a refined annual budget for 2019, reflecting the very latest budget position. He then presented an overview of the Budget in terms of revenues and expenditure and of the Staff establishment Plan.

Mr Hololei commented that DG MOVE worked with the SJU throughout the year and in particular during the last months of the year on refining the text to implement the EC recommendations and comments.

He also informed the members that, finally, the Commission's Opinion on the Single Programming Document was formally adopted by the College on 12.12.2018, just before the ADB meeting and therefore confirmed that the Commission was ready to support its adoption in the Board.

▷ Conclusions on item 4a

- The Board took note of the information provided by the SJ and adopted decision ADB(D)19-2018 adopting the SPD 2019-2021.

Item 4b SPD 2020-2022

Mr Hotham provided the Board Members with the content outline and the preparation timeline for the SPD 2020-2022, reminding that the structure will be unchanged compared to previous versions.

Mr Hotham stressed that the initial draft will be sent to the Board Members after the meeting and Members will be requested to provide feedback by 16 January. The draft version, integrating comments received, will be submitted for approval to the Board, before being submitted to the Budgetary Authority by 31 January 2019.

He underlined that all grant agreements must be signed before 31 December 2020 and that the document contains for the first time a path towards the controlled closure of the SJU.

Mr Hololei invited the Members to provide full support to the SJU for the preparation of the document.

▷ Conclusions on item 4b

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

Item 5 General Administrative and financial items

Item 5a Legal & procurement activity overview

Mr Calvo informed that Legal activities in 2018 have been quite evenly distributed among Procurement, Ad hoc legal advice, general Legal Advice on grants implementation.

In 2018, 8 procurement procedures were launched, 11 contracts, 30 specific contracts, 21 amendments have been signed. The Legal sector also dealt with the preparation of call for proposal for U-space, Geofencing and the Airspace Architecture study.

▷ Conclusions on item 5a

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

Item 5b Impact assessment of BrExit on economic operators

Mr Calvo informed that for procurement any contract signed before the official BrExit date, the implementation would continue in accordance with their terms and conditions; for contracts signed after the official BrExit date, the impact is highly dependent on the withdrawal agreement.

As regards remunerated experts, the Financial Regulation foresees the participation of third country nationals.

On Membership, the impact is highly dependent on UK withdrawal agreement, but in general there should be no impact in current membership, especially if an air transport agreement is concluded with the EU (art. 1.2 SJU Statutes).

On grants, the SJU will act in full compliance with Programme rules for the entire duration of the grants (H2020, CEF, or others).

For on-going grants, in case no agreement with the EU is concluded, UK beneficiaries could cease to receive EU funding while continuing participation, or, in the worst case, be required to leave the project, due to a change of the legal situation of the beneficiary. For grant agreements, whose signature would occur after the BrExit date, the impact is highly dependent on the withdrawal agreement.

▶ Conclusions on item 5b

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

Item 5c Budget execution overview

Mr Calvo explained that, the cumulative Budget execution for SESAR 2020 is in line with the plan.

He underlined that the SJU managed to make some savings in the running costs.

Concerning Title III, the budget execution was at 58%, at the time of the meeting, and the percentage was estimated to grow till 5% by the end of the year. The difference is due mainly to the carry-over from 2017, necessary to make sure that the SJU can continue SESAR operations even in case of delay in the financing decision and yearly transfer of funds from the EU budget.

▶ Conclusions on item 5c

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

Item 5d SESAR 2020 in-kind contributions

Mr Calvo continued informing about SESAR 2020 in-kind contribution status, inviting those Members that have not sent the certificates or the necessary documents on in-kind contributions yet, to do so as soon as possible.

All information received will be validated before the end of the year, and then submitted to the Board approval by Written Procedure.

▶ Conclusions on item 5d

- The Board thanked Mr Calvo for the information provided.

Item 5e SESAR JU Annual Accounts 2017

Mr Calvo informed that the 2017 Accounts were submitted by DG BUDG to the Budgetary Authority by 01/07/2018. The Final Accounts were sent to the Board for approval by Written procedure together with the ECA report.

Ms Ilona Loeser and Mr Martin Koelher (DG BUDG) reminded the Board that DG BUDG is acting as accountant for the SJU.

The Annual Accounts are composed of two parts: the financial statements, which are fully based on accrual accounting and based on international accounting standards for the public sector; the budget implementation report, fully cash-based.

The Annual Accounts are an essential document for the discharge procedure.

The Audit performed on the Annual Accounts 2017 by an independent audit firm had no findings, reflecting the good work performed.

Ms Loeser explained that the budget statements reflect the commitments and payments implementation:

For SESAR1 the low implementation rates for commitments (11%) and payments (68%) was due to the following factors:

- In December 2016, the SESAR1 programme was formally closed and the last payment was done in December 2017. Nevertheless, the Joint Undertaking had to ensure by the end of 2017 sufficient FP7 funds for the reimbursement of cash contributions received in excess from the SESAR1 Industry Members and for the payment of delayed but still justified cost claims for on-going FP7 projects.
- In planning and monitoring the needs of new commitment and payment appropriations for the SESAR1 budget, the SJU took a conservative approach and did not consider the expected assigned revenue of around 17 million euro, stemming from recoveries for SESAR1 projects (i.e. ex-post audit error corrections, outstanding open pre-financing, etc.).

She mentioned also that the overall implementation rate of SESAR1 programme is almost 90%.

For the SESAR 2020 the commitment implementation rate at 92% is very satisfactory; and the payment implementation rate is at 68% due to delays in the implementation of Horizon 2020 projects conducted by the industry Members and a rather conservative budget planning considering the risk of delayed reception of the annual financial implementation delegation agreement. Amounts that still needs to be paid dropped dramatically from 2016 to 2017, while the increase for SESAR 2020 figures are contained due to the fact that, for the first time, there were payment appropriations that were lower than commitment appropriations.

In replying to Ms de Mateo's question, Mr Calvo confirmed that running costs not used for SESAR 1 will be used in SESAR 2020 and last figures will be available when all ex-post audit are completed, most likely in 2019 Q1.

▷ Conclusions on item 5e

- The Board thanked Mr Calvo, Mr Koelher and Ms Loeser for the information provided.

Item 5f HR

Mr Calvo informed the Members that four model decisions will be submitted to the Board for adoption following the opt-out process already completed.

He also confirmed that the elections of a new staff committee concluded on 7 December.

▷ Conclusions on item 5f

- The Board thanked Mr Calvo for the information provided.

Item 6 Audit Activities

The SJU Internal Audit Capability, Mrs Véronique Haarsma, first provided a general overview of the eight audits and evaluations that took place over the past two years at the SJU. She explained that six of these audits are now formally closed, meaning that the final audit reports were issued and that all actions stemming from the audit recommendations have been implemented by SJU management. It is expected that the two other audits will be closed in 2019.

She continued by providing details regarding the audits that took place in 2018.

First of all, the EC Internal Audit Service (IAS) carried out an audit on the Coordination with the CSC. This audit highlighted that the difficulties encountered in the transition phase, mainly related to IT tools, were dealt with in an efficient way. The audit also pointed out strengths of the SJU, notably the fact that the SJU Legal team has provided legal assessments in case the Common Legal Support Service could not, and expressed appreciation for the decision to set up a dedicated H2020 Grant Management Team. An action plan has been set up and is expected to be implemented in 2019.

In 2018, the IAS also conducted a “Strategic Risk Assessment”, meaning that the IAS analysed all operational, administrative, financial and IT processes of the SJU with the aim of identifying areas of risk and future audit topics. The fieldwork was conducted in November 2018 and the report is expected in Q1 2019. The main risk areas will be explained by the Director of the Internal Audit Service during the Board Meeting of May 2019.

Mrs Haarsma continued by informing the Board that the European Court of Auditors Audit started the fieldwork for the audit on the SJU Annual Accounts 2018 in October 2018. The report is scheduled for Q3 2019 and will be the basis for the next discharge.

She explained that she conducted herself a follow-up audit on recruitment to assess the compliance of recruitment procedure with the SJU framework and the recruitment life cycle. In 2014, several risks were identified that led to three important recommendations and seven desirable recommendations. The implementation status in 2018 revealed that all important recommendations were implemented by the HR sector and that desirable recommendations were taken into account.

Mrs Haarsma then provided an overview of the status of implementation related to past audits. She explained that in total the SJU has received from

- The IAS: 27 recommendations since 2012 of which 24 are formally closed and 3 recent open recommendation will be proposed for closure in 2019
- The ECA: 2 recommendations in context of the Performance audit of the SES
- DG Move: 5 recommendations were formalised in the Evaluation reports of SESAR 1 and SESAR 2020
- Internal Audit Capability: 24 recommendations since 2012 of which 22 are formally closed. Two recommendations related to document management are expected to be closed in 2019

She pointed out to the Board Members that the SJU has never received any “critical” recommendations.

She continued by providing the Board members concrete examples of implementation results related to past audits. Namely,


- Following the evaluations on SESAR 1 and SESAR 2020, 5 recommendations were addressed by the SJU, and several corrective measures were implemented; e.g. the “architecture” of the Master Plan was strengthened, level 2 and level 3 of the Master Plan were reorganized and links to academia were strengthened.
- Following the Performance audit of the SES, the SJU contributed to DG MOVE’s action plan. In particular, Recommendation 9 states that “*funding should be prioritized towards ATM R&D solutions that promote defragmentation, interoperability, sharing of infrastructure and foster the conditions for a competitive environment*”. The SJU took due account of the criteria highlighted by the Court and considered these when scoping the Wave 2 content. These criteria will be applied in the selection of proposals.
- During the Annual Audit on the Annual Accounts 2017, the auditors underlined a number of elements that could be improved by the SJU. As a result, the Single Planning Document now includes a more comprehensive Procurement Plan; the exception reporting process has been revised and the weighted average method can be used as an option to evaluate financial offers.
- Following the observations set out by the Internal Control Board of DG MOVE, which highlighted a high staff turnover in the Finance department, additional team members have joined the Finance and Budget Team.

Mrs Haarsma finished with a presentation of her proposed Annual Audit Plan 2019 which will be submitted to the Board for approval by written procedure. First, Mrs Haarsma proposed Audit and Consulting engagements, which will include recommendations follow-up, a revision of the anti-fraud strategy, an assessment on IT outsourcing and the annual validation of ABAC access rights. Secondly, she proposed to perform coordinating and reporting activities which consist of chairing the Permanent Audit Panel, liaising with EC Audit Network, providing follow-up on the discharge, coordinating audits planned in 2019 and detailed reporting to the Board Members.

Annexes

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

Done in Brussels, 12/12/2018


Chairperson
Mr Henrik Hololei



Secretary
Ms Ilaria Vazzoler

Annex 1
Attendance list

Handwritten signature or mark

Annex 2
Declarations on conflicts of interest

