

Meeting ADB(M)051

Minutes ADB(M)051- MoM

Date of the Meeting: 15 December 2020
Time: 10:00-12:30
Place: WebEx

Board Members and other participants

SJU Members	Representative		
European Union represented by the European Commission (EC)	Mr Henrik Hololei	Member	
	Ms Christine Berg	Observer	
	Mr Marco de Sciscio	Observer	
	Mr Octavian Vasile	Observer	
EUROCONTROL	Mr Eamonn Brennan	Member	
	Mr Philippe Merlo	Alternate	
Airbus	Mr Hugues de Beco	Alternate	
AT-ONE	Mr Dirk Kügler	Member	
B4 Consortium	Mr Maciej Rodak	Member	
COOPANS	Mr Robert Schneebauer	Member	
Dassault	Mr Alain Boucher	Member	
DFS	Mr Oliver Albert	Observer	
DSNA	Mr Philippe Barnola	Alternate	
ENAIRE	Ms Mariluz de Mateo	Alternate	
ENAV	Mr Cristiano Cantoni	Alternate	
Frequentis SESAR Partners	Mr Michael Holzbauer	Member	
Honeywell	Mr George Papageorgiou	Alternate	
INDRA	Mr Rafael Gallego	Member	
Leonardo	Mr Luigi Iacometta	Member	
	Mr Fabio Ruta	Alternate	
NATMIG	Mr Trond Bakken	Alternate	
NATS	Mr Dave Curtis	Member	
SEAC	Mr Frank Poetsch	Member	
Skyguide	Mr Thomas Buchanan	Member	
Thales Air System SAS	Mr Luc Lallouette	Member	
Thales Avionics SAS	Mr Olivier de la Burgade	Member	
	Mr Pascal Combe	Alternate	

Stakeholder representatives	Representative		
Military / European Defence Agency (EDA)	Mr Eric Labourdette	Member	

	Mr Christophe Vivier	Observer	
Civil users of airspace (AU)	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 Michele Altieri	<i>excused</i>	
Scientific community (SC)	Mr Jacco Hoekstra	Alternate	

Permanent Observers

European Commission - Directorate General for Research and Innovation	Sebastiano Fumero	Member	<i>excused</i>
	<i>tbd</i>	Alternate	

Permanent representatives

Representative

SJU Executive Director	Mr Florian Guillermet		
SJU Deputy Executive Director	Mr Peter Hotham		
Chief Financial Officer	Mr Richard Frizon		
SJU Chief Administration Affairs	Mr José Calvo Fresno		
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 51th Ordinary Meeting of the SJU Administrative Board, the third and last ordinary meeting of 2020. Given the shorter duration of the WebEx meeting, he informed that items 1, 2, 3, 4c, 5a, 6c and d, as well as 7 would be fully addressed while for the remaining items presentations were provided before the meeting to the Members who had been invited to submit any questions.

He informed the Members that:

1. Thales Avionics has appointed Mr Olivier de la Burgade, Head of Chief Architects-ETO, Flight Avionics as new main representative.
2. DFS has appointed Mr Dirk Mahns, Chief Operation Officer as new main representative.

He noted that Mr Oliver Albert attended as observer for DFS and Mr Christoph Vivier as observer for EDA.

He also communicated that DG BUDGET colleagues, Ms Nicoleta Cozaciuc and Mr Theodorus Mestrom, would have joined the meeting to present the Annual Accounts 2019 under Item 6.

Verification of the voting quorum

- ▷ The quorum was verified, on the basis of the distribution of voting rights reported in the decision ADB(D)05-2020 adopted by Written Procedure on 6 May 2020.

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 inform the Secretary of the Board in advance of the meeting about any conflict of interests.

▷ The Chairperson noted that no conflict of interest was declared on any agenda item.

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

The new Sustainable and Smart Mobility Strategy

On 9 December the Commission adopted its new Sustainable and Smart Mobility Strategy that sets the vision for the future of the European transport and mobility, for the transition towards a sustainable, smart and resilient transport system.

The strategy is based on the European Green Deal and on the EU objective to become a climate-neutral economy by 2050. For the Transport sector, this means a reduction of the emissions by 90% by 2050, which is a major push towards becoming the first climate-neutral continent. The aviation sector needs to contribute to this target with more concrete actions.

The strategy identifies three priorities for mobility in the EU.

First, the transition towards a sustainable transport system: as aviation emissions have actually grown in the last years due to the heavy demand, more sustainable solutions are necessary to make transport sustainable.

Second, the digitalisation of mobility will support the move to smart transport: this means making connected and automated multimodal mobility a reality, where digital solutions will be instrumental. For aviation, this requires closer cooperation with other transport modes, for example with rail transport, and a different approach to journeys, which would become one concept, regardless of the separate modes of transport used. It also means boosting innovation and use of data for smarter mobility. The SJU has always been at the forefront of the digital transition, intrinsically linked to sustainability.

Third, the transport sector and aviation need to become more resilient and crisis-proof. A solid, well-functioning, competitive single European transport area is fundamental to achieve these goals and therefore the remaining barriers need to be removed to ensure the smooth functioning of the Single Market. The SES policy plays an important role in fighting defragmentation. Safety and security remains important elements in the transport sector to secure trust and confidence.

The SESAR JU plays an important role to enable the deployment of the digital European sky bringing European ATM into the digital age, making ATM more resilient and scalable to fluctuations in traffic and crisis situations.

This transformation will be possible with the dedication and support from all stakeholders. The transport sector was nevertheless moving towards sustainability and digitalisation for quite a while - this strategy should accelerate this trend.

The strategy identifies ten flagship areas with more than 80 measures, one of which is the "ReFuelEU", focussed on the sustainable aviation fuels, playing an important part in greening the aviation sector and creating suitable alternatives in the short term.

The future of the Single European Sky policy

The reform of the Single European Sky remains a key priority for the Commissioner and it is ever more needed in extreme situations like the one generated by the COVID-19 pandemic.

Since the last ADB meeting, negotiations have started, both in the Council and in the Parliament. Technical meetings took place in the Council working group on aviation in October and November, and Transport Ministers held a policy discussion on the SES2+ package at their informal videoconference on 8 December. Overall, Member States support the objectives of the reform, in particular modernisation and reduced environmental footprint, although they have also raised a number of concerns. Discussions will continue at technical level in January under the Portuguese Presidency who aims to reach a General Approach by June 2021.

The Chairperson stated that the EC is available to support the discussions but deplores the denial of the need to change.

In the Parliament, Mr Marinescu has been appointed rapporteur for the amended recast proposal on the SES and Mr Liberadzki for the proposal for amending the EASA Basic Regulation, enabling it to host the independent Performance Review Body of the SES. They will both work in parallel, since the two proposals are interlinked, and have already had a first exchange of views in the TRAN committee on 1 December.

Impact on Performance

Following the meeting of the Appeal Committee during which Member States gave a positive opinion, the Commission adopted on 3 November 2020 an Implementing Regulation (IR) on exceptional measures for the RP3 as a response to the COVID-19 pandemic.

The measures will reset RP3 targets, both at EU and local level, and mitigate the impact of the COVID-19 pandemic on the air navigation charges during RP3, in order to support the recovery of air transport sector, in particular by spreading the adjustments to unit rates over 5 to 7 years.

By 15 December 2020, NSAs have to submit initial traffic and cost forecasts for RP3 as well as a report on the financial / operational measures taken by ANSPs in response to the COVID crisis. This will be an input for the PRB, which has started working on a proposal for revised EU-wide targets. Those targets need to be adopted by the Commission by 1 May 2021. Member States have then to submit revised RP3 performance plans by 1 October 2021.

The Chairperson stressed that to remedy the current situation and to create legal certainty there is no other alternative than to adopt the above-mentioned measures: they are balancing the interest of all actors, ANSPs and airspace users.

Revision of the Pilot Common Project / Common Project 1

In November, the Pilot Common Project became Common Project 1 (CP1) after it was approved by the Single Sky Committee with the support of all Member States.

The Committee supported the changes to the scope of the PCP and its transformation into the CP1 and the changes to the deployment framework regulation.

The changes better focus on the essential operational changes set out in the European ATM Master Plan to achieve the digital European sky. The solutions included into all common projects need to be ready for synchronised implementation to ensure timely and effective benefits for the network.

The CP1 Regulation proposal is planned to be adopted by the College and enter into force in February 2021.

Mr Hololei thanked the SJU and its industrial partners for their contribution to the work which was put into the PCP review and the preparation of the CP1.

The ATM stakeholders, with the help of the Deployment Manager and the Network Manager, will be able to implement the amended list of ATM functionalities by the 31 December 2027, the final implementation deadline of the CP1.

Cooperation with the US

The Chairperson informed the Board about the discussion with the FAA Administrator, Steve Dickson on the future of NextGen and US R&D activities. US and EC signed two annexes on pilot licences and trainings.

The EC had met with the FAA representatives for the third Executive Committee of the Annex 1 to the Memorandum of Cooperation on ATM modernisation, which actively involves the Joint Undertaking.

Notwithstanding a slow-down of the cooperation activities, the EU and US share the interest to relaunch their cooperation with more focused objectives and pursue topics such as Communication, Navigation and Surveillance, Higher Airspace Operations, Trajectory based operations and U-space/UTM, rationalisation of legacy infrastructure and coordination at ICAO level for global inter-operability.

Update on the traffic situation and the Network

Mr Brennan (Eurocontrol) presented an update on the traffic situation. Airlines losses in 2020 were \$ 118 billion; the number of flights in 2019 were 11 million and in 2020 were 4.9 million. In terms of job losses, airlines were the most affected, followed by manufacturers, airline servicing and airports.

On 14 December, the number of flights in Europe was decreased by 62% and worldwide by 46%, compared to 2019 data. The number of domestic flights in China was similar to that of last year. This demonstrates the Europe is in a most difficult situation.

He also communicated that some improvements in the forecasts are expected for the end of the year period.

He provided an overview of the traffic evolution for the top 5 airlines by number of flights in 2020 (see slides) and informed that the route charges for November 2020 were 32% of those of November 2019, this being below the operatic costs of most ANSPs.

The largest airports are the ones suffering most from the decrease of passengers' traffic.

Mr Brennan said Eurocontrol welcomed the new ECDC/EASA guidelines for air travellers and called for a common European approach in the health protocol to be adopted by the European states to allow airlines to operate.

Eurocontrol then presented the five-year recovery forecast for Europe: this would start after Easter 2021 and is linked to the success of the vaccination campaign.

He also commented that the lack of capacity and delays issue will arise again once the situation will revert to normal, and therefore stressed that it is important that all necessary activities and measures are undertaken to prepare for these situations.

Conclusions on item 1

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

Item 2 Update on the future partnership

The Chairperson presented the developments since the October Board meeting.

He emphasised the massive interest shown by the stakeholders and thanked the Members for their continuous involvement, support and commitment to the complicated institutional process.

At the last Board meeting in October, the EC announced the invitation to the industry to pledge an initial commitment to invest in the new SESAR 3 Joint Undertaking.

45 separate legal entities have pledged to join forces and invest in the new partnership

by signing a Memorandum of Understanding which encompasses almost all current members, as well as new actors, including research organisations, the airlines, the drones sector and the European Space Agency.

The stakeholder workshop, where the EC presented the main elements of the Single Basic Act establishing the new joint undertaking, was attended by approximately 200 participants. As the legal text stabilises, DG MOVE will be in a position to clarify the practical implications.

The Chairperson suggested organising another Workshop in 2021, after the adoption of the Basic Act, to provide clarifications about outstanding legal questions.

In the meantime, the Strategic Research and Innovation Agenda (SRIA) prepared under Eurocontrol coordination, was endorsed by the Commission and published on the SJU website. The document is expected to be adopted at the first meeting of the new Governing Board.

However, the progress with the Single Basic Act was slower than planned, due to delays in the new Long-Term Union budget negotiations and uncertainties on the overall budget figure for the Horizon Europe programme, as well as due to a strong pressure across all institutions to reduce administrative expenditure.

Consequently, it was not possible to adopt the Basic Act this year and the estimates for the establishment date for the new JU moved from early summer towards the end of Q3 2021.

On the budget side, some of the amounts in Horizon Europe initially cut by the Member States were restored, thanks to the strong support from the European Parliament, but overall the budget is lower than the one proposed by the Commission.

For the future SESAR 3 JU, the budget from Horizon Europe should stay the same as in SESAR 2020, namely EUR 585 million (*figures will be confirmed in the Single Basic Act*).

The Chairperson announced that DG MOVE is also looking at options to supplement the Union's contribution with additional CEF funding to support the demonstrations activities that accelerate the market uptake of successful SESAR solutions.

Regarding budgetary aspects, one improvement for the future programme will be the ability to use multi-annual commitments, which means that the SJU could launch calls for industrial research without having the full amount upfront. This will reduce bureaucracy both at the Members and at the SJU side as the annual amendments to the grant agreements on budgetary grounds would not be necessary.

All the signatories of the Memorandum of Understanding will be invited to join the new SESAR 3 JU as founding members. At a later stage, presumably in May, the participation will have to be formalised through an individual letter of commitment signed by Members' legal representatives and addressed to the Commission. Templates and information will be provided in due time.

Those who would not be able to join from the start as founding Members, could become an Associated Member at a later stage, when the new JU would launch a call for expression of interest for new members. This would be decided by the new Governing Board, once the JU is established.

An important step in the next six months will be the preparation of the SESAR 3 Multi-Annual Work Programme (MAP). To this end, the EC will coordinate with the SJU to put in place the relevant coordination to bring together all stakeholders who have signed the MoU to translate the content of the SRIA into a MAP. The latter should be adopted at the first meeting of the Governing Board of the new JU, which should take place in October 2021. This will allow launching the first wave of calls by the end of 2021.

Ms Lust (AU) expressed AU's willingness to discuss with the EC about the governance and the role of Airspace Users associations. It is in the EC and the AU common interest to have the widest possible involvement of AU in the SESAR 3 programme, irrespective of the organizations' business model and size. AU associations have an important role in ensuring traceability between investments and benefits for all AUs. The AU community is made of players heavily competing with each other and therefore a governance structure preventing discriminatory treatments should be found.

Mr Rodak (PANSA) asked if the multi-annuality principle would apply to CEF funding.

Ms de Mateo (ENAIRE) emphasised the need to ensure a correct representations of all the parties in the governing structure of the future JU.

Mr Iacometta (Leonardo) enquired about the schedule and the plan that the EC would put in place to coordinate new Members in the future SESAR 3 for the signature of the individual letters of commitment, taking into account that sufficient time should be allowed to the different organisations to undertake the necessary steps. He also expressed concerns about the governance, considering the high number of signatories of the MoU.

Mr Lallouette (Thales) supported Leonardo concerns about the functioning of the governance structure, given the large number of organisations involved. He also expressed some reservations to the intention of accepting non-EU companies in the partnership. He stressed that contrary to the terms of the MoU, no coordination was put in place before the signature of the MoU and managing the coordination among a huge number and variety of actors seems quite demanding. Moreover, given that EU funding level will not increase and that the programme will be more ambitious, the increased number of partners may lead to inefficiency in the programme activities. Thales level of contribution and involvement will be determined once more clear information about the governance structure, the funding and some IP related questions will be available from the EC.

Mr Gallego (INDRA) shared the concerns expressed by the other Members and added that VLD activities should start from the beginning of the next programme to use time and resource in the best possible way. To this end, the immediate allocation of CEF funding to VLD should be secured to enable a call to be made in 2021.

The Chairperson replied that DG MOVE took note of the feedback expressed by the members, underlying that the process setting up the new JU is still ongoing. The governance aspects will have to be defined, taking into account, on the one hand, the needs of the key players and, on the other hand, the need to include a wide participation of different players of the aviation sector. He specified that the presence non-EU companies (who have established an EU-based activity centre) among the signatories of the MoU is in line with the provisions of Horizon Europe (EU-based legal entities are eligible to participate in Horizon Europe funded projects) and cannot be discriminated in the participation to JUs.

Ms Berg (DG MOVE) replied that DG move will continue the dialogue with AU representatives to define the involvement of AU associations. She specified that details in the Commission proposal can still be changed and the final text will be adopted by the Council.

She added that the responses gathered through the signature of the MoU demonstrate a wide interest of the different stakeholders. The shape of the partnership is not stable yet, as there is still the possibility to drop out or to join at a later stage. The EC will analyse the interest demonstrated by all parties and will establish an appropriate approach to keep the partnership manageable.

She commented that the EC was aiming at a bigger budget envelope, but there will be the possibility to fund demonstration activities close to deployment under CEF.

Mr Vasile added that CEF funding will be part of a separate contract between the EC and the SJU. The multi-annuality principle would apply to CEF.

Mr Lallouette (Thales) added that in the past, entities had to demonstrate their expertise, experience and involvement in the ATM activities at EU level in order to become Members of the SJU. These conditions seems not to be met by some of the signatories of the MoU.

Mr Hololei replied that the EC will carefully consider the eligibility of new Members, in light of the EU legislation.

Conclusions on item 2

- The Board took note of the information provided by the EC representatives.

Item 3 COVID-19 situation

Mr Hololei informed that Board Members that EASA and ECDC have recently issued guidelines for COVID-19 testing and quarantine for air travellers, as an addendum to the May 2020 Aviation Health Safety Protocol. They are based on an in-depth analysis of the available science and are fully aligned with other recommendations on response measures and COVID-19 testing strategy.

The Guidelines should also be read in conjunction with the recent Communication of the Commission “Staying safe from COVID-19 during winter”, which indicates that, whilst travel itself is a risk factor, the generalised widespread transmission of COVID-19 across Member States means that at present, intra-EU cross-border travel does not present a significant added risk.

As far as air travellers are concerned, the guidelines states that they should be considered to be mostly non-symptomatic, with a low probability of infection due to multiple layers of protection applied in air transport (testing, temperature measurements, health questionnaires, etc.)

Overall, the relative significance of the virus being spread by cross-border travellers is minimal compared to on-going community transmission (less than 1%).

This means that in the current epidemiological situation in the EU, measures of blanket testing or quarantine have no real scientific basis, with the sole exception of travellers coming from high-risk areas into areas which have achieved consistent control of the virus, with 14-day incidences close to 0.

Depending on the evolution of the pandemic and future evidence and developments, in terms of risk assessment criteria, testing technologies or the introduction of vaccines, the Guidelines may require updating in the future.

On the Passenger Locator Form (PLF), the Chairperson said that the EU’s digital PLF system would be pilot tested in Member States between 15 December 2020 and 10 January 2021.

For aviation, the pilot tests will focus on single flights linked with one airport with support from a specific airline. The following countries have showed interest to host these pilots: Austria, Italy, Germany, Slovenia and Switzerland.

With the help of EASA, the EC is developing an exchange platform that will enable the quick identification of passengers that, unknowingly, have been close contacts of a positive passenger and alert them. The compliance of such transfers of personal data between Member States with GDPR is currently being analysed.

This work on contact tracing mechanisms remains critical to ensure that flights are COVID-19-free.

Mr Guillermet continued by informing the Members that there is no major new impact on the Programme since the situation reported at the October Board meeting and that the work to stabilise W2 is on track. However, he pointed out that efforts reduction led to some withdrawing from W2 activities and that more difficulties to set up mitigation action (e.g. recovery of tasks by another contributor) are arising.

Furthermore, the SJU sees a considerable drop in Airports contribution, which are focusing on their core business and reducing drastically R&D activities.

In addition, difficulty to access validation platform might put at risk the preparation of several of the validation exercises planned in 2021.

He commented that the duration of W2, planned for 24 months, appears very tight to cover all project activities in this new COVID context and new mitigation actions are being evaluated through a continuous open dialogue with SJU Members.

As a follow up of the budget mitigation measures proposed by the SJU at the Board meeting in May, he informed the Board that most of the actions are completed. He listed the following actions:

- Title III
 - Wave 3 set to max- €30Mio

- ER 4 increased - €15.40Mio
- Pre-financing +20% - €10Mio
- Title I & II
 - Debit notes postponed to October
 - Budget saving measures implemented (SPD amended) - €1.2Mio (CAs savings year-on-year spread on various budget lines)
- SESAR 1 reimbursement of excess of contribution €30,8Mio
 - ADB decision was approved on 8 October
 - The process is completed for the European Commission and Eurocontrol and ongoing for the Members.

The Executive Director thanked the SJU Finance team, the SJU Legal Team and DG MOVE colleagues for the effort dedicated to the process of the reimbursement of the excess contribution of SESAR 1.

▷ Conclusions on item 3

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

Item 4 Report on the progress of the Programme and other on-going key activities

Item 4a Programme overview

Item 4b External Relations and communication

These items have not been presented, but full information has been made available in the slides. No question has been raised by the Members.

Item 4c Annual work programme objective's implementation

Mr Guillermet explained that the SJU has overall been able to comply with the targets set in the Annual Work Programme, while performing extensive risk management activities in the domain of BrExit and in the area of the COVID-19 crisis, both from the internal resources and from the Programme and partnership standpoints.

The Executive Director summarized the main achievements of the year.

All SESAR 2020 calls are completed with all awarded projects ongoing in Exploratory research and most projects launched in Industrial Research and Demonstrations. Most of the Grant Agreements will be signed before the end of the year, two will be signed in January 2021.

Release 9 was delivered with 37 new solutions delivered as part of Wave 1. A new SESAR catalogue will be published in Q2 2021.

Wave 1 projects are all closed and U-space results are delivered and a detailed brochure dedicated to U-space projects was published.

Throughout the year, the SJU remained very active on communication and dissemination activities, organising 18 webinars, 7 vodcasts, 30 tech sessions that attracted more than 7000 participants live and 4000 playbacks. The “digital academy” allowed reaching an unprecedented number of users and might influence the future organisation of communication events.

The Strategic Research and Innovation Agenda was delivered.

He mentioned also the successful completion of the work on IOP, which recovery plan started in 2017 and required intensive efforts from Members to achieve TRL6 and Solution 18-02b (ATC-ATC flight object interoperability).

The technical specifications on IOP are consequently available and can be used to move into Industrialization. The revision of EUROCAE ED133 has already started: the first draft was developed early 2020 based on the intermediate Technical Specification; the consolidation of the ED133 revision, on the basis of the final Technical Specification is

ongoing and expected to be delivered in 2021.

The ED thanked the Members for their contributions to the R&D activities performed on IOP.

The Chairperson expressed the EC satisfaction for Members' commitment and work to deliver these important results for the future of ATM in Europe. However, it is very important that the solution start generating benefits for the entire ATM community.

He invited the Members to use resources and cooperative spirit to put in place a better coordination between the industry and ANSPs to design solutions that improve the performance of cross-border operations.

He added that the experience with managing the delays with the IOP should help addressing similar situations in the future in a faster and more efficient way. He concluded by saying that the EC relies on the good cooperation between all actors to achieve progress the integration of IOP functionalities with the NM.

▷ Conclusions on item 4

- The Board took note of the information provided by the SJU and of the comment from the EC.

Item 5 Planning and Reporting documents

Item 5a & b Information on SPD 2020-2021, SPD 2021-2023, 2022-2024

Mr Hotham briefly presented the status of the programming documents:

- SPD 2020-2022: the third amendment to update 2020 budget (to increase payment appropriations by EUR 13 million to cover the increase of pre-financing amount, to assign unused budget from other calls to increase VLD Open 2 by EUR 6,5 million, to award grants in the reserve list to maximise the use of H2020 funds) was adopted through Written Procedure in November 2020 and published on 11 December;
- SPD 2021-2023: the final draft version was submitted to the Board on 30 October 2020 for review; ADB members feedback was received and included in the final version submitted on 7 December in view of its adoption at the ADB(M)051. A First amended version is planned to be submitted to the ADB in February 2021 in order to re-inscribe 2020 unused appropriations into the 2021 budget. A major update is expected later in 2021, once the SESAR 3 JU becomes effective.

Mr Hotham listed the main changes included in the version of 30 October 2020 (final draft):

- Integration of proof-reading by the EU Publications Office;
- Updated the SESAR 2020 Programme portfolio of projects as at the end of 2020;
- Integrated budget updates anticipating on SPD 2020 3rd amended version;
- Updates on human resources information, Procurement plan, etc. ;
- Inclusion of the analysis of major risks affecting the implementation of the work programme: Brexit and COVID-19.

He then listed the main changes included in the version of 7 December (final version for adoption):

- Further analysis of the two main scenarios identified on future ATM partnership: 1. 'repeal and replace' through the establishment of SESAR 3 JU; 2. 'termination' of SESAR JU;
- Identification of new objectives related to the transition between SESAR 2020 and SESAR 3 in the 2021 annual work programme, and analysis of the related risks and challenges;
- Reinforcement of the narrative on sustainability & environmental performance, scalability of air navigation services, automation and digitalisation challenges;
- Complete Procurement plan for 2021;
- Minor editorial adjustments and corrections.

In the SPD 2021-2023 two main scenarios for a future integrated ATM partnership are being considered: the establishment of the SESAR 3 Joint Undertaking based on Article 187 TFEU ('repeal and replace' scenario), expected for 2021; the termination of the existing SESAR JU ('termination' scenario) expected for 2024.

Under the 'repeal and replace' scenario, the SESAR 3 JU will have to complete the SESAR 2020 programme while preparing for and launching the SESAR 3 programme. The SESAR 3 JU Basic Act, planned to be effective before the end of 2021, will have to include adequate provisions for the transition that secure adequate financial and human resources as well as the contribution from Eurocontrol and the private partners.

In reminding the Board Members that the annual budget for 2021 is an integral part of the SPD 2021-2023, subject to ADB's adoption, Mr Hotham stated that the revenue for 2021 is € 11.344.673 in commitment appropriations and € 46.785.481 in payment appropriations and these values match with the expenditure budget planned in Title I, Title II and Title III.

He added that a breakdown per chapter was provided in Annex II. The SPD also included the Human Resources situation for 2021 (39 Temporary Agents and 3 Seconded National Experts) and the Procurement Plan.

The Chairperson informed the Board Members that DG MOVE has been working closely with the SJU to refine the text of the SPD and to ensure that all Commission's recommendations were addressed. He also underlined that, with progress in the preparation of the new SESAR 3 JU, the SPD will need to be amended to implement the transition to the new joint undertaking, to incorporate the Horizon Europe funding and the launch of the new research programme. To speed up the transition, DG MOVE has asked the SJU to add a new objective for 2021, which is to deliver, in 2021, a multi-annual work programme (MAWP) should the Council agree to a future SESAR 3 Joint Undertaking.

Mr Hololei informed the Board Members that the Commission's Opinion on the SPD was formally adopted by the College of Commissioners in the morning of 15 December (*just before the ADB meeting*) and that the Commission was ready to vote in favour of adopting the 2021-2023 SPD. The chairperson asked if there were any concerns or votes against such an adoption and none were presented.

Mr Hotham reminded the Members about the timeline for the preparation of the initial draft SPD 2022-2024: on 19 December, it will be sent to the Members who will be requested to provide an initial feedback by 17 January. On 22 January the SJU will launch an urgent Written Procedure to approve the submission of the draft document to the Budgetary Authority by the end of January. By mid-2021 a major update is planned to include SESAR 3 JU and by the end of October the final draft will be shared with the Board in view of the document adoption in December 2021.

Mr Hotham provided an overview of the timeline for the Consolidated Annual Activity Report 2020. By mid-March 2021 the initial draft will be submitted to the Members who

will be requested to provide an initial feedback by mid-April 2021. The final draft will be submitted by mid-May in view of its adoption in June 2020 and subsequent submission to the Budgetary Authority by the end of June 2021.

▷ Conclusions on item 5

- The Board took note of the information provided by the SJU and adopted decision ADB(D)14 Single Programming Document 2021-2023.

Item 6 General Administrative and financial items

Item 6a Legal & procurement activities overview

This item has not been presented, but full information has been made available in the slides. No question has been raised by the Members.

Item 6b Budget execution overview

This item has not been presented, but full information has been made available in the slides. No question has been raised by the Members.

Item 6c SJU Annual Accounts 2019

Mr Frizon, the Chief Financial Officer informed the Board members that the Written Procedure for the approval of Annual Accounts 2019 was closed on 14 December.

Ms Cozaciuc (DG BUDG) confirmed that on 1 July 2020, the SJU has submitted the Annual Accounts 2019 to the European Court of Auditors (ECA), the European Parliament and the European Commission, as required by the Financial Rules. The ECA's final report on the SJU annual accounts 2019 (received on 12 November 2020) contained a positive opinion ("unqualified") on the reliability of the Annual Accounts and the legality and regularity of the underlying transactions and no other material comments/observations. The Final Annual Accounts 2019 were sent to ADB for approval on 3 December 2020 by written procedure.

She presented the key figures from the Annual Accounts: the Balance Sheet net assets are EUR -108.5 million, consisting of three elements:

- An increase over 2018 of the 'non-current assets' (pre-financing) by EUR 39 million to EUR 50.2 million which is linked to the call ER3, VLD-1 and W2;
- A decrease in the 'current assets' over 2018 of EUR 87.2 million to EUR 51.5 million, largely due to the pre-financing of EUR 55 million from Wave 1 project reducing to a total of EUR 6 million resulting from the closure of W1 projects, and clearing their pre-financing.
- A small decrease in the 'current liabilities' over 2018 of EUR 7.1 million to EUR -210.3 million.

Another element of the assets item was represented by receivables, with a decrease of EUR 32 million reaching a total value of EUR 46 million. Here the main elements are the treasury liaison/intercompany accounts with the EC, representing the virtual bank account of SESAR. The balance represents the JU cash available at the end of the year. Extract:

The main element concerns the treasury liaison/intercompany accounts with the Commission that represent a virtual bank account of SJU. Following the appointment of the Accounting Officer of the Commission as the Accounting Officer of SJU, the treasury of SJU was integrated into the Commission's treasury system. All payments and receipts are processed via the Commission's treasury system and registered on intercompany accounts, which are presented under this heading. The result of the

incoming and outgoing payments represents the funds available for the Joint Undertaking.

On the liabilities side, there was no significant movement overall but an increase in payables of EUR 59 million reaching a total value of EUR 182 million, due to awarded projects and in-kind contribution increase (to be validated); decrease of accrued charges by EUR 66 million reaching 28 million which are mainly accrued operational expenses. Extract:

Accrued charges are the amounts estimated by the Authorising Officer of costs incurred for services and goods delivered in year 2019 but not yet invoiced or processed by the end of the year. They are mainly accrued operational expenses that relate to on-going SESAR2020 projects without a validated cost statement where the 2019 expense was estimated on a case-by-case basis using the best available information about the projects at 31 December 2019. The portion of the estimated accrued charges which relates to pre-financing paid has been recorded as a reduction of the pre-financing amounts

In the result of the year, the financial performance, the main element is represented by the operational costs for a total value of EUR 205.6 million, with a decrease of EUR 29.7 million compared to 2018, out of these, EUR 24 million relates to a decrease of in-kind contribution of Members.

Looking at the member's contribution in 2019, there is an increase of EUR 173 million compared to 2018, reaching the total value of EUR 2,256 million. Out of these the EU contribution was EUR 969 million, EUROCONTROL's EUR 634 million, other members' EUR 653 million.

In 2019 the contributions used during the year reached the amount of EUR 213.7 million. Extract:

Accrued charges are the amounts estimated by the Authorising Officer of costs incurred for services and goods delivered in year 2019 but not yet invoiced or processed by the end of the year. They are mainly accrued operational expenses that relate to on-going SESAR2020 projects without a validated cost statement where the 2019 expense was estimated on a case-by-case basis using the best available information about the projects at 31 December 2019. The portion of the estimated accrued charges which relates to pre-financing paid has been recorded as a reduction of the pre-financing amounts

Mr Mestrom presented the Budget results which were EUR -26.7 million

The implementation of budget revenue was EUR 125.7 million in Budget and EUR 124.8 million as revenue.

The implementation of budget expenditure was:

- For Title 1 (Staff expenditure) and Title 2 (administrative expenditure), the implementation rates for commitments are respectively 92 % and 86 % and for payment appropriations 83 % and 55 %.
- Regarding Title 3 SESAR1 operational costs, the implementation rates on the commitment appropriations reached 3 % and on payment appropriations 51 %.
- Regarding Title 3 SESAR2020 operational costs, the implementation rates on the commitment appropriations reached 92 % and on payment appropriations 83 %.

The SESAR1 excess of revenue to be repaid to all partners is EUR 30.8 million.

In terms of implementation of commitment appropriations, Mr Mestrom mentioned the split between SESAR 1 and SESAR 2020 in terms of commitment and payment appropriations and underlined that the difference in the commitments outstanding from EUR 217.1 million to EUR 148.6 million is due to the decommitment for SESAR 1 commitments.

Item 6d HR matters

Mr Guillermet informed the Board Members about his proposal to update the SJU organisation chart that consists in two changes.

First, due to a long-term sickness of a member of the Management team, it is proposed to integrate the expertise of the ATM team in the call coordination and grant management team that is conducting the core of the SJU activities. This will also allow to better prepare for the transition to SESAR 3. The Grant Management and ATM teams will continue to work in collaboration with the Chief Programme while formally reporting to the Deputy Executive Director.

Second, the contribution of the Eurocontrol Programme Management Unit to the SJU will be clearly represented in the organization chart and functionally attached to the Chief Programme.

The ED concluded by saying that the proposal would be sent to the Board members by Written Procedure.

Ms de Mateo (ENAIRE) asked if in the transition to SESAR 3, additional human resources would be requested, similarly to what was done in the transition from SESAR 1 to SESAR 2020.

Mr Guillermet replied that the SJU is working to make the organisation more efficient and effective and conversations are taking place with DG MOVE, keeping into account that all JTIs are under pressure in relation to future staffing level.

Item 6e Impact of Brexit on SESAR activities

The Chairperson reported to the Members that DG MOVE is following closely the latest developments in the Brexit negotiations. He underlined that, at the day of the meeting, there was still no clarity about the final outcome.

He also informed the Members that he had sent a letter to the Executive Director conveying the guidance received from the UK Task Force, as the SJU has to be prepared on 1 January for any outcome.

From the point of view of continuity of the programme, UK-based legal entities can continue to participate in SESAR 2020 projects until these activities are concluded.

The continuation of NATS's membership after 1 January depends whether there will be an aviation agreement between the EU and the UK, as well as an association agreement between the UK and the Commission vis-à-vis the cooperation in the context of the Horizon 2020 programme.

Eligibility of UK-based entities to take part in the future SESAR 3 JU depends on whether similar agreements between the Commission and third countries on cooperation under Horizon Europe will be signed before the new JU is established.

**Conclusions on item 6**

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

Item 7 IAC: overview of audit activities in 2020 and Annual Audit Plan 2021

Ms Haarsma presented an overview of the audit activities that took place in 2020. She explained that nine earlier audits are now closed (see slides), meaning that all recommendations have been implemented in an effective way. Two audits are currently ongoing at the SJU: the annual audit of the accounts 2020 performed by the European Court of Auditors and an audit on H2020 grant implementation performed by the Internal Audit Service of the EC (IAS). The final report for the former is expected in November 2021 and the final report for the latter was issued on 8 December 2020. One audit is expected to start in 2021: an audit on the validation of in-kind contributions by the IAS.

Ms Haarsma provided more details regarding the audit on H2020 grant implementation

which was performed remotely by IAS auditors in Q2 2020. The auditors concluded that the internal controls put in place by the SJU for the implementation of grant agreements under Horizon 2020 are overall adequately designed and efficiently and effectively implemented. The auditors also expressed appreciation for the sound set of controls on project communication activities and on the specific amendment procedure on budgetary ground.

Four recommendations rated 'important' were issued. The audit did not lead to 'critical' nor 'very important' recommendations.

Ms Haarsma explained the main items highlighted by the report. First, the SJU should develop and implement a systematic risk-based monitoring approach of all projects in view notably of the SJU's specific exposure to the COVID-19 crisis.

Second, the SJU should monitor and ensure that all beneficiaries comply with the dissemination, exploitation and communication obligations of projects.

Next, the SJU should better reflect the separation of roles between grant managers (responsible for the 'certified correct' of payments) and programme managers (with technical expertise) in the H2020 IT tools. Last, the SJU should strengthen its reporting of Horizon 2020 indicators and in case some of the indicators are not applicable to the SJU, it should coordinate with the EC to discuss the possibility of not reporting on these indicators.

Ms Haarsma also informed the Members that in May 2020, the EP granted the discharge to the SJU for the financial year 2018 and approved the closure of the accounts of the SJU. She added that the process for the financial year 2019 has started: the draft opinion of the TRAN committee has been issued and the draft opinion of the CONT committee is expected in Q1 2021. The vote in Plenary on the discharge of financial year 2019 is expected in April 2021.

Furthermore, the Members were informed that mandatory anti-fraud awareness raising sessions were organised for all SJU staff in November and December 2020. These sessions are in line with the priorities identified in the SJU Anti-fraud Strategy 2020-2022 which was adopted by the Board in Q1 2020. This strategy included a detailed action plan with the aim to foster a culture of integrity, to build capacities and to prevent and detect external fraud within the SJU.

She concluded by saying that the Audit Plan for the year 2021 will be sent for approval by Written Procedure at the beginning of January 2021.

▷ Conclusions on item 7

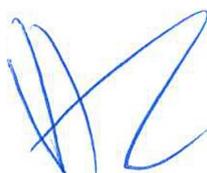
- The Board took note of the information provided by the SJU IAC.

The proposed ADB meeting dates in 2021 are:

- ADB(M) 052 Thursday 6 May
- ADB(M) 053 Thursday 14 October
- ADB(M) 054 Tuesday 14 December

Done in Brussels, 15/12/2020.

Chairperson
Mr Henrik Hololei



Secretary
Ms Ilaria Vazzoler

