



EUROPEAN COMMISSION

Brussels, 9.12.2011
COM(2011) 814 final/2

2011/0392 (COD)

Proposal for a

REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

on the implementation and exploitation of European satellite navigation systems

{SEC(2011) 1446 final}

{SEC(2011) 1447 final}

EXPLANATORY MEMORANDUM

1. CONTEXT OF THE PROPOSAL

Regulation (EC) No 683/2008, which entered into force on 25 July 2008, defines the framework for the public governance and financing of the Galileo and EGNOS programmes¹. In particular, it allocates EUR 3405 million for the period from 1 January 2007 to 31 December 2013.

As provided for in Article 22 of Regulation (EC) No 683/2008, the Commission adopted a report to the European Parliament and to the Council on the mid-term review of the European satellite navigation programmes on 18 January 2011². This report provides a detailed review of their progress since the reform of their governance in 2007, sets out cost estimates and future challenges, in particular with regard to risks and outlines specific proposals to deal with them, in particular for taking into account the operational requirements of the two systems established under the programmes.

In the conclusions it adopted on 31 March 2011 after the Commission's report of 18 January 2011 was submitted, the Council, among other things, expressed its support once again for the European satellite navigation programmes as defined in Regulation (EC) No 683/2008. It also noted the overall cost estimates and the fact that the Commission would submit a proposal including changes to the governance model with a view to the next multiannual financial framework. On this point, it asked the Commission to rationalise and optimise the use of existing structures.

For its part, in the resolution adopted on 8 June 2011, the Parliament also restated its support for the European satellite navigation programmes and considered that it should be principally funded by the Union budget. It underlined the importance of implementing rigorous cost containment and risk mitigation policies. It asked the Commission to submit legislative proposals quickly with particular emphasis on the need to provide a long-term, stable framework, in particular for operation of the systems.

In its Communication dated 29 June 2011³, accompanied by a proposal for a Council Regulation of the same date⁴, the Commission proposed to assign EUR [7000] million to the financing of the European satellite navigation programmes during the next multiannual financial framework for the 2014-2020 period. Nevertheless it indicated here that it is necessary to maintain efforts to control costs and that new management procedures should be planned for the long-term. It should be noted that this sum of EUR [7000] million, at 2011 constant prices, is an absolute ceiling under the Article [14 of the proposal] of the abovementioned Council Regulation and corresponds to a sum of EUR [7897] million at current prices.

¹ OJ L 196, 24.7.2008, p.1

² COM(2011) 5 final

³ COM(2011) 500 final. A Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions: a Budget for Europe 2020;

⁴ COM(2011) 398 final. Proposal for a Council Regulation laying down the multiannual financial framework for the years 2014-2020

It needs to be emphasised that uncertainties, which may lead to cost over-runs and delays, are inherent in this type of complex programme. It requires an effective risk management system to be set up, and may result in difficult decisions being taken. In this way, the additional cost of the development phase, managed by the European Space Agency, amounts to some EUR 500 million in total. At the request of the Member States the Commission has agreed to bear this cost so as to ensure the continuity of the programme. Validation of the system in orbit is the keystone of the Galileo programme and a lack of financing would have jeopardised its continuation, with a loss of industrial know-how and of equipment already partly built.

The Regulation to which the proposal relates meets the requests of the Parliament and the Council while taking into account the contents of the Commission Communication of 29 June 2011. It is the basic act for European satellite navigation programmes for the period covered by the next multiannual financial framework, providing in particular for funding and the governance model for the programmes. Given the magnitude of the changes to be made to Regulation (EC) No 683/2008, it was deemed necessary to propose that it be replaced with a new Regulation rather than amended.

It should be borne in mind that the Galileo and EGNOS programmes are flagship projects of the Union. Promotion of this technology, which is a powerful driver for emerging from the crisis, fits in perfectly with the Europe 2020 strategy and policies for sustainable development. The new generations of high-performance satellite navigation services provide considerable opportunities for all fields of activity with many new jobs bound up with the expansion of markets, which have grown at an annual rate of 30% over the past few years. In this context, the Commission is working to develop an ecosystem of applications to optimise the use of services provided by the systems and maximise the socio-economic benefits. Accordingly, it is implementing the 24 measures referred to in its Action Plan on GNSS applications of 14 June 2010⁵. This plan provides in particular for financing of research and development projects, improvement in access to financing for small and medium-sized enterprises and various measures to promote the Galileo and EGNOS programmes in priority sectors for growth, innovation and employment.

It should also be emphasised that the European satellite navigation programmes does not only concern the Member States with the greatest involvement in the space field: they concern all the Member States of the Union directly. In fact, all citizens of the Union will benefit from a range of services provided by the infrastructures in place. Moreover, small and medium enterprises everywhere in Europe play an important role in the programmes since one of the objectives of the Union is to promote the widest and most open participation possible for all businesses in public procurement procedures.

For instance, as part of Europe 2020's flagship initiative 'An Industrial Policy for the Globalisation Era' the Commission is responsible for developing 'an effective space policy to provide the tools to address some of the key global challenges and in particular to deliver Galileo'.

⁵ COM(2010) 308

2. RESULTS OF CONSULTATIONS WITH THE INTERESTED PARTIES AND IMPACT ASSESSMENTS

The proposal follows numerous extensive consultations with stakeholders and the public. It is accompanied by an impact assessment.

Stakeholders were consulted on various technical, legal or operational aspects concerning the programmes such as provision of services, the cost of the infrastructure and its operation, risk analyses and potential governance models. Thematic workshops and conferences with users were therefore organised as well as targeted working groups with experts from the European Space Agency, the European GNSS Agency and the Member States. Interviews were also conducted with experts from the space sector and industry representatives.

The public was also involved in the Eurobarometers between 2007 and 2009 and in the impact assessment concerning the European space policy.

The range of this research has shown that:

- the public supports the development of an independent satellite navigation system and recognise the growing dependence of modern societies on navigation services;
- stable governance must be put in place in the long term to ensure that the programmes are managed effectively;
- the "Safety of Life Service" (SoL) provided by the system established under the Galileo programme should be redefined in view of changing user expectations;
- finally, civil aviation stakeholders insist on the need to make long-term commitments concerning the provision of EGNOS services. This is a prerequisite for any real market penetration of EGNOS.

Moreover, in view of the latest advances and challenges to be overcome, the impact assessment concentrates on the continued implementation of the programmes with a focus on two main problems: firstly, the configuration of future services, given that the budget allocated for the period 2008-2013 is insufficient to complete the infrastructure of the system established under the Galileo programme and to ensure the operation of EGNOS; and secondly, the definition of the operational governance model and the financing required.

On the first point, concerning the system established under the Galileo programme, evaluation of the various options has shown that the best option is to retain the services initially specified, with the exception of the SoL service. This solution, which requires less infrastructure on the ground, reduces the costs.

With regard to EGNOS, the system is already operational and many users are enjoying its benefits. In addition, when the SoL service was declared operational, the Commission gave assurances regarding the continuity of this service to users who went on to make significant investments. Ending the EGNOS programme is not an option in this context.

On the second point, the impact assessment concluded that the Commission, representing the Union, should remain responsible for the programmes while the Union continues to ensure their funding alone, as proposed by the Commission in the abovementioned Communication of 29 June 2011. Operational management should be entrusted to a regulatory agency. This

would both maximise the expected socio-economic benefits of operating the systems and ensure greater consistency with the other policies of the Union while clearly defining the financial and political responsibilities of the various stakeholders. In this regard and given the abovementioned conclusions of the Council on 31 March 2011, assigning this task to the European GNSS Agency which was established by Regulation (EU) No 912/2010 of the European Parliament and of the Council of 22 September 2010 for the performance of tasks associated with the progress of the programmes, and which is both already in place and active in the field of satellite navigation, appears to be the most natural solution. It would nevertheless be necessary to reconfigure the tasks and resources of this agency.

3. LEGAL ELEMENTS OF THE PROPOSAL

Like Regulation (EC) No 683/2008 and other texts of the Union *acquis* concerning European satellite navigation programmes, the legal basis of the Commission's proposal is Article 172 of the Treaty on the Functioning of the European Union, ex Article 156 of the Treaty establishing the European Community. In addition, it retains the form of a Regulation of the European Parliament and of the Council since, like Regulation (EC) No 683/2008 which it is to replace, the text has a general scope and its content is to be directly applicable in all Member States.

The proposal mainly defines the programmes and systems, the budgetary resources allocated to them and their governance model and, in the interests of rationalising the *acquis* of the union, also provides for amendment or repeal of other legislative texts concerning European satellite navigation programmes.

The proposal complies with the principles of subsidiarity and proportionality. The objective of the proposal, namely the implementation and operation of satellite navigation systems, exceeds the financial and technical capacities of a Member State acting alone and can only be achieved in a satisfactory manner at Union level. It does not go beyond what is necessary to achieve this objective insofar as the planned budget corresponds to costs estimated following extensive analyses and where the governance model used appears to be the most suitable.

4. BUDGETARY IMPLICATIONS

As indicated in point 2 above, the Union will continue to finance the Galileo and EGNOS programmes alone. Its contribution to the programmes for the period 2014-2020 shall not exceed EUR [7897] million at current prices in accordance with the Article [14 of the proposal] of the Council Regulation referred to in point 1 above. It covers three main activities, namely, completion of the deployment phase of the Galileo programme, the exploitation phase of the same programme and operation of the EGNOS system. The latter includes ongoing improvement of the services provided by the system in order to meet the changing needs of users.

The estimated costs of the programmes are the result of extensive analyses. They are also based on the results of discussions with experts, in particular from the Member States, the European Space Agency and the European GNSS Agency. Various stakeholders, such as industrial representatives of the space sector, were also consulted.

Retaining the expertise acquired within the Commission is an essential factor in ensuring the continuity of the programmes. Consequently, the Commission will retain temporary agents

currently in employment for periods to be determined in accordance with the various phases of the programmes and will transfer personnel to the European GNSS Agency.

5. OPTIONAL ELEMENTS

It is important to emphasise that this Regulation lays down, in particular, the governance model for the programmes and their financing for the period 2014-2020. In accordance with this model, it will be possible to entrust substantial tasks associated with the operation of the systems to the European GNSS Agency, which is a body within the meaning of Article 185 of Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities. Accordingly, the Commission intends to conclude one or more delegation agreements with the Agency.

In the opinion of the Commission, recourse to delegation agreements, which include the general conditions for managing funds entrusted to the Agency, including measures for monitoring and controlling costs, is the most appropriate method for the Commission, the European Parliament and the Council to exercise their power of control fully.

In order to enable the European Parliament and the Council to gain a full picture of the conditions under which the European GNSS Agency would be obliged to carry out the tasks entrusted to it under the new governance model, particularly concerning resources, the Commission will submit a proposal in 2012 for the amendment of Regulation (EU) No 912/2010 and of the associated financial statement. It should be noted that the budget allocated to the programmes, i.e. EUR [7897] million at current prices, already takes into account the operating costs of the systems, including the operating costs of entities required to manage the operation of the systems. Thus, performance by the agency of new tasks which will be entrusted to it, will not lead to any additional budget expenditure.

In addition, the Commission will assess the compatibility of Regulation (EU) No 912/2010 with the new governance model concerning the security accreditation of the systems.

Council Joint Action 2004/552/CFSP of 12 July 2004 on aspects of the operation of the European satellite radio-navigation system affecting the security of the European Union⁶, should also be updated.

Simplification of the rules is one of the key goals of the new approach proposed by the Commission in respect of the budgetary expenditure of the Union. In its current form, the text introduces simplifying measures, concerning the following points in particular:

- alignment of indicators concerning the 2020 strategy objectives;
- delegation of activities associated with system operation, in particular, the management of contracts with the European GNSS Agency.

⁶ OJ L 246, 20.7.2004, p. 30.

Proposal for a

REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL
on the implementation and exploitation of European satellite navigation systems

THE EUROPEAN PARLIAMENT AND THE COUNCIL,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 172 thereof,

Having regard to the proposal from the European Commission,

After transmission of the draft legislative act to the national Parliaments,

Having regard to the opinion of the European Economic and Social Committee⁷,

Having regard to the opinion of the Committee of the Regions⁸,

Acting in accordance with the ordinary legislative procedure,

Whereas:

- (1) The aim of the European satellite navigation policy is to provide the Union with two satellite navigation systems, the system established under the Galileo programme and the EGNOS system (hereinafter 'the systems'). These systems arise respectively from the Galileo and EGNOS programmes (hereinafter 'the programmes'). Each infrastructure is made up of satellites and a network of earth stations.
- (2) The aim of the Galileo programme is to establish and operate the first global satellite navigation and positioning infrastructure specifically designed for civilian purposes. The system established under the Galileo programme is completely independent of other existing or potential systems.
- (3) The aim of the EGNOS programme is to improve the quality of signals from existing global navigation satellite systems (hereinafter 'GNSS').
- (4) The European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions have consistently given their full support to the programmes.
- (5) Since the programmes are at an advanced development stage leading to systems in an exploitation phase, a specific legal basis is required which can meet their needs,

⁷ OJ C , , p. .

⁸ OJ C , , p. .

particularly in terms of governance and to satisfy the requirement for sound financial management.

- (6) The systems established under the European satellite navigation programmes are infrastructures set up as trans-European networks of which the usage extends well beyond the national boundaries of the Member States. Furthermore, the services offered through these systems contribute, in particular, to the development of trans-European networks in the areas of transport, telecommunications and energy infrastructures.
- (7) The Galileo and EGNOS programmes are an industrial policy tool and are part of the Europe 2020 strategy, as illustrated by the Commission Communication of 17 November 2010 entitled 'An integrated industrial policy for the globalisation era: putting competitiveness and sustainability at centre stage'⁹. They also appear in the Communication adopted on 4 April 2011 by the Commission entitled 'Towards a space strategy for the European Union that benefits its citizens'¹⁰. These programmes provide many advantages for the economy and citizens of the Union, whose cumulative value has been estimated at approximately EUR 130 billion in the period 2014-2034.
- (8) Given the increasing usage of satellite navigation across a great number of fields of activity, an interruption in the supply of services could lead to significant harm to modern society. In addition, due to their strategic aspect, satellite navigation systems are sensitive infrastructures, that could be susceptible to malicious use. The abovementioned aspects could affect the security of the Union and its Member States. Security requirements must therefore be taken into account in the design, implementation and operation of the infrastructures emerging from the Galileo and EGNOS programmes.
- (9) The Galileo programme includes a definition phase which is complete, a development and validation phase due for completion in 2013, a deployment phase which was launched in 2008 and is due for completion in 2020 and an exploitation phase which should be launched progressively from 2014/15 for a fully operational system in 2020.
- (10) The EGNOS programme has been in the exploitation phase since its open service and 'Safety of Life' service were declared operational in October 2009 and March 2011 respectively.
- (11) In order to optimise the use of the services provided, the systems, networks and services emerging from the Galileo and EGNOS programmes must be compatible and interoperable with one another and, insofar as possible, with other satellite navigation systems and conventional means of radio navigation.
- (12) Since the Union is responsible, in principle, for financing the programmes in full, provision should be made for it to own all tangible and intangible assets created or developed under these programmes. In order to comply fully with any fundamental rights relating to ownership, the necessary arrangements with existing owners should be made, particularly for essential elements of the infrastructures and their security. In order to facilitate adoption of satellite navigation by the markets, there is a need to

⁹ COM(2010) 614 final/2

¹⁰ COM(2011) 152

ensure that third parties can make optimum use in particular of the intellectual property rights arising from the programmes which belong to the Union, in particular at social and economic level.

- (13) The deployment and exploitation phases of the Galileo programme and the exploitation phase of the EGNOS programme should, in principle, be entirely financed by the Union. However in accordance with Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the financial regulation applicable to the general budget of the European Communities¹¹, the Member States should be able to provide additional funding to the programmes or a contribution in kind, on the basis of appropriate agreements, in order to fund additional programme elements requested by them, e.g. concerning the system architecture or particular security needs. Third countries and international organisations should also be able to contribute to the programmes.
- (14) In order to guarantee the continuation of the programmes, an appropriate financial framework must be established to allow the Union to continue to finance them. It is also necessary to indicate the amount of money required between 1 January 2014 to 31 December 2020 to finance completion of the deployment phase of the Galileo programme and operation of the systems.
- (15) The European Parliament and the Council, on the basis of the Commission proposal of 29 June 2011, [decided] to allocate a maximum sum of EUR [7897] million at current prices for the financing of activities associated with the programmes for the period from 1 January 2014 to 31 December 2020. It should be specified that these activities also cover the protection of the systems and their operation, including during the launch of satellites. In this respect, a contribution to the costs required to benefit from services capable of providing this protection, such as those provided by the 'Space Situational Awareness' (SSA) programme among others, could be financed by the budget allocated to the programmes insofar as possible following rigorous cost management and full compliance with the abovementioned total sum established in the Article [x] of Council Regulation XYZ determining the financial framework for the period 2014-2020. The present Regulation lays down, for the continuation of the programmes, a financial envelope constituting the prime reference, within the meaning of point [17] of the Interinstitutional Agreement of xx/yy/201z between the European Parliament, the Council and the Commission on budget cooperation and sound financial management, and within the meaning of Article 14 [of the Council Regulation Proposal of 29 June 2011] determining the multiannual financial framework for 2014-2020¹².
- (16) The activities should be specified for which the Union budget appropriations allocated to the programmes for the period 2014-2020 under this Regulation shall be granted. These appropriations should be granted mainly for activities associated with the deployment phase of the Galileo programme, including management and monitoring activities for this phase, and activities associated with the operation of the system established under the Galileo programme, including actions preceding or in preparation for this phase, and the operation of the EGNOS system. They should also

¹¹ OJ L 248, 16.09.02, p. 1.

¹² COM(2011) 398 final.

be granted for funding of certain other activities required to manage and achieve the objectives of the programmes.

- (17) It is important to note that the investment and operating costs of the systems as estimated for the period 2014-2020 do not take account of unforeseen financial obligations which the Union may be obliged to bear, in particular those relating to non-contractual liability arising from the public ownership of the systems, especially with regard to force majeure and catastrophic failure. These obligations are the subject of a specific analysis by the Commission.
- (18) It should also be noted that the budgetary resources planned under this Regulation do not cover work financed by funds allocated to the Horizon 2020 programme, a Framework Programme for Research and Innovation, such as that associated with the development of applications derived from the systems. This work will help to optimise the use of the services provided in the context of the programmes, to ensure a good social and economic return on the investments made by the Union and to increase the know-how of businesses in the Union with regard to satellite navigation technology.
- (19) In addition the revenue generated by the systems should accrue to the Union in order to compensate for the investments that it has made previously. A revenue-sharing mechanism might also be provided for in contracts concluded with private sector companies.
- (20) In order to avoid the cost over-runs and delays which have affected the progress of the programmes over the last few years, efforts need to be stepped up to control risks which might lead to excess costs as requested by the Council and the Parliament in their respective conclusions and resolutions of 31 March 2011 and 8 June 2011, and as shown by the Commission's Communication to the European Parliament, the Council, the Economic and Social Committee and the Committee of the Regions of 29 June 2011 entitled 'A budget for Europe 2020'¹³.
- (21) Sound public governance of the Galileo and EGNOS programmes assumes, firstly, that there is a strict division of tasks, in particular between the Commission, the European GNSS Agency and the European Space Agency, and, secondly, that the governance is progressively adapted to the operational requirements of the systems.
- (22) Given that it represents the Union, which, in principle, provides financing for the programmes alone and owns the systems, the Commission must be responsible for the progress of the programmes and their political supervision. It must manage the funds allocated to the programmes under the current Regulation, supervise the implementation of all activities of the programmes and a clear division of tasks, in particular between the European GNSS Agency and the European Space Agency. Accordingly, in addition to the tasks associated with these general responsibilities and the other tasks incumbent upon it under this Regulation, it should be assigned a non-exhaustive set of specific tasks. In order to optimise the resources and competences of the various stakeholders, it should be able to delegate certain tasks by means of delegation agreements, in accordance with Regulation (EC, Euratom) No 1605/2002 and, in particular, Article 54 thereof.

¹³ COM(2011) 500 final.

- (23) The European GNSS Agency was established by Regulation (EU) No 912/2010 of the European Parliament and of the Council of 22 September 2010 setting up the European GNSS Agency, repealing Council Regulation (EC) No 1321/2004 on the establishment of structures for the management of the European satellite radio navigation programmes and amending Regulation (EC) No 683/2008 of the European Parliament and of the Council¹⁴ in order to achieve the objectives of the Galileo and EGNOS programmes and implement certain tasks associated with the progress of the programmes. It is an agency of the Union which, as a body within the meaning of Article 185 of Regulation (EC, Euratom) No 165/2002, is subject to the obligations applicable to Union agencies. It should be assigned certain tasks associated with programme security, its potential designation as a competent PRS authority and its contribution to the marketing of the systems. It should also perform tasks which the Commission may confer on it by means of one or more delegation agreements covering other various specific tasks associated with the programmes, including tasks associated with the exploitation phases of the systems and promotion of the applications and services on the satellite navigation market. In order for the Commission, representing of the Union, to exercise its power of control fully, these delegation agreements should include the general conditions governing the management of funds entrusted to the European GNSS Agency.
- (24) The Union should conclude a multiannual delegation agreement with the European Space Agency covering the technical and planning aspects of the programmes. In order for the Commission, representing the Union, to exercise its power of control fully, the delegation agreement should include the general conditions for managing the funds entrusted to the European Space Agency. Concerning activities exclusively financed by the Union, these conditions must ensure a degree of control comparable to that required if the European Space Agency was an Agency of the Union.
- (25) Responsibility for the progress of the programmes includes, in particular, responsibility for their security and the security of their systems and operation. Except in the case of application of Joint Action 2004/552/CFSP of 12 July 2004 on aspects of the operation of the European satellite radio-navigation system affecting the security of the European Union¹⁵, which could be adapted if necessary to changes in the programmes, their governance and the Lisbon Treaty, the Commission is responsible for security, even if certain security-related tasks are entrusted to the European GNSS Agency. It is the responsibility of the Commission to establish mechanisms to ensure suitable coordination between the various entities responsible for security.
- (26) Given the specific expertise of the European External Action Service and its regular contact with administrations of third countries and international organisations, it is in a position to assist the Commission in performing certain of its tasks relating to security of systems and programmes in the field of external relations, in accordance with Council Decision 2010/427/EU of 26 July 2010 determining the organisation and operation of the European External Action Service¹⁶ and, in particular, Article 2(2) thereof.

¹⁴ OJ L 276, 20.10.10, p. 1.

¹⁵ OJ L 246, 20.7.2004, p. 30.

¹⁶ OJ L 201, 03.08.10, p. 30.

- (27) In order to allocate the Union funds attributed to the programmes with a ceiling total that the Commission must not exceed, effective public procurement procedures must be applied and, in particular, contracts negotiated so as to ensure optimum use of resources, satisfactory services, smooth running of programmes, good risk management and compliance with the proposed schedule. The contracting authority must make every effort to meet these requirements.
- (28) As the programmes will be, in principle, financed by the Union, public procurement under the programmes should comply with Union rules on public contracts and should aim, first and foremost, to obtain best value for money, control costs, mitigate risks, improve efficiency and reduce reliance on a single supplier. Open access and fair competition throughout the supply chain and the balanced offering of participation opportunities to industry at all levels, including, in particular, new entrants and small and medium-sized enterprises (hereinafter 'SMEs'), should be ensured. Possible abuse of dominance and of long-term reliance on single suppliers should be avoided. In order to mitigate programme risks, to avoid reliance on a single source of supply and to ensure better overall control of the programmes and their costs and schedules, multiple sourcing should be pursued, wherever appropriate. Union industries should be permitted to rely on non-Union sources for certain components and services where substantial advantages in terms of quality and costs are demonstrated, taking account, however, of the strategic nature of the programmes and of Union security and export control requirements. Advantage should be taken of public sector investment and industrial experience and competence, including that acquired during the definition and development and validation phases of the programmes, while ensuring that the rules on competitive tendering are not contravened.
- (29) Satellite navigation is a new, complex and constantly changing technology. This results in uncertainty and risk for public contracts concluded under the programmes, insofar as these contracts may involve long-term commitments to equipment or services. These characteristics require specific measures to be implemented concerning public contracts which apply in addition to the rules laid down in Regulation (EC, Euratom) No 1605/2002. In this way, the contracting authority should be able to restore a level playing field when one or more companies have, prior to a call for tenders, privileged information on the activities associated with this call for tender. It should be possible to award a contract in the form of a conditional stage-payment contract, introduce an amendment, under certain conditions, in the context of its performance, or even impose a minimum level of subcontracting. Finally, due to the technological uncertainties that are a feature of the programmes, contract prices cannot always be forecast accurately and it is therefore desirable to conclude contracts in a specific form that do not stipulate a firm fixed price and include clauses to safeguard the financial interests of the Union.
- (30) It should be reiterated that, in accordance with Article 4(3) of the Treaty on the European Union, the Member States should not take measures which could harm the progress of the programmes, in particular concerning intellectual property rights and the continuity of infrastructure operation. It should also be clarified that the Member States concerned should take all necessary measures so that the systems' earth stations are designated as European critical infrastructures.
- (31) In view of the global nature of the systems, it is essential that the Union can enter into agreements with third countries and international organisations in the context of

programmes under Article 218 of the Treaty on the Functioning of the European Union, in particular to ensure their smooth implementation, optimise services provided to citizens of the Union and meet the needs of third countries and international organisations. It is also useful, where necessary, to adapt existing agreements to changes in the programmes. When preparing or implementing these agreements, the Commission may have recourse to the assistance of the European External Action Service, the European Space Agency and the European GNSS Agency, within the limits of the tasks allocated to them under this Regulation.

- (32) It should be confirmed that the Commission, in performing certain of its tasks of a non-regulatory nature, may have recourse, as required and insofar as necessary, to the technical assistance of certain external parties. Other bodies involved in the public governance of the programmes may also make use of the same technical assistance in performing tasks entrusted to them under this Regulation.
- (33) Protection of personal data and private life should be ensured under the programmes.
- (34) The financial interests of the Union must be protected using proportionate measures throughout the expenditure cycle, in particular, by means of prevention and detection of irregularities, carrying out surveys, recovering lost, unduly paid or poorly administered funds and, if necessary, applying penalties.
- (35) It is necessary to ensure that the European Parliament and the Council are kept regularly informed about the implementation of the programmes. In addition, the European Parliament, the Council and the Commission will meet in the Galileo Interinstitutional Panel in accordance with the Joint declaration on the Galileo Interinstitutional Panel of 9 July 2008.
- (36) Assessments should be carried out by the Commission in order to evaluate the effectiveness and efficiency of the measures taken to achieve the objectives of the programmes.
- (37) In order to set out the necessary measures to ensure compatibility and interoperability of systems with other satellite navigation systems as well as with conventional means of radio navigation and to ensure the security of the systems and their operation, the power should be delegated to the Commission to adopt acts under Article 290 of the Treaty on the Functioning of the European Union concerning these two areas of competence. It is of particular importance that the Commission carry out appropriate consultations during its preparatory work, including at expert level. The Commission, when preparing and drawing up delegated acts, should ensure that the relevant documents are forwarded to the European Parliament and Council in a simultaneous, timely and appropriate fashion.
- (38) In order to ensure uniform conditions for the implementation of this Regulation, implementing powers should be conferred on the Commission. These powers should be exercised in accordance with Regulation (EU) No 182/2011 of the European Parliament and of the Council of 16 February 2011 laying down the rules and general

principles concerning mechanisms for control by Member States of the Commission's exercise of implementing powers¹⁷.

- (39) As sound public governance requires uniform management of the programmes, faster decision-making and equal access to information, representatives of the European GNSS Agency and the European Space Agency should be able to take part as observers in the work of the European GNSS Programmes Committee in accordance with Article 19 of Regulation (EC) No 683/2008 of the European Parliament and of the Council of 9 July 2008 on the further implementation of the European satellite navigation programmes (EGNOS and Galileo)¹⁸. For the same reasons, representatives of third countries and international organisations who have concluded an international agreement with the Union should be able to take part in the work of the European GNSS programmes' committee. These representatives of the European GNSS Agency, the European Space Agency, third countries and international organisations cannot take part in Committee voting procedures.
- (40) Since the objective of this Regulation, namely the establishment and operation of satellite navigation systems, cannot be sufficiently achieved by the Member States since it exceeds the financial and technical capacities of any single Member State, and can therefore be better achieved by action at Union level, the Union may adopt measures, in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty. In accordance with the principle of proportionality, as set out in that Article, this Regulation does not go beyond what is necessary in order to achieve that objective.
- (41) The Galileo Joint Undertaking created by Council Regulation (EC) No 876/2002¹⁹ ceased its operations on 31 December 2006 and the proceedings involved in winding up the undertaking are now complete. It follows that Regulation (EC) No 876/2002 should be repealed.
- (42) Given the need to evaluate the programmes, the importance of the changes to be made to the text and in the interests of clarity and legal certainty, Regulation (EC) No 683/2008 must be repealed,

HAVE ADOPTED THIS REGULATION:

CHAPTER I

GENERAL PROVISIONS

Article 1

European satellite navigation systems and programmes

¹⁷ OJ L 55, 28.02.11, p. 13.

¹⁸ OJ L 196, 24.7.2008, p.1

¹⁹ OJ L 138, 28.05.02, p. 1.

1. The Galileo and EGNOS programmes shall cover all the activities needed to define, develop, validate, construct, operate, renew and improve the two European satellite navigation systems, namely the system established under the Galileo programme and the EGNOS system, and to ensure their security.
2. The system established under the Galileo programme is an autonomous global navigation satellite system (GNSS) infrastructure consisting of a constellation of satellites and a global network of earth stations.
3. The EGNOS system is an infrastructure monitoring and correcting signals emitted by existing global satellite navigation systems. It consists of earth stations and several transponders installed on geostationary satellites.
4. The specific objectives of the Galileo programme are to ensure that the signals emitted by the system under this programme can be used to fulfil the following five functions:
 - (a) to offer an open service (OS), which is free to the user and provides positioning and synchronisation information intended for high-volume satellite navigation applications;
 - (b) to offer a safety-of-life service (SoL) aimed at users for whom safety is essential. this service also fulfils the requirements of certain sectors for continuity, availability and accuracy and includes an integrity function alerting the user to any failure in the system;
 - (c) to offer a commercial service (CS) for the development of applications for professional or commercial use by means of improved performance and data with greater added value than those obtained through the open service;
 - (d) to offer a public regulated service (PRS) restricted to government-authorised users, for sensitive applications which require a high level of service continuity; this service uses strong, encrypted signals;
 - (e) to participate in the search and rescue support service (SAR) of the COSPAS-SARSAT system by detecting emergency signals given off by beacons and relaying messages to them.
5. The specific objectives of the EGNOS programme are to ensure that the signals emitted by the EGNOS system can be used to fulfil the following three functions:
 - (a) to offer an open service (OS), which is free to the user and provides positioning and synchronisation information intended for high-volume satellite navigation applications in the area covered by the system;
 - (b) to offer a service for the dissemination of commercial data, the EGNOS Data Access Service (EDAS), to promote the development of applications for professional or commercial use by means of improved performance and data with greater added value than those obtained through the open service;
 - (c) to offer a safety-of-life service (SoL) service aimed at users for whom safety is essential; in particular, this service fulfils the requirements of certain sectors

for continuity, availability and accuracy and includes an integrity message alerting the user to any failure in the system over the coverage area.

The EGNOS programme also has the specific objective of extending geographic coverage to these services throughout the territory of the Union and, subject to technical constraints and on the basis of international agreements, to other regions of the world, in particular territories of third countries covered by the single European sky.

Article 2

Subject

This Regulation lays down the rules in relation to the implementation and operation of the systems under the European satellite navigation programmes, in particular those relating to the governance and the financial contribution of the Union.

Article 3

Galileo programme phasing

The Galileo programme shall consist of the following phases:

- (a) a definition phase during which the structure of the system was designed and its elements determined, which ended in 2001;
- (b) a development and validation phase, comprising the construction and launch of the first satellites, the establishment of the first ground-based infrastructures and all the work and operations necessary to validate the system in orbit; the aim is for this phase to be completed in 2013;
- (c) a deployment phase consisting of the establishment and protection of all space and ground-based infrastructures as well as related operations which include preparations for the exploitation phase; the aim is for this phase, begun in 2008, to be completed in 2020;
- (d) an exploitation phase comprising infrastructure management, maintenance, ongoing improvement, renewal and protection of the system, certification and standardisation operations associated with the programme, the supply and marketing of services and all other activities needed to develop the system and ensure that the programme runs smoothly; the aim is for this phase to begin progressively between 2014 and 2015 with provision of the initial services.

Article 4

Operation of the EGNOS system

Operation of the EGNOS system mainly includes management of the infrastructure, maintenance, ongoing improvement, renewal and protection of the system, approval, certification and standardisation activities associated with the programme, all elements justifying the reliability of the system and its operation as well as provision and marketing of services.

Article 5

Compatibility and interoperability of the systems

1. The systems, networks and services resulting from the Galileo and EGNOS programmes shall be compatible and interoperable.
2. The systems, networks and services resulting from the Galileo and EGNOS programmes shall, insofar as possible, be compatible and interoperable with other satellite navigation systems as well as with conventional means of radio navigation.
3. The Commission shall lay down, by means of delegated acts, in accordance with Article 34, the requirements and standards necessary to ensure the compatibility and interoperability referred to in paragraph 2.

Article 6

Ownership

The Union shall be the owner of all tangible and intangible assets created or developed under the programmes, to which effect agreements shall be concluded with third parties, wherever appropriate, with regard to existing ownership rights.

In particular, the Commission shall ensure that the Union's intellectual property rights are used optimally.

CHAPTER II

BUDGETARY CONTRIBUTION AND MECHANISMS

Article 7

Activities concerned

1. The Union budgetary appropriations allocated to the programmes for the period 2014-2020 under this Regulation shall be granted to finance:
 - a) activities relating to the deployment phase of the Galileo programme, including actions to manage and monitor this phase;
 - b) activities relating to operation of the system established under the Galileo programme, including advance or preparatory actions for this phase;
 - c) activities associated with the operation of the EGNOS system.
2. The Union budget appropriations assigned to the programmes may also cover Commission expenditure relating to preparation, monitoring, inspection, audit and assessment activities required for their management and the implementation of the objectives, in particular expenditure covering:
 - (a) studies and meetings with experts;

- (b) information and communication activities, including institutional communication on the policy priorities of the Union where they are directly linked to the objectives of this Regulation;
 - (c) IT technology networks, with the objective of processing or transferring data;
 - (d) any other technical or administrative assistance given to the Commission for the management of programmes.
3. In order to allow the costs of the programmes and of the different phases of the programmes to be clearly identified, the Commission, in accordance with the principle of transparent management, shall inform the Committee referred to in Article 35(1) annually of the allocation of Union funds to each of the activities specified in paragraphs 1 and 2.

Article 8

Financing of the Galileo programme

1. The deployment and exploitation phases shall be financed by the Union in accordance with Article 10(1) without prejudice to paragraphs 2 and 3 of the present Article.
2. The Member States may provide additional funding to the Galileo programme. The revenue arising from these contributions shall constitute assigned revenue in accordance with Article 18(2) of the Regulation (EC, Euratom) No 1605/2002. In accordance with the principle of transparent management, the Commission shall communicate any impact on the Galileo programme resulting from the application of this paragraph to the Committee in accordance with Article 35 (1) of this Regulation.
3. Third countries and international organisations may also provide additional funding to the Galileo programme. The agreements under Article 28 stipulate the conditions and arrangements for their involvement.

Article 9

Financing of operation of the EGNOS system

1. The Union shall finance operation of EGNOS, in accordance with Article 10(1), without prejudice to any contribution from any other funding source, including those referred to in paragraphs 2 and 3 of this Article.
2. The Member States can provide additional funding to the EGNOS programme. The revenue arising from these contributions shall constitute assigned revenue in accordance with Article 18(2) of the Regulation (EC, Euratom) No 1605/2002. In accordance with the principle of transparent management, the Commission shall communicate any impact on the EGNOS programme resulting from the application of this paragraph to the Committee in accordance with Article 35 (1) of this Regulation.

3. Third countries and international organisations may also provide additional funding to the EGNOS programme. The agreements under Article 28 stipulate the conditions and arrangements for their involvement.

Article 10

Resources

1. The maximum amount allocated by the Union to implement the activities specified in Article 7(1) and (2) shall be EUR [7897] million at current prices for the period from 1 January 2014 to 31 December 2020.
2. The appropriations shall be implemented in accordance with the provisions of this Regulation and Regulation (EC, Euratom) No 1605/2002.
3. Budgetary commitments for the programmes shall be appropriated in annual instalments.

Article 11

Revenue generated by the programmes

1. Revenue generated by operation of the systems shall be collected by the Union, paid to the Union budget and allocated to the programmes. If the income proves to be more than required to fund the programme exploitation phases, any adaptation of the principle of allocation shall be approved by the budgetary authority on the basis of a proposal from the Commission.
2. A revenue-sharing mechanism may be provided for in contracts concluded with private sector entities.
3. The interest generated by pre-financing payments made to entities responsible for implementing the budget indirectly is assigned to activities subject to the delegation agreement or the contract concluded between the Commission and the entity concerned. In accordance with the principle of sound financial management, the entities responsible for indirect implementation of the budget, shall open accounts enabling the funds and corresponding interest to be identified.

CHAPTER III

PUBLIC GOVERNANCE OF THE PROGRAMMES

Article 12

General framework for governance of the programmes

Public governance of the programmes is based on the principle of a strict division of tasks between the various bodies involved, in particular the Commission, European GNSS Agency and the European Space Agency.

Article 13

Commission's role

1. The Commission is responsible for the progress of the programmes. It manages the funds allocated to them under this Regulation and monitors the implementation of all programme activities.
2. In addition to the general tasks referred to in paragraph 1 and those referred to in the other provisions of this Regulation, the Commission's tasks under this Regulation include the following specific tasks:
 - (a) it shall ensure a clear division of tasks between the various bodies involved in the programmes and to this end allocate the tasks referred to respectively in Articles 15(1)(d) and 16, in particular by means of delegation agreements, to the European GNSS Agency and the European Space Agency;
 - (b) it shall implement the correct instruments and structural measures necessary to identify, control, mitigate and monitor the risks associated with the programmes, in particular in terms of cost and schedule;
 - (c) it shall manage, on behalf of the Union and in its field of competence, relationships with third countries and international organisations;
 - (d) it shall ensure the security of the programmes and establish coordination mechanisms between the various bodies involved.
3. When necessary for the smooth progress of the phases of the Galileo programme and the operation of the EGNOS system referred to respectively in Article 3 and 4, the Commission shall lay down the measures required to:
 - (a) determine the location and ensure the operation of the ground-based infrastructure of the systems;
 - (b) define the key decision stages to evaluate the implementation of the programmes;
 - (c) reduce the risks inherent in the progress of the programmes.

These implementing measures shall be adopted in accordance with the assessment procedure referred to in Article 35(3).

Article 14

Security of systems and their operation

1. The systems and their operation shall be secure.

2. Without prejudice to Articles 15 and 17 of this Regulation and Article 8 of Decision 1104/2011/EU of the European Parliament and of the Council²⁰, the Commission may lay down, by means of delegated acts in accordance with Article 34, the requirements and standards necessary to ensure the security of the systems and their operation referred to in paragraph 1. To this end, it shall take into account the need for the supervision and integration within all the programmes of security-related requirements, as well as the effect of these requirements on the successful progress of the programmes, in particular in terms of costs and timetable.
3. The European External Action Service shall assist the Commission, in accordance with Article 2(2) of Decision 2010/427/EU in implementing security-related tasks in the field of external relations. In this same field, it shall also assist the Commission in monitoring of compliance with the joint minimum standards provided for in Decision 1104/2011/EU. To this end, the correct resources shall be made available and transition periods shall be put in place to ensure the continuity of programmes and services.

Article 15

The role of the European GNSS Agency

1. In order to achieve the programme objectives, the European GNSS Agency shall contribute to their implementation and carry out the following tasks, in accordance with the guidelines laid down by the Commission:
 - (a) with regard to the security of the programmes, and without prejudice to Articles 14 and 17, it shall ensure:
 - (i) by 30 June 2016 at the latest, security certification in accordance with chapter III of Regulation (EU) No 912/2010; accordingly, it shall initiate and monitor the implementation of security procedures and perform system security audits;
 - (ii) the operation of the Galileo security centre, in accordance with the standards and requirements referred to in Article 14 and the instructions provided under Joint Action 2004/552/CFSP referred to in Article 17;
 - (b) it shall perform the tasks of a competent PRS authority provided for in Article 5 of Decision No 1104/2011/EU, if it is designated as such and it shall assist the Commission in monitoring compliance with the common minimum standards in accordance with Article 8(6) of the abovementioned Decision;
 - (c) in the context of the operation of the systems, it shall contribute to the marketing of services, including the necessary market analysis;
 - (d) it shall also perform other specific tasks associated with the programmes which may be entrusted to it by the Commission by means of a delegation agreement

²⁰ OJ L 287, 04.11.11, p. 1.

adopted on the basis of a delegation decision, in accordance with Article 54(2)(b) of Regulation (EC, Euratom) No 1605/2002, which include:

- (i) operational activities relating to infrastructure management, maintenance, ongoing improvement and renewal of the systems, certification and standardisation operations in the context of the programmes and provision of the services referred to in Article 3(d) and in Article 4;
 - (ii) promotion of applications and services in the satellite navigation market;
2. In addition to the tasks referred to in paragraph 1 and within the confines of its mission, the European GNSS Agency shall provide the Commission with its technical expertise and supply any information necessary for the performance of its tasks under this Regulation.
3. The Committee referred to in Article 35(1) shall be consulted on the delegation decision referred to in paragraph 1(d) of this Article, in accordance with the consultation procedure referred to in Article 35(2). The Committee shall be informed of the delegation agreements to be concluded by the Union, represented by the Commission and the European GNSS Agency.

Article 16

The role of the European Space Agency

1. The Commission shall conclude a multiannual delegation agreement with the European Space Agency on the basis of a delegation decision adopted by the Commission in accordance with Article 54(2) of Regulation (EC, Euratom) No 1605/2002. This agreement shall cover the execution of tasks and the budget subject to the delegation in accordance with the implementation of the programmes, in particular completion of the infrastructure under the Galileo programme.
2. The delegation agreement shall, insofar as necessary for the tasks and budget implementation delegated under paragraph 1, lay down the general conditions for the management of the funds entrusted to the European Space Agency, and, in particular, the actions to be implemented, the relevant financing, management procedures and monitoring and control measures, the measures applicable in the event of inadequate performance of contracts and the rules regarding ownership of all tangible and intangible property.

The monitoring and control measures, in particular, shall provide for a provisional cost forecast system, systematic information from the Commission on costs, and, in the event of a discrepancy between the planned budgets and costs incurred, corrective action ensuring the implementation of the infrastructures within the limits of the budgets allocated.

3. The Committee referred to in Article 35(1) shall be consulted on the delegation decision referred to in paragraph 1 of this Article, in accordance with the consultation procedure referred to in Article 35(2). The Committee shall be informed of the multiannual delegation agreement to be concluded by the Commission and the European Space Agency.

4. The Committee referred to in Article 35(1) shall be informed by the Commission of the interim and end results of the evaluation of the procurement tenders and of the contracts with private sector entities to be concluded by European Space Agency.

CHAPTER IV

ASPECTS RELATING TO THE SECURITY OF THE UNION OR OF THE MEMBER STATES

Article 17

Joint Action

Whenever the security of the Union or its Member States may be affected by the operation of the systems, the procedures set out in Council Joint Action 2004/552/CFSP shall apply.

Article 18

Application of the Regulation on classified information

1. Each Member State shall ensure that security regulations ensuring a degree of protection at least equivalent to that guaranteed by the Commission's rules on security set out in the Annex to Commission Decision 2001/844/EC, ECSC, Euratom²¹ and by the security regulations of the Council set out in the Annex to Council Decision 2011/292/EC²² apply to all natural persons resident on its territory and all legal entities established on its territory which deal with Union classified information regarding the programmes.
2. Member States shall immediately inform the Commission of the adoption of the national security regulation as referred to in paragraph 1.
3. Natural persons resident in third countries and legal entities established in third countries may deal with Union classified information regarding the programmes only where they are subject, in those countries, to a security regulation ensuring a degree of protection at least equivalent to that guaranteed by the Commission's rules on security set out in the Annex to Decision 2001/844/EC, ECSC, Euratom and by the security regulations of the Council set out in the Annex to Decision 2011/292/EU. The security regulations of the European Space Agency and Decision 2011/C 304/05 of the High Representative of the Union for Foreign Affairs and Security Policy²³ shall be considered as equivalent to those rules and regulations. The equivalence of the security regulation applied in a third country may be recognised in an agreement with that country.

²¹ OJ L 317, 03.12.01, p. 1.

²² OJ L 141, 27.05.11, p. 17.

²³ OJ C 304, 15.10.2011, p. 7.

CHAPTER V
PUBLIC PROCUREMENT

SECTION I

**General provisions applicable to public procurement conducted as part of the
deployment and exploitation phases of the programmes**

Article 19

General principles

The Union's public procurement rules laid down in Regulation (EC, Euratom) No 1605/2002, and in particular open access and fair competition throughout the industrial supply chain, tendering on the basis of the provision of transparent and timely information, clear communication of the applicable procurement rules, selection and award criteria and any other relevant information allowing a level-playing field for all potential bidders, shall apply to the deployment phase of the Galileo programme and the exploitation phases of the programmes without prejudice to measures required to protect the essential interests of the security of the Union or public security or to comply with Union export control requirements.

Article 20

Specific objectives

During the procurement, the following objectives shall be pursued:

- a) to promote the widest and most open participation possible throughout the Union by all economic operators, in particular by new entrants and SMEs;
- b) to avoid possible abuse of dominance and long-term reliance on a single supplier;
- c) to take advantage of prior public sector investments and lessons learned as well as industrial experience and competences, including that acquired in the definition, development and validation and deployment phases of the programmes, while ensuring that competitive tendering rules are complied with.

SECTION 2

**Specific provisions applicable to public procurement conducted as part of the
deployment and exploitation phases of the programmes**

Article 21

Establishing fair competition conditions

The contracting authority must take the appropriate measures to ensure fair competition conditions when previous involvement of a company in activities associated with the subject of the call for tender:

- (a) may confer significant advantages on that company in terms of privileged information and therefore may give rise to concerns as to compliance with equal treatment; or
- (b) affect normal competition conditions or the impartiality and objectivity of the award or performance of the contracts.

These measures must not distort fair competition, equal treatment and confidentiality of data collected about undertakings, their business relations and cost structure. In this context, these measures shall take into account the nature and particulars of the intended contract.

Article 22

Conditional stage-payment contracts

1. The contracting authority may award a contract in the form of a conditional stage-payment contract.
2. A conditional stage-payment contract includes a fixed stage which is accompanied by a budgetary commitment and one or more conditional stages. The tender documents refer to the specific features of conditional stage-payment contracts. In particular, they specify the subject-matter of the contract, the price or the arrangements for determining the price and the arrangements for provision of supplies and services at each stage.
3. The fixed stage obligations must be part of a consistent whole; the same is true for the obligations under each conditional stage, taking into account the obligations under the previous stages.
4. Performance of each conditional stage is subject to a decision by the contracting authority, notified to the contractor in accordance with the contract. When a conditional stage is confirmed belatedly or is not confirmed, the contractor may benefit, if the contract so provides and under the conditions laid down therein, from a tideover allowance or a non-execution allowance.

Article 23

Cost-reimbursement contracts

1. In exceptional circumstances, the contracting authority may opt for a full or partial cost-reimbursement contract up to a ceiling price, under the circumstances laid down in paragraph 2.

Unlike a contract which provides remuneration for a result and for which the price or arrangements for determining the price is fixed initially in the contractual documents, a cost-reimbursement contract remunerates the resources used and not a finished

product or service. The price to be paid consists of reimbursement of all direct costs incurred by the contractor in performing the contract, such as expenditure on labour, materials, consumables, use of equipment and infrastructures necessary to perform the contract. These costs are increased by a fixed fee covering indirect costs and the profit, or a sum covering indirect costs and incentive fee compensation based on achieving objectives in respect of performance and delivery schedules.

2. The contracting authority may opt for a full or partial cost-reimbursement contract when it is objectively impossible to specify an accurate fixed price and if it can be reasonably shown that such a fixed price would be abnormally high due to the uncertainties inherent in performance of the contract because:
 - (a) either the contract has very complex features or features which require the use of a new technology and, therefore, includes a significant number of technical risks;
 - (b) or the activities subject to the contract must, for operational reasons, start immediately even though it is not yet possible to determine a firm fixed price in full due to significant risks or because performance of the contract depends in part on the performance of other contracts.
3. The ceiling price for a full or partial cost-reimbursement contract is the maximum price payable. It may only be exceeded in duly justified exceptional circumstances subject to prior agreement by the contracting authority.
4. The tender documents of a procurement procedure for a full or partial cost-reimbursement contract shall specify:
 - (a) the type of contract, namely whether it is a full or partial cost-reimbursement contract up to a ceiling price;
 - (b) for a partial cost-reimbursement contract, the elements of the contract subject to cost-reimbursement;
 - (c) the total ceiling price;
 - (d) the award criteria, which must enable evaluation of the plausibility of the estimated overall budget, of the reimbursable costs, of the mechanisms for determining these costs, and the profit referred to in the tender to be evaluated;
 - (e) the mechanics of the increase referred to in paragraph 1 to be applied to direct costs;
 - (f) the rules and procedures which determine the eligibility of the costs planned by the tenderer for performance of the contract, in accordance with the principles set out in paragraph 5;
 - (g) the accounting rules with which tenderers must comply;
 - (h) in the case of a partial cost-reimbursement contract to be converted into a firm fixed-price contract, the parameters for this conversion.

5. The costs declared by the contractor during performance of a full or partial cost-reimbursement contract are only eligible if:
- (a) they are actually incurred during the duration of the contract, with the exception of costs for equipment, infrastructures and intangible fixed assets necessary for performance of the contract which may be deemed eligible for the whole of their purchase value;
 - (b) they are referred to in the estimated overall budget which may be revised by amendments to the initial contract;
 - (c) they are necessary for performance of the contract;
 - (d) they result from the performance of the contract and are attributable to this;
 - (e) they are identifiable, verifiable, recorded in the Contractor's accounting record and determined in accordance with the accounting standards referred to in the specifications and in the contract;
 - (f) they comply with the requirements of applicable tax and social legislation;
 - (g) they do not derogate from the terms of the contract;
 - (h) they are reasonable, justified, and comply with the requirements of sound financial management, in particular regarding economy and efficiency.

The contractor is responsible for its own cost accounting, keeping sound accounting records or any other document required to show that the costs for which reimbursement is requested have been incurred and comply with the principles set out in this Article. Costs which cannot be substantiated by the contractor shall be deemed ineligible and their reimbursement shall be refused.

6. The contracting authority is responsible for the following tasks in order to ensure correct performance of cost-reimbursement contracts:
- (a) it shall determine the most realistic possible ceiling price, while providing the necessary flexibility to account for technical difficulties;
 - (b) it shall convert a partial cost-reimbursement contract into a full firm fixed-price contract as soon as it is possible to determine such a firm fixed-price during performance of the contract. For this reason, it shall determine the conversion parameters to convert a contract concluded on a cost-reimbursement basis to a firm fixed-price contract;
 - (c) it shall implement monitoring and inspection measures which provide, in particular, an estimated cost forecast system;
 - (d) it shall determine suitable principles, tools and procedures for the implementation of contracts, in particular for identifying and checking the eligibility of costs declared by the contractor or its subcontractors during performance of the contract, and for entering amendments to the contract;

- (e) it shall check that the contractor and its subcontractors comply with the accounting standards stipulated in the contract and with the obligation to provide their accounting documents which should present a true and fair view of the accounts;
- (f) throughout performance of the contract, it shall ensure continuously the effectiveness of the principles, tools and procedures referred to in point (d).

Article 24

Amendments

The contract may be changed by an amendment on condition that this amendment fulfils all of the following conditions:

- a) it does alter the subject-matter of the contract,
- b) it does disturb the economic balance of the contract,
- c) it does not introduce conditions which, if they had appeared initially in the contract documents, would have allowed for the admission of tenderers other than those initially admitted or would have allowed for the acceptance of a tender other than the one initially accepted.

Article 25

Subcontracting

1. The contracting authority may ask each tenderer to subcontract part of the contract, at different levels, to companies which do not belong to the group to which it belongs. This minimum sub-contracting section is expressed as a range from a minimum to a maximum percentage. This range is in proportion to the objective and value of the contract as well as the nature of the sector of activity concerned, in particular, the competitive conditions and industrial potential observed.
2. The contracting authority may reject subcontractors selected by the candidate at the stage of the main contract award procedure or by the tenderer selected for the performance of the contract. It shall justify this rejection in writing, which may only be based on the criteria used for selection of tenderers for the main contract.

CHAPTER VI

MISCELLANEOUS PROVISIONS

Article 26

Programming

The Commission shall lay down a multiannual work programme setting out the key actions, provisional budget and schedule required to meet the objectives of the Galileo and EGNOS programmes laid down in Article 1(4) and (5).

On the basis of the multiannual work programme, the Commission shall adopt an annual work programme that includes the implementation plan for the multiannual programme and the corresponding funding.

These implementing measures shall be adopted in accordance with the assessment procedure referred to in Article 35(3).

Article 27

Member States' action

1. The Member States shall not take measures which could harm the progress of the programmes, in particular concerning intellectual property rights and the continuity of the operation of the infrastructures.
2. The Member States shall take all necessary measures so that the systems' earth stations are designed as European critical infrastructures within the meaning of Council Directive 2008/114/EC²⁴.

Article 28

International agreements

The Union may enter into agreements with third countries and international organisations in the context of the programmes, in particular, cooperation agreements in accordance with the procedure laid down in Article 218 of the Treaty on the Functioning of the European Union.

Article 29

Technical assistance

In order to complete the technical tasks referred to in Article 13(2), the Commission may have recourse to the necessary assistance, in particular the assistance of experts from the national agencies competent in the space sector, independent experts and bodies capable of providing impartial analyses and opinions on the progress of the programmes.

The bodies involved in the public governance of the programmes, other than the Commission, in particular, the European GNSS Agency and the European Space Agency, may also receive the same technical assistance in performing the tasks entrusted to them under this Regulation.

²⁴ OJ L 345, 23.12.08, p. 75. .

Article 30

Personal data and privacy protection

1. The Commission shall ensure that personal data and privacy is protected during the design and implementation of the systems and that the appropriate guarantees are included therein.
2. All personal data handled in the context of the tasks and activities provided for in this Regulation shall be processed in accordance with the applicable legislation on personal data protection, in particular Regulation (EC) No 45/2001 of the European Parliament and of the Council²⁵ and Directive 95/46/EC of the European Parliament and of the Council²⁶.

Article 31

Protection of the Union's financial interests

1. The Commission shall take the appropriate measures to ensure that the financial interests of the Union are protected when actions financed under this Regulation are implemented, by the application of preventive measures against fraud, corruption and any other illegal activities, by effective checks and, if irregularities are detected, by the recovery of amounts unduly paid and, if necessary, by effective, proportional and dissuasive penalties.
2. The Commission or its representatives and the Court of Auditors shall have the power of audit, on the basis of document and on-the-spot checks, over all grant beneficiaries, contractors and subcontractors who have received Union funds under this Regulation.

The European Anti-fraud Office (OLAF) may carry out on-the-spot checks and inspections on economic operators concerned directly or indirectly by such funding in accordance with the procedures laid down in Council Regulation (Euratom, EC) No 2185/96²⁷ with a view to establishing whether there has been fraud, corruption or any other illegal activity affecting the financial interests of the European Union in connection with a grant agreement or decision or a contract concerning Union financing.

Without prejudice to the first and second subparagraphs, international agreements with third countries and international organisations, grant agreements, grant decisions and contracts resulting from the application of this Regulation shall expressly entitle the Commission, the Court of Auditors and OLAF to conduct these audits and these on-the-spot checks and inspections.

²⁵ OJ L 8, 12.01.01, p. 1.

²⁶ OJ L 281, 23.11.95, p. 31.

²⁷ OJ L 292, 15.11.96, p. 2.

Article 32

Information to the European Parliament and to the Council

The Commission shall ensure the implementation of this Regulation. Each year, when it presents the preliminary draft budget, it shall present a report to the European Parliament and to the Council on the implementation of the programmes.

Article 33

Review of the implementation of this Regulation

1. By 30 June 2018, the Commission shall present an evaluation report to the European Parliament and the Council, with a view to a decision being taken on the renewal, modification or suspension of the measures taken pursuant to this Regulation concerning:
 - (a) achieving the objectives of these measures, from the point of view of both results and impacts;
 - (b) effectiveness of the use of resources;
 - (c) European added value.

The evaluation shall also address the scope for simplification, its internal and external coherence, the relevance of all objectives, as well as the contribution of the measures to the Union priorities of smart, sustainable and inclusive growth. It shall take into account evaluation results on the long-term impact of the previous measures.

2. The evaluation will take into account progress made with regard to the objectives of the Galileo and EGNOS programmes laid down in Article 1(4) and (5) on the basis of the following performance indicators:
 - (a) for Galileo: the number of operational satellites, the ground infrastructure version used and the number of services provided;
 - (b) for EGNOS: the number of changes to the service specifications presented to the certification authorities.
3. The bodies involved in the implementation of this Regulation shall provide the Commission with the data and information necessary to enable the actions concerned to be monitored and evaluated.

CHAPTER VII

DELEGATION AND IMPLEMENTING MEASURES

Article 34

Exercise of the delegation

1. The power to adopt delegated acts is conferred on the Commission subject to the conditions laid down in this Article.
2. The power to adopt delegated acts referred to in Articles 5 and 14 shall be conferred on the Commission for an indeterminate period from 1 January 2014.
3. The delegation of power referred to in Articles 5 and 14 may be revoked at any time by the European Parliament or by the Council. A decision to revoke shall put an end to the delegation of the power specified in that decision. The revocation shall take effect the day following the publication of the decision in the Official Journal of the European Union or at a later date specified in the abovementioned Decision. It shall not affect the validity of any delegated acts already in force.
4. As soon as it adopts a delegated act, the Commission shall notify it simultaneously to the European Parliament and to the Council.
5. A delegated act adopted pursuant to Articles 5 and 14 shall enter into force only if no objection has been expressed either by the European Parliament or the Council within a period of 2 months of notification of that act to the European Parliament and the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended by 2 months at the initiative of the European Parliament or the Council.

Article 35

Committee Procedure

1. The Commission shall be assisted by the Committee on European GNSS Programmes (hereinafter 'Committee') set up by Article 19 of Regulation (EC) No 683/2008. That Committee is a committee within the meaning of Regulation (EU) No 182/2011.
2. Where reference is made to this paragraph, Article 4 of Regulation (EU) No 182/2011 shall apply.
3. Where reference is made to this paragraph, Article 5 of Regulation (EU) No 182/2011 shall apply.
4. Representatives of the European GNSS Agency and the European Space Agency may be involved as observers in the work of the Committee under the conditions laid down in its rules of procedure.
5. International agreements concluded by the Union in accordance with Article 28 may provide for the involvement of representatives of third countries or international organisations in the work of the Committee under the conditions laid down in its rules of procedure.

CHAPTER VIII
FINAL PROVISIONS

Article 36

Repeals

1. Regulation (EC) No 876/2002 shall be repealed with effect from 1 January 2014.
Any measure adopted on the basis of Regulation (EC) No 876/2002 shall continue to be governed by that Regulation.
2. Regulation (EC) No 683/2008 shall be repealed with effect from 1 January 2014.
Any measure adopted on the basis of Regulation (EC) No 683/2008 shall continue to be governed by that Regulation.

References to the repealed Regulation shall be construed as references to this Regulation and shall be read in accordance with the correlation table set out in the Annex hereto.

Article 37

Entry into force

This Regulation shall enter into force on the twentieth day following its publication in the Official Journal of the European Union.

It shall apply from 1 January 2014.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels,

For the European Parliament
The President

For the Council
The President

ANNEX

Correlation table

Former numbering (Regulation (EC) No 683/2008 ²⁸)	New numbering (This Regulation)
Article 1	Article 1
Article 2	Article 2
Article 3	Article 3
Article 4	Article 8
Article 5	Article 4
Article 6	Article 9
Article 7	Article 5
Article 8	Article 6
Article 9	Article 7
Article 10	Article 10
Article 11	Article 11
Article 12(1)	Article 12
Article 12(2) and (3)	Article 13
Article 13(1)	Article 13
Article 13(2) and (3)	Article 14
Article 13(4)	Article 17
Article 14	Article 18
Article 15	Article 26
Article 16	Article 15
Article 17	Articles 19 to 25
Article 18	Article 16
Article 19	Article 35
Article 20	Article 30
Article 21	Article 31
Article 22	Article 32
Article 23	
Article 24	Article 37
Annex	Article 1

²⁸

OJ L 196, 24.07.08, p. 1.

LEGISLATIVE FINANCIAL STATEMENT

1. FRAMEWORK OF THE PROPOSAL/INITIATIVE

- 1.1. Title of the proposal/initiative
- 1.2. Policy area(s) concerned in the ABM/ABB structure
- 1.3. Nature of the proposal/initiative
- 1.4. Objective(s)
- 1.5. Grounds for the proposal/initiative
- 1.6. Duration and financial impact
- 1.7. Management mode(s) envisaged

2. MANAGEMENT MEASURES

- 2.1. Monitoring and reporting rules
- 2.2. Management and control system
- 2.3. Measures to prevent fraud and irregularities

3. ESTIMATED FINANCIAL IMPACT OF THE PROPOSAL/INITIATIVE

- 3.1. Heading(s) of the multiannual financial framework and expenditure budget line(s) affected
- 3.2. Estimated impact on expenditure
 - 3.2.1. *Summary of estimated impact on expenditure*
 - 3.2.2. *Estimated impact on operational appropriations*
 - 3.2.3. *Estimated impact on appropriations of an administrative nature*
 - 3.2.4. *Compatibility with the current multiannual financial framework*
 - 3.2.5. *Third-party contributions*
- 3.3. Estimated impact on revenue

LEGISLATIVE FINANCIAL STATEMENT

1. FRAMEWORK OF THE PROPOSAL/INITIATIVE

1.1. Title of the proposal/initiative

European satellite radio navigation programmes - GALILEO and EGNOS (European Geostationary Navigation Overlay Service)

1.2. Policy area(s) concerned in the ABM/ABB structure²⁹

Title 02: Company

Chapter 02 05: European satellite navigation programmes (EGNOS and Galileo)

1.3. Nature of the proposal/initiative

The proposal/initiative relates to **a new action**

The proposal/initiative relates to **a new action following a pilot project/preparatory action**³⁰

The proposal/initiative relates to **the extension of an existing action**

The proposal/initiative relates to **an action redirected towards a new action**

1.4. Objective(s)

1.4.1. *The Commission's multiannual strategic objective(s) targeted by the proposal/initiative*

It should be noted that the satellite navigation programmes (hereinafter 'the programmes') are flagship projects of the Union. They form part of the Europe 2020 strategy and policies for sustainable development. This consists of providing navigation services, generating considerable developments in numerous sectors of activity, driving technological innovation and growth of competitiveness in the European economy and providing a source of job creation, commercial revenue and socio-economic benefits.

The objective of the proposal consists of supporting European presence in space and the development of satellite services and, more specifically, providing two satellite navigation systems.

More specifically, the Galileo programme aims to establish Europe's global navigation satellite system (hereafter GNSS). It will lead to the provision of positioning, timing and navigation services to users worldwide for a wide range of applications, from transport, financial securities clearance, electricity provision, weather forecasting, to road tolling.

²⁹ ABM: Activity-Based Management – ABB: Activity-Based Budgeting.
³⁰ As referred to in Article 49(6)(a) or (b) of the Financial Regulation.

EGNOS is a European system developed to improve the performance of the American GPS over the European area. It makes existing satellite navigation services suitable for safety-critical applications such as flying and landing aircraft or navigating ships through narrow channels in air or maritime transport.

1.4.2. *Specific objective(s) and ABM/ABB activity(ies) concerned*

Specific objective No 1

To develop and provide global satellite-based radio navigation infrastructures and services (Galileo) by 2019

The specific objectives of the Galileo programme, as defined in the proposal for the Regulation, are to ensure that the signals emitted by the system under this programme can be used to fulfil the following five functions:

- to offer an open service (OS), which is free to the user and provides positioning and synchronisation information intended for high-volume satellite navigation applications,
- to offer a safety-of-life service (SoL) aimed at users for whom safety is essential. This service also fulfils the requirements of certain sectors for continuity, availability and accuracy and includes an integrity function alerting the user to any failure in the system; research will continue in order to redefine the SoL service in order better to meet user requirements, reduce the impact of this service on costs and to take into account complementarity with the EGNOS SoL service;
- to offer a commercial service (CS) for the development of applications for professional or commercial use by means of improved performance and data with greater added value than those obtained through the open service,
- to offer a public regulated service (PRS) restricted to government-authorised users, for sensitive applications which require a high level of service continuity. The public regulated service uses strong, encrypted signals,
- to participate in the search and rescue support service (SAR) of the COSPAS-SARSAT system by detecting emergency signals emitted by beacons and relaying messages to them.

Sub-objective N°1

To develop global satellite-based radio navigation infrastructures and provide early Galileo services by 2014-2015

The objective of the Galileo programme is to offer the first three initial services by 2014-2015 (OS, PRS and SAR)

Specific objective No 2

To provide satellite-based services improving the performance of GPS to gradually cover the whole ECAC (European Civil Aviation Conference) region by 2020 (EGNOS)

The EGNOS programme, which complements the signals of the US GPS to provide users with a more precise positioning over the European area³¹, aims to provide three services:

- the Open Service (OS): for mass-market receivers and common user applications. It provides freely accessible signals for positioning. It was declared operational³² in October 2009 and is already used in several sectors such as agriculture;
- the Safety-of-Life service (SoL): for safety-critical transport applications, in particular in civil aviation. It provides enhanced and guaranteed performance and features an integrity warning system. It was declared operational in March 2011 and is used by aviation transport sectors in Europe;
- the EGNOS Data Access Service (EDAS), for enhanced applications, it provides terrestrial commercial data service and is offered on a controlled access basis (e.g. through Internet or mobile phones).

Sub-objective N°2

Taking the measures necessary to ensure continuity of the operations after 2014 and gradually to improve the quality of services by 2020.

ABM/ABB activity(ies) concerned

Chapter 02 05: European satellite navigation programmes (EGNOS and Galileo)

³¹ The European area for the EGNOS system is the area of 44 member states of the European Civil Aviation Conference.

³² EGNOS Service Definition Document - Open Service:
http://ec.europa.eu/enterprise/policies/satnav/egnos/files/brochures-leaflets/egnos-os-sdd_en.pdf

1.4.3. *Expected result(s) and impact*

Specify the effects which the proposal/initiative should have on the beneficiaries/groups targeted.

The European satellite radio navigation programmes commenced more than 10 years ago on the basis of a political vision to develop and operate a global system that would allow the European Union to pursue the economic and strategic benefits thereof and provide satellite navigation services optimised for civil use.

Galileo and EGNOS will bring significant socio-economic benefits to the European Union due to:

i) direct benefits resulting from the growth of the downstream GNSS-based market (receivers and applications). For example, if more planes are equipped with GNSS receivers, additional revenues will be generated by the manufacturers of these receivers;

ii) indirect benefits, outcome of the emergence of new applications. If flight duration is reduced thanks to better navigation, planes will pollute less and passengers will save precious time. Moreover, safer transport modes and more efficient emergency services will allow more lives to be saved;

iii) direct benefits resulting from the growth of the upstream market and technological spill-over to other sectors. Investment directly made into the GNSS upstream segment will benefit the industry. However, other sectors will also take advantage of new developments in the space sector. For example, instruments developed to evaluate and monitor the structural health of launchers or fuel tanks can be used in automotive, construction, energy and utility companies.

Although the system resulting from the Galileo programme will be self-contained, the performance of its services will be enhanced thanks to its interoperability with other systems such as the US GPS or Russia's GLONASS. Hence cooperation with other countries providing satellite navigation services will help maximise benefits for users, the public or the economy as a whole.

1.4.4. *Indicators of results and impact*

Specify the indicators for monitoring implementation of the proposal/initiative.

Specific objective No 1

The Galileo programme aims to develop and provide global satellite-based navigation infrastructures and services. In order to achieve this objective, the infrastructure developed needs to be constantly maintained and its component renewed if necessary.

Indicator related to Galileo infrastructure:

- Cumulative number of operational satellites : 18 satellites by 2015, 30 by 2019
- Terrestrial infrastructure deployed version: v2 by 2015

Indicator related to Galileo services provision:

- Number of services implemented : 3 initial services by 2015, 5 services by 2020

Specific objective No 2

The EGNOS programme aims to provide improved satellite-based navigation services over Europe. Its infrastructure needs to be maintained to its operational level and current coverage should be increased in order to cover the whole of the European Union so that users can benefit from its services without discrimination all over the Union.

Indicators associated with the quality of service provided and the geographical extension of EGNOS.

- Number of changes in services presented to the certification authorities: 3 in 2014-2020.

These changes will be included in the documents setting out services which are available to the public.

1.5. Grounds for the proposal/initiative

1.5.1. Requirement(s) to be met in the short or long term

GNSS technologies, with their ability to provide highly reliable accurate position, velocity and time data, are fundamental to improving efficiency in many areas. The experience of the US GPS (Global Positioning System) has demonstrated the advantages of satellite navigation to the extent that it is regarded in the USA as the fifth utility, alongside water, electricity, gas and telephone. The US military and civil users have developed a considerable dependence on the GPS. Several other countries have also been aware of their dependence and are now building their own Global Navigation Satellite System (GNSS).

Nowadays satellite navigation users in Europe have no alternative other than to use the satellite signals from the US GPS or GLONASS for positioning and navigation. Consequently, the European economy is increasingly relying on a military infrastructure not controlled by Europe and not primarily designed to serve European economic purposes. Furthermore, the availability of these systems is poor particularly in densely populated urban areas³³. Also, they do not provide sufficient guarantee for quality and continuity of service to European civilian users.

From a political perspective, with GPS being fully operational in the early 1990s, the European Union saw the need for Europe to have its own global satellite navigation system³⁴. Long before the wide dissemination of GNSS-based applications like Location Based Services or in-car navigation, the Council and Parliament foresaw an increased need for navigation

³³ Study into the impact on capability of UK commercial and domestic services resulting from the loss of GPS signals (2001): <http://www.ofcom.org.uk/static/archive/ra/topics/research/topics/other/gpsreport/gps-report.pdf>

³⁴ Council Resolution on the European contribution to the development of a Global Navigation Satellite System (GNSS) of 19 December 1994.

aids. European independence in satellite navigation was the primary driver behind this endeavour. This political vision had the following goals:

- To set up a first self-contained global satellite navigation and positioning infrastructure under civilian control, which would guarantee uninterrupted GNSS services and a strategic advantage for Europe. However, as became clear later, interoperability with other systems, in particular with the US GPS, would need to be pursued³⁵ to optimise the quality of the services to be provided to users and maximise socio-economic benefits;
- To reinforce the resilience of the European economic infrastructure by providing a backup system in case of signal failure from other systems;
- To maximise indirect economic benefits for European civil society relying on more accurate, available and robust signals by exploiting the new opportunities generated by high-precision satellite navigation to a much fuller extent than currently possible;
- To demonstrate Europe's ability to develop, deploy and operate complex large-scale space infrastructures.

1.5.2. *Added value of EU involvement*

The EU right to act is based on article 172 of the Treaty on the functioning of the European Union and the GNSS Regulation on the further implementation of the European satellite navigation programmes (EGNOS and Galileo).

The systems established under the European satellite navigation programmes are infrastructures set up as trans-European networks of which the usage extends well beyond the national boundaries of the Member States. Furthermore, the services offered through these systems contribute, in particular, to the development of trans-European networks in the areas of transport, telecommunications and energy infrastructures.

Satellite navigation systems cannot be set up by any single Member States as this would exceed its financial and technical capacities. Therefore, it can be only achieved by action at EU level.

Moreover, the GNSS Regulation provides that the European Union shall be the owner of all tangible and intangible assets created or developed under the programmes. As owner of all related tangible and intangible assets, the European Union has to ensure that all the conditions for operating and exploiting the systems are in place as of the date of introduction of the first positioning services in 2014-2015. Therefore, the governance is de facto of European nature.

1.5.3. *Lessons learned from similar experiences in the past*

Although it is the first time the Union is the sole owner of an infrastructure of this scale and that the Commission manages such a complex programme, the experience gained since 2007 enables greater improvements to the further implementation of Galileo and EGNOS.

³⁵

International Agreement of June 2004 on the promotion, provision and use of Galileo and GPS satellite-based navigation systems and related applications

As described in its report from the Commission to the European Parliament and Council on the Mid-term review of the European satellite navigation programmes³⁶ and in the proposal for a Regulation of the European Parliament and the Council on the further implementation and operation of the European satellite navigation programmes, the following lessons can be learned:

<Programme administration >

Following the re-profiling of the programmes undertaken in 2008, the Commission has implemented a structure internally to manage the programmes in their current phase. It has been possible to make considerable progress since then, however the programme management must develop to enable more operational functions associated with the operation of the systems to be incorporated.

From the point of view of the interaction between the various stakeholders, principally the European Space Agency and the European GNSS Agency, the new distribution of competences, the European Space Agency having effectively become an implementing agency acting on behalf of the EU, is delivering good results but it must adapt to the changing programmes and the future challenges of the exploitation phase.

<Cost control and financial instruments>

Galileo and EGNOS are complex projects. Their development is largely based on new bespoke technologies to satisfy the needs of the programmes. As a result, it is difficult to have one single approach for cost containment; several factors influence costs and a very large number of risks could imperil the smooth progress of the programmes.

In the past, the programmes suffered from delays and cost overruns, in particular due to increased security requirements from Member States. As indicated in the Communication from the Commission "A budget for Europe 2020"³⁷ and as requested by the Council and the European Parliament, continued and even increased efforts are necessary to keep costs under control. This need has been translated into the new governance framework and already today, the Commission acts to keep risks and cost under control.

- All the risks relating to the programmes are recorded centrally in a register listing, in turn, those associated with the industrial supply chain, the European Space Agency, the European GNSS Agency, external factors such as the influence of political authorities and security requirements, and internal factors such as the organisation of the programmes. Each risk is allocated a degree of probability and an impact rating. The risk register also includes a list of measures intended to reduce the probability of a risk materialising;
- The Commission is studying a possible re-design of the SoL service to reduce its impact on overall cost;
- It is also working on providing efficient management of the programmes, which should prevent future drifts and developing solid governance scheme for the future;

³⁶ COM(2011) 5 final.

³⁷ COM(2011) 500 final.

The Commission, together with the European Space Agency, is putting pressure on industry to contain the prices of the various elements of the Galileo infrastructure;

- Additional measures are also taken at programme level to control costs e.g. optimised contract length, new procurement for the purchase of additional satellites, double sourcing for launchers;

- Finally, the Commission is working on enhancing its cooperation with experts (independent and from Member States) to analyse the technical requirements of the systems, their associated costs and possible alternatives.

<Security requirements>

Finally, where security is concerned, it needs to be remembered that, while the Commission is responsible for the management and security of the systems under the Regulation, its freedom is constrained in this area in two ways:

- First, in reality it is the Member States which define security needs. The threats which might affect the security of sensitive infrastructure such as that supporting satellite navigation are constantly changing. The design of the systems must constantly adapt to those changes. Covering part of such risks is a matter for the Member States.

- Secondly, the current GNSS Regulation (EC) No 683/2008 assigns responsibility for accrediting the security of systems to the EU Agency. Separating the functions of management and accreditation in this way reflects good governance, and is standard practice and essential for this type of project.

In both cases the choices made or the decisions taken may have a considerable impact on the programmes' costs and schedules.

Considering the impact of security requirements on costs and delays, the Commission emphasises the importance of changing the governance framework of the programmes and giving more responsibilities to the different stakeholders (in particular to their contractors and through the general terms of the delegation agreements).

1.5.4. *Coherence and possible synergy with other relevant instruments*

Synergies are possible with other existing or future space programmes, e.g. for expansion of user segments (applications for the downstream market) or for protection of elements of the system established under the Galileo programme in space or during launching.

Synergies shall also be sought within the other directorates of the European Commission regarding research and innovation. GNSS-based applications and technologies used in satellite navigation systems can impact various sectors of the economy and of society such as information, transport and energy. It is important to ensure that research and innovation programmes are coordinated by the Commission to maximise the return on investment.

1.6. Duration and financial impact

- Proposal/initiative of **limited duration**
- Proposal/initiative in effect from [] to []
- Financial impact from 2014 to YYYY
 - Proposal/initiative of **unlimited duration**³⁸
 - Implementation with a start-up period from 2008 to 2020,
 - followed by full-scale operation

1.7. Management mode(s) envisaged³⁹

- Centralised direct management** by the Commission
- Centralised indirect management** with the delegation of implementation tasks to:
 - executive agencies
 - bodies set up by the Communities⁴⁰
 - national public-sector bodies/bodies with a public-service mission⁴¹
 - international organisations⁴²
 - persons entrusted with the implementation of specific actions pursuant to Title V of the Treaty on European Union and identified in the relevant basic act within the meaning of Article 49 of the Financial Regulation
- Shared management** with the Member States
- Decentralised management** with third countries
- Joint management** with international organisations (*to be specified*)

If more than one management mode is indicated, please provide details in the "Comments" section.

³⁸ Galileo programme is composed by 4 phases: definition, development, deployment and exploitation. The deployment phase will be ended in 2019. The full exploitation phase will be on-going and therefore beyond 2020, the exploitation of the system and the replenishment of the constellation will continue for years to avoid any disruption of the services.

³⁹ Details of management modes and references to the Financial Regulation may be found on the BudgWeb site: http://www.cc.cec/budg/man/budgmanag/budgmanag_en.html

⁴⁰ As referred to in Article 185 of the Financial Regulation. GSA will be involved in the GNSS programmes governance.

⁴¹ European National Space Agencies.

⁴² ESA (European space Agency)

Comments

The current governance framework was established for Galileo's development and deployment phase as well as EGNOS initial exploitation i.e. for the period 2008-2013. This framework needs to be revised taking into consideration the fact that the Galileo deployment phase will extend beyond 2013 and that a new phase of the programme will start in 2014 with the provision of initial services. EGNOS governance should also be defined as the system has entered its operational phase.

For the exploitation phase of Galileo a stable, long-term and sustainable governance framework needs to be defined. It shall optimise and rationalise the use of existing structures and ensure a gradual transition between the deployment and exploitation phase safeguarding continuity of service. The governance shall also be tailored to the different services offered, as their requirements and users are different.

The European Commission will be responsible mainly for the overall political supervision of the programmes. It will be able to delegate the management of operational activities to the European GNSS Agency and to the European Space Agency, according to their area of competence.

It will also be able to consult with experts and National Space Agencies on specific technical questions.

2. MANAGEMENT MEASURES

2.1. Monitoring and reporting rules

Specify frequency and conditions.

The Commission will ensure that all contracts and agreements concluded in the framework of the GNSS programmes will provide for supervision and financial control. Particular focus in all monitoring and evaluation mechanisms will be on containing programmes' cost while delivering the services on schedule.

If need be, assistance of external technical experts will be requested when monitoring the implementation of the programmes. On the basis of the results of on-the-spot checks, the Commission will ensure that, if necessary, the scale or the conditions of allocation of the financial contribution originally approved and also the timetable for payments are adjusted.

The Commission will propose:

- a strategic framework including main actions, estimated budget and time-table necessary to meet the objectives of Galileo and EGNOS programmes at latest by 30 June 2014;
- an annual work programme translating the strategic framework into detailed measures and indicators to be proposed at latest by 15 December of the preceding year;
- an annual implementation report evaluating the fulfilment of the annual work programme to be proposed at latest by 15 March of the following year example;
- an interim evaluation of the Galileo and EGNOS programmes focusing on quantitative and qualitative results so far achieved by 30 June 18 in due time for preparation of the next multi-annual financial framework.

Beyond these standard measures, the Commission in exercising its powers of political supervision over the Galileo and EGNOS programmes will strengthen the monitoring and evaluation mechanisms over the programme management entity by requesting detailed annual management plans and implementation reports as well as organising regular programme progress meetings and carrying out financial and technological audits.

In addition, the monitoring of the programmes should associate Member States for example by relying on their technical capabilities to provide input on technical monitoring of the programmes and on proposing key performance indicators against which the programmes will be evaluated.

Finally, in the day-to-day management, the Commission will implement a risk management mechanism and appropriate management tools to contain programmes' cost based on better cost estimation, taking stock of previous experience and actual system implementation.

2.2. Management and control system

2.2.1. Risk(s) identified

The Commission has placed the issue of risk management, the importance of which was highlighted when the governance reform took place in 2007, at the heart of its work. All the risks relating to the programmes are recorded centrally in a register listing, in turn, those associated with the industrial supply chain, ESA, the EU Agency, external factors such as the influence of political authorities and security requirements, and internal factors such as the organisation of the programmes. Each risk is allocated a degree of probability and an impact

rating. The risk register also includes a list of measures intended to reduce the probability of a risk materialising. The risks are classified as follows:

- Technological risks: satellite navigation uses leading-edge technology which has yet to be validated and the specifications of which are constantly evolving.
- Industrial risks: establishing the infrastructure involves many industrial players, in a number of countries, whose work has to be coordinated effectively in order to arrive at systems which are reliable and fully integrated, particularly with regard to security.
- Market risk: what has to be avoided is a technical performance that is inferior to that promised having a negative effect among users worldwide, and the infrastructure not being used as a result. In addition, the availability of reliable receivers as from 2014-2015 must be ensured for the various initial services to be offered by Galileo, especially the PRS.
- Timetable risk: any delay in implementation would jeopardise the window of opportunity and would be likely to generate cost over-runs.
- Governance risk: governance of the programmes requires various bodies to work together, and an appropriate degree of stability and organisation has to be guaranteed. Moreover, differences of opinion between the various parties involved, and in particular between the Member States, have to be taken into account on several major issues. In this context the sharing of some risks, including financial and security-related risks, among those players who are best placed to cope with them, should be considered.
- Liability-related risk: as with any infrastructure the two European systems may cause direct or indirect losses to their users or to third parties. The analysis carried out by the Commission reveals that the current state of law applicable does not provide an appropriate legal framework ensuring a fair balance between the interests of the victims and those of the owners and operators of the European satellite radio navigation systems. Appropriate initiatives must therefore be taken, both in Europe and worldwide, to remedy this situation by 2014. The Commission is carrying out studies in this connection, in collaboration with other international bodies.

2.2.2. *Control method(s) envisaged*

The majority of funds are managed indirectly via delegation agreements. It is very important to know that the GNSS budget is implemented through tenders. The internal control methodology relies on the ex ante control of contract procedures (evaluation and selection of the contractor) as well as monitoring of transactions performed under the delegation agreements and the management plans for projects which have defined the roles of all stakeholders and implemented specific procedures for workflows and control activities. In particular, this concerns:

- Participation in regular meetings (management & technical)
- Compulsory quarterly reporting with the state of play of the programme has been put in place.

- The obligation to draw up quarterly reports on the use of community funds with clear indications of use by means of contracts signed with industrial parties and updating of the valued assets.

Moreover, concerning contracts, the contract methodology is not going to be changed: It is principally based on the performance of technical stages legally associated with contract payments.

The administrative tasks of the Commission are to follow-up the payments made by the delegated agent to industry through the above mentioned reporting. A minimal team of around 5-10 FTEs is needed to control the administrative and technical implementation of the delegated agreements. The Commission will ensure that there will be no dual financing of certain elements under the framework programme for research and innovation, Horizon 2020.

Moreover, as described in paragraph 1.5.3, the Commission has developed a risk register to monitor potential elements which could influence the programmes.

Finally, as stated in [Article 29 of the Regulation], the entities in charge of the programmes' management will have access to the necessary technical assistance.

Due to the very technical and specialised nature of the GNSS programmes, major changes are not expected in the checks carried out.

We expect the non-compliance rate to be equivalent to the current rate. In fact, each year ex post audits are initiated to check transactions from the preceding year. The error rate is less than 1% for 2009 (financial adjustment recommended as a percentage of the total amount paid). This rate will be called upon to be lowered in view of the recommendations made to the European Space Agency by the auditors. In view of the nature of the contracts, this rate could be extrapolated to the whole of the GNSS budgets.

2.3. Measures to prevent fraud and irregularities

Specify existing or envisaged prevention and protection measures.

Agreements resulting from this Regulation, including agreements concluded with participating third countries and international organisations, shall provide for supervision and financial control by the Commission, or any representative authorised by it, and audits by the Court of Auditors or OLAF, if necessary on-the-spot.

3. ESTIMATED FINANCIAL IMPACT OF THE PROPOSAL/INITIATIVE

3.1. Heading(s) of the multiannual financial framework and expenditure budget line(s) affected

- Existing expenditure budget lines

In order of multiannual financial framework headings and budget lines.

Heading of multiannual financial framework	Budget line	Type of expenditure	Contribution			
		Diff./non-diff. ⁽⁴³⁾	from EFTA countries ⁴⁴	from candidate countries ⁴⁵	from third countries ⁴⁶	within the meaning of Article 18(1)(aa) of the Financial Regulation
[1]	02010405 European satellite navigation programmes (EGNOS and Galileo) — Expenditure on administrative management	Non-diff.	YES	NO	YES	NO
[1]	020501 European satellite navigation programmes (EGNOS and Galileo)	Diff	YES	NO	YES	NO

- New budget lines requested

In order of multiannual financial framework headings and budget lines.

Heading of multiannual financial framework	Budget line	Type of expenditure	Contribution			
	Number [Heading.....]	Diff./non-diff.	from EFTA countries	from candidate countries	from third countries	within the meaning of Article 18(1)(aa) of the Financial Regulation
[1]	020503 Completion of the European satellite navigation programmes (EGNOS and Galileo)	Diff	YES	NO	YES	NO

⁴³ Diff. = Differentiated appropriations / Non-diff. = Non-Differentiated Appropriations

⁴⁴ EFTA: European Free Trade Association. Negotiations will be carried out with Norway to participate to the budget 2014-2020

⁴⁵ Candidate countries and, where applicable, potential candidate countries from the Western Balkans.

⁴⁶ Negotiations are on-going with Switzerland to participate to the budget 2014-2020.

3.2. Estimated impact on expenditure

3.2.1. Summary of estimated impact on expenditure

EUR million (to 3rd decimal place)

Heading of multiannual financial framework:	1	Smart and Inclusive Growth
--	----------	----------------------------

DG: Company			Year 2014	Year 2015	Year 2016	Year 2017	Year 2018	Year 2019	Year 2020	Year 2021	Year 2022	Year 2023 - 2030	TOTAL
• Operational appropriations													
020501	Commitments	(1)	1 163.5	1 187.5	990.25	1 010	799.75	1 049.5	1 668	0	0	0	7 868.5
	Payments	(2)	1 011.5	1 181.5	955.25	1 011	672.75	1 010.5	898	500	480	148	7 868.5
Appropriations of an administrative nature financed from the envelope of specific programmes ⁴⁷													
02010405		(3)	3.5	3.5	3.75	4	4.25	4.5	5	0	0	0	28.5
TOTAL appropriations for DG Enterprise	Commitments	=1+1 a +3	1 167	1 191	994	1 014	804	1 054	1 673	0	0	0	7 897
	Payments	=2+2 a +3	1 015	1 185	959	1 015	677	1 015	903	500	480	148	7 897

⁴⁷ Technical and/or administrative assistance and expenditure in support of the implementation of EU programmes and/or actions (former "BA" lines).

• TOTAL operational appropriations	Commitments	(4)	x							
	Payments	(5)	x							
• TOTAL appropriations of an administrative nature financed from the envelope for specific programs		(6)	x							
TOTAL appropriations under HEADING <....> of the multiannual financial framework	Commitments	=4+ 6	x							
	Payments	=5+ 6	x							

If more than one heading is affected by the proposal / initiative:

• TOTAL operational appropriations	Commitments	(4)								
	Payments	(5)								
• TOTAL appropriations of an administrative nature financed from the envelope for specific programs		(6)								
TOTAL appropriations under HEADINGS 1 to 4 of the multiannual financial framework (Reference amount)	Commitments	=4+ 6								
	Payments	=5+ 6								

Heading of multiannual financial framework:	5	" Administrative expenditure "
--	----------	--------------------------------

EUR million (to 3rd decimal place)

		2014	2015	2016	2017	2018	2019	2020	TOTAL
DG: ENTR									
• Human resources		9.773	9.773	9.773	9.773	9.392	8.884	8.884	66.252
• Other administrative expenditure		0.850	0.850	0.850	0.850	0.850	0.850	0.850	5.950
TOTAL DG ENTR		10.623	10.623	10.623	10.623	10.242	9.734	9.734	72.202 ⁴⁸

TOTAL appropriations under HEADING 5 of the multiannual financial framework	(Total commitments = Total payments)	10.623	10.623	10.623	10.623	10.242	9.734	9.734	72.202
--	--------------------------------------	--------	--------	--------	--------	--------	-------	-------	--------

EUR million (to 3 decimal places)

		2014	2015	2016	2017	2018	2019	2020	2021	2022	2023-2030	TOTAL
TOTAL appropriations under HEADINGS 1 to 5 of the multiannual financial framework	Commitments	1 177.623	1 201.623	1 004.623	1 024.623	814.242	1 063.734	1 682.734	0.000	0.000	0.000	7 969.202
	Payments	1 025.623	1 195.623	969.623	1 025.623	687.242	1 024.734	912.734	500.000	480.000	148.000	7 969.202

⁴⁸

The reduction in human resources directly linked to the new governance and to the allocation of tasks associated with the operation of systems to the European GNSS Agency will be presented in detail during the revision of Regulation 912 of the Agency. It is expected that the technical expertise currently provided by the Commission will be transferred to the Agency insofar as required in order to enable performance of the tasks assigned to it.

3.2.2. *Estimated impact on operational appropriations*

- The proposal/initiative does not require the use of operational appropriations
- The proposal/initiative requires the use of operational appropriations, as explained below:

Commitment appropriations in EUR million (to 3 decimal places)

Indicate objectives and outputs ↓			2014	2015	2016	2017	2018	2019	2020	TOTAL								
	OUTPUTS																	
	Type of output ⁴⁹	“_” of the output	Number of outputs	Costs	Number of outputs	Costs	Number of outputs	Costs	Number of outputs	Costs	Number of outputs	Costs	Number of outputs	Costs	Number of outputs	Costs	Total no	Total Costs
SPECIFIC OBJECTIVE No 1 ⁵⁰ To develop and provide global satellite-based radio navigation infrastructures and services (Galileo)																		
Galileo	5 servic5	N/A	3	930.5	3	942.5	3	744.25	3	763	3	552.75	3/5	802.5	5	1 421	5	6 156,5
Sub-total for specific objective N°1				930.5		942.5		744.25		763		552.75		802.5		1 421		6 156.5
SPECIFIC OBJECTIVE No 2 ⁵¹ To provide satellite-based services improving the performance of GPS																		

⁴⁹ Outputs are products and services to be supplied (e.g.: number of student exchanges financed, number of km of roads built, etc.).

⁵⁰ As described in Section 1.4.2. "Specific objective(s)..."

⁵¹ As described in Section 1.4.2. "Specific objective(s)..."

over Europe (EGNOS)																		
EGNOS	3 servic5	N/A	3	233	3	245	3	246	3	247	3	247	3	247	3	247	3	1 712
Sub-total for specific objective N°2				233		245		246		247		247		247		247		1 712
TOTAL COST			N/A	1 163.5	N/A	1 187.5	N/A	990.25	N/A	1 010	N/A	799.75	N/A	1 049.5	N/A	1 668	N/A	7 868.5

3.2.3. Estimated impact on appropriations of an administrative nature

3.2.3.1. Summary

- The proposal/initiative does not require the use of administrative appropriations
- The proposal/initiative requires the use of administrative appropriations, as explained below:

EUR million (to 3 decimal places)

	2014	2015	2016	2017	2018	2019	2020	TOTAL
--	------	------	------	------	------	------	------	-------

HEADING 5 of the multiannual financial framework								
Human resources	9.773	9.773	9.773	9.773	9.392	8.884	8.884	66.252
Other administrative expenditure	0.850	0.850	0.850	0.850	0.850	0.850	0.850	5.950
Subtotal HEADING 5 of the multiannual financial framework	10.623	10.623	10.623	10.623	10.242	9.734	9.734	72.202

Outside heading 5⁵² of the multiannual financial framework								
Human resources	0	0	0	0	0	0	0	0
Other expenditure of an administrative nature	0	0	0	0	0	0	0	0
Subtotal outside HEADING 5 of the multiannual financial framework	0							

TOTAL	10.623	10.623	10.623	10.623	10.242	9.734	9.734	72.202
--------------	---------------	---------------	---------------	---------------	---------------	--------------	--------------	---------------

⁵² Technical and/or administrative assistance and expenditure in support of the implementation of EU programmes and/or actions (former "BA" lines), indirect research, direct research.

3.2.3.2. Estimated requirements of human resources

- The proposal/initiative does not require the use of human resources
- The proposal/initiative requires the use of human resources, as explained below:

Estimate to be expressed in full amounts (or at most to one decimal place)

	2014	2015	2016	2017	2018	2019	2020
• Establishment plan posts (officials and temporary agents)							
02 01 01 01 (Headquarters and Commission's Representation Offices)	63	63	63	63	60	56	56
02 01 01 02 (Delegations)	0	0	0	0	0	0	0
02 01 05 01 (Indirect research)	0	0	0	0	0	0	0
10 01 05 01 (Direct research)	0	0	0	0	0	0	0
• External personnel (in Full Time Equivalent unit: FTEs⁵³)							
02 01 02 01 (CA, INT, SNE from the "global envelope")	26	26	26	26	26	26	26
02 01 02 02 (CA, INT, JED, LA and SNE in the delegations)	0	0	0	0	0	0	0
02 01 04 aa⁵⁴	- at headquarters ⁵⁵	0	0	0	0	0	0
	- in delegations	0	0	0	0	0	0
02 01 05 02 (CA, INT, SNE - Indirect research)	0	0	0	0	0	0	0
10 01 05 02 (CA, INT, SNE - Direct research)	0	0	0	0	0	0	0
Other budget lines (specify)	N/A	N/A	N/A	N/A	N/A	N/A	N/A
TOTAL	89	89	89	89	86	82	82

XX is the policy area or budget title concerned.

Description of tasks to be carried out:

The human resources requirements will be met by staff from the DG who are already assigned to management of the activity and/or have been redeployed within the DG, together, if necessary, with any additional allocation which may be granted to the managing DG under the annual allocation procedure and in the light of budgetary constraints. DG ENTR envisages a partial outsourcing process to an existing agency. Amounts and allocations will be adjusted if necessary according to the results of the outsourcing process.

Officials and temporary agents	- Supervise the implementation of the European GNSS programmes aiming at efficient and coherent deployment and exploitation of EGNOS and Galileo;
--------------------------------	---

⁵³ CA= Contract Agent; INT= agency staff ("Intérimaire"); JED= "Jeune Expert en Délégation" (Young Experts in Delegations); LA= Local Agent; SNE= Seconded National Expert;

⁵⁴ Under the ceiling for external personnel from operational appropriations (former "BA" lines).

⁵⁵ Essentially for Structural Funds, European Agricultural Fund for Rural Development (EAFRD) and European Fisheries Fund (EFF).

	<ul style="list-style-type: none"> - Provide legal and regulatory analysis to support the policy-making process; - Ensure the compliance of proposed solutions with the applicable rules; - Guarantee sound financial management; - Perform activities required to ensure efficient cost control; - Manage activities related to international cooperation
External personnel	Support the tasks described above

3.2.4. *Compatibility with the current multiannual financial framework*

- The proposal/initiative is compatible with the multiannual financial framework 2014-2020, in accordance with Commission Communication COM(2011)500 of 29 June 2011.
- Proposal/initiative will entail reprogramming of the relevant heading in the multiannual financial framework.

Explain what reprogramming is required, specifying the budget lines concerned and the corresponding amounts.

- Proposal/initiative requires application of the flexibility instrument or revision of the multiannual financial framework⁵⁶.

Explain what is required, specifying the headings and budget lines concerned and the corresponding amounts.

3.2.5. *Third-party contributions*

- The proposal/initiative does not provide for co-financing by third parties
- The proposal/initiative provides for the co-financing estimated below:

Some negotiations are currently ongoing with Switzerland and Norway, but no formal agreement has taken place yet and should not be taken in the short term. Therefore, no third party contribution can be taken into account at this stage. It should be noted that these countries will not cofinance the GNSS programmes directly as such (and so there will be no additional appropriation via revenues assigned from the Union budget) but will make an external contribution.

Appropriations in EUR million (to 3 decimal places)

	2014	2015	2016	2017	2018	2019	2020	Total
Specify the co-financing body								
TOTAL appropriations cofinanced								

⁵⁶ See points 19 and 24 of the Interinstitutional Agreement.

3.3. Estimated impact on revenue

- Proposal/initiative has no financial impact on revenue.

No revenue is expected before the completion of the constellation insofar as the performances of the initial services offered will not be in line with the expectations of potential users before full deployment of the infrastructures.

By that time the way to manage the fees should have been analysed in order to define the entity that will collect the revenues (private / public), the exact types of revenues and the amount of these potential revenues.

- Proposal/initiative has the following financial impact:
 - on own resources
 - on miscellaneous revenue

EUR million (to 3 decimal places)

Budget revenue line:	Appropriations available for the ongoing budget year	Impact of the proposal/initiative ⁵⁷						
		2014	2015	2016	2017	2018	2019	2020
		p.m.	p.m.	p.m.	p.m.	p.m.	p.m.	p.m.

For miscellaneous assigned revenue, specify the budget expenditure line(s) affected.

Specify the method for calculating the impact on revenue.

⁵⁷

As regards traditional own resources (customs duties, sugar levies), the amounts indicated must be net amounts, i.e. gross amounts after deduction of 25% for collection costs.