15.11.2013

OPINION

of the Committee on Budgets

for the Committee on Industry, Research and Energy


Rapporteur: Maria Da Graça Carvalho
SHORT JUSTIFICATION

Copernicus is proposed to be the successor of the European Earth Observation Programme GMES (Global Monitoring for Environment and Security) which was first developed as part of the Framework Programme for Research and Technological Development and then established as of 2010 as an operational programme in the field of space policy.

Its main purpose is to provide data and information stemming from space-borne and in-situ observations which contribute to the protection of the environment, to civil protection and to security - and ultimately to economic growth.

Unlike the other financial programmes for the 2014-2020 period, the present proposal for a Regulation establishing the Copernicus programme has been tabled by the Commission only after the conclusion of the negotiations on the new Multiannual Financial Framework. Once the MFF is approved by the institutions, the Copernicus programme will have a dedicated budget line under Heading 1a with an amount of EUR 3,786 million in 2011 prices (EUR 4,291 million in current prices) for seven years.

The MFF agreement would also provide guarantees as regards the 'ring-fencing' of this amount in the EU budget. First, the article dedicated to large-scale projects in the draft Regulation laying down the MFF for the years 2014-2020 includes EUR 3,786 million (in 2011 prices) as a maximum amount for Copernicus - as does the draft Copernicus Regulation tabled by the Commission. Secondly, the draft Interinstitutional Agreement specifies that the 10% legislative flexibility (within which an annual budget may depart from a programme's reference amount) does not apply to large scale projects.

Your Rapporteur seeks to provide further guarantees for the budgetary authority without hindering the swift take-off of the programme. The proposed amendments aim at providing more transparency in the funding model of Copernicus and more information and involvement of the European Parliament, notably as regards the breakdown of the Copernicus envelope, the evolution of its costs, and the use of delegation agreements, grants and public procurement as forms of Union funding.

Your Rapporteur also proposes to formalise the involvement of users and stakeholders by building on the 'User Forum' established under the GMES Regulation.

Last but not least, given the particular exposure of Copernicus satellites to the risk of collision, your Rapporteur insists on the financial contribution which Copernicus should provide to the Space Surveillance and Tracking Support Programme.
The Committee on Budgets calls on the Committee on Industry, Research and Energy, as the committee responsible, to incorporate the following amendments in its report:

**Amendment 1**

Proposal for a regulation
Recital 9

*Text proposed by the Commission*

(9) In order to attain its objectives, the Copernicus programme should rely on an autonomous Union’s capacity for space-borne observations and provide operational services in the field of environment, civil protection and security. It should also make use of the available in-situ data provided, namely, by the Member States. The provision of operational services depends on the well-functioning and safety of the Copernicus space component. The increasing risk of collision with other satellites and space debris is the most serious threat to the Copernicus space component. Therefore, the Copernicus programme should support actions aimed at reducing such risks, in particular by *contributing* to the programme established by Decision [XXX] of the European Parliament and the Council establishing a Space Surveillance and Tracking Support Programme.\(^{11}\)

*Amendment*

(9) In order to attain its objectives, the Copernicus programme should rely on an autonomous Union’s capacity for space-borne observations and provide operational services in the field of environment, civil protection and security. It should also make use of the available in-situ data provided, namely, by the Member States. The provision of operational services depends on the well-functioning and safety of the Copernicus space component. The increasing risk of collision with other satellites and space debris is the most serious threat to the Copernicus space component. Therefore, the Copernicus programme should support actions aimed at reducing such risks, in particular by *providing, together with EGNOS/Galileo, the largest contribution* to the programme established by Decision [XXX] of the European Parliament and the Council establishing a Space Surveillance and Tracking Support Programme.\(^{11}\)

\(^{11}\text{OJ L, p.}\)

**Amendment 2**

Proposal for a regulation
Recital 10

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\(^{11}\text{OJ L, p.}\)
(10) The maximum financial **envelope needed** for the Copernicus actions (2014-2020) is EUR 3 786 million in 2011 prices, allotted in a separate budget chapter under Title 2 of Heading 1a of the Union's General Budget. Staff and administrative expenditures incurred by the Commission in the coordination of the Copernicus programme should be funded from the budget of the Union.

**Amendment**
(10) **As a large scale project in the meaning of [Article 14] of the Council Regulation (EU) No .../2013 laying down the multiannual financial framework for the years 2014-2020, the maximum financial amount available for the Copernicus actions (2014-2020) and for any possible risk associated with its activities** is EUR 3 786 million in 2011 prices, allotted in a separate budget chapter under Title 2 of Heading 1a of the Union's General Budget. Staff and administrative expenditures incurred by the Commission in the coordination of the Copernicus programme should be funded from the budget of the Union. **In the event of additional unforeseen financial obligations, any increase in the Union contribution should not be at the expense of other programmes and should therefore be covered by the margin available between the MFF ceilings and the own resources ceiling.**

**Amendment 3**

Proposal for a regulation
Recital 10 a (new)

**Text proposed by the Commission**

(10a) **For the sake of clarity and in order to facilitate cost control, the Copernicus envelope should be broken down into various categories according to the specific objectives set out in this Regulation. The power to adopt acts in accordance with Article 290 of the Treaty on the Functioning of the European Union should be delegated to the Commission in respect of reallocating funds from one specific objective to another, where the deviation exceeds five**
percentage points, and specifying the funding priorities to be reflected in the work programmes.

Amendment 4
Proposal for a regulation
Recital 16

Text proposed by the Commission

(16) The Commission should have the overall responsibility for the Copernicus programme. It should define its priorities and objectives and ensure the overall coordination and supervision of the programme.

Amendment

(16) The Commission should have the overall responsibility for the Copernicus programme. It should define its priorities and objectives clearly in advance and ensure the overall coordination and supervision of the programme. This should also include special efforts leading to raising public awareness about the importance and omnipresence of space programmes in our everyday lives. It should provide the European Parliament and the Council with all relevant information pertaining to the programme in a timely manner.

Justification

Correct public understanding and support is crucial for the budget justification as well as for the promotion of space programme products.

Amendment 5
Proposal for a regulation
Recital 25

Text proposed by the Commission

(25) In order to increase the value of Copernicus to users, the Commission should be assisted by representatives of mid and end-users, experts from Member States including from relevant national

Amendment

(25) In order to increase the value of Copernicus to users, the Commission should be assisted by a dedicated body (the 'User Forum') bringing together representatives of mid and end-users,
agencies or by independent experts.

experts from Member States including from relevant national agencies and independent experts. Other relevant stakeholders could be invited to participate as observers.

Justification

The new Regulation should build on the 'User Forum' established by the previous GMES Regulation 911/2010.

Amendment 6

Proposal for a regulation

Article 5 – point c

Text proposed by the Commission

(c) Contribution to the protection of satellites against the risk of collision.

Amendment

(c) Contribution to the protection of satellites against the risk of collision through the implementation of the Decision [XXX] of the European Parliament and the Council establishing a Space Surveillance and Tracking Support Programme.

Justification

It should be clarified that the Copernicus programme will contribute to the SST support programme.

Amendment 7

Proposal for a regulation

Article 7 – paragraph 1

Text proposed by the Commission

1. The financial envelope allocated to the Copernicus programme for the period 2014 – 2020 has a maximum amount of EUR 3 786 million in 2011 prices.

Amendment

1. The maximum amount for the implementation of the Copernicus programme and to cover the risks associated with its activities for the period 2014 – 2020 is set at EUR 3 786 million in 2011 prices, in line with [Article 14] of the
Council Regulation No [...] laying down the multiannual financial framework for the years 2014-2020. Within this amount, operational appropriations shall be distributed to the specific objectives as defined in Article 3, as follows:

(a) delivering the operational services referred to in point 1 of Article 4 in accordance to users’ needs, [X]%;

(b) providing a sustainable and reliable access to space-borne observations, [X%].

Amendment 8
Proposal for a regulation
Article 7 – paragraph 1 a (new)

Text proposed by the Commission

Amendment

1a. Where it proves necessary to deviate from the allocation for a specific objective by more than 5 percentage points, the Commission shall be empowered to adopt delegated acts in accordance with Article 21 to amend this distribution.

Amendment 9
Proposal for a regulation
Article 7 – paragraph 1 b (new)

Text proposed by the Commission

Amendment

1b. The Commission shall be empowered to adopt delegated acts in accordance with Article 21 specifying the funding priorities to be reflected in the work programmes. The first delegated act shall be adopted before ...*.

*OJ: please enter the date one year after the entry into force of this Regulation.
Amendment 10
Proposal for a regulation
Article 7 a (new)

Text proposed by the Commission

Amendment

Article 7a
Forms of Union funding

1. Union funding may take the following legal forms:
   (a) delegation agreements;
   (b) grants;
   (c) public procurement contracts.

2. Genuine competition, transparency and equal treatment shall be ensured in the provision of funding by the Union, in accordance with Regulation (EU, Euratom) No 966/2012.

3. The Commission shall report to the European Parliament and to the Council on the allocation of Union funds, the evaluation process and results of the procurement tenders and of the contracts concluded on the basis of this Article, after the award of the contracts.

Justification

For reasons of clarity and transparency, this amendment takes over provisions from the previous GMES Regulation 911/2010.

Amendment 11
Proposal for a regulation
Article 11 –paragraph 7 a (new)

Text proposed by the Commission

Amendment

7a. The Commission shall provide to the
European Parliament and to the Member States, in a timely manner, all relevant information pertaining to the programme, in particular in terms of risk management, costs, schedule and performance.

Amendment 12
Proposal for a regulation
Article 12 – paragraph 6 a (new)

**Text proposed by the Commission**

6a. Tasks shall be entrusted to other bodies through delegation agreements in accordance with Articles 58 and 60 of Regulation (EU, Euratom) No 966/2012. The Commission shall inform the European Parliament and the Council prior to their conclusion.

Amendment 13
Proposal for a regulation
Article 17 – paragraph 4

**Text proposed by the Commission**

4. Without prejudice to paragraphs 1, 2 and 3, cooperation agreements with third countries and with international organisations, contracts, grant agreements and grant decisions, resulting from the implementation of this Programme shall contain provisions expressly empowering the Commission, the Court of Auditors and OLAF to conduct such audits and investigations, according to their respective competences.

**Amendment**

4. Without prejudice to paragraphs 1, 2 and 3, cooperation agreements with third countries and with international organisations, contracts, grant agreements and grant decisions, resulting from the implementation of this Programme shall contain provisions expressly empowering the Commission, the Court of Auditors and OLAF to conduct such audits and investigations, according to their respective competences. The European Parliament shall be informed about the results of these audits and investigations.
Amendment 14

Proposal for a regulation
Article 17 a (new)

Text proposed by the Commission

Amendment

Article 17a
Information to the European Parliament and to the Council

Each year, when it presents the draft budget, the Commission shall present a report to the European Parliament and to the Council on the implementation of the Copernicus programme. That report shall contain all information pertaining to the programmes, in particular as regards:

(a) risk management, overall cost, annual operating cost, schedule and performance as referred to in Article 11;

(b) the functioning of the delegation agreements concluded pursuant to Article 12;

(c) public procurement as referred to in Article 7a.

Amendment 15

Proposal for a regulation
Article 19 – title

Text proposed by the Commission

Amendment

Assistance to the Commission

User Forum

Justification

The new Regulation should build on the 'User Forum' established by the previous GMES Regulation 911/2010.
Amendment 16
Proposal for a regulation
Article 19 – paragraph 1

Text proposed by the Commission
1. The Commission may be assisted by representatives of end users, independent experts, in particular on security issues, and by representatives of the relevant national agencies, in particular national space agencies, to provide it with the necessary technical and scientific expertise and user feedback.

Amendment
1. The Commission may be assisted by a dedicated body, the 'User Forum', bringing together representatives of mid- and end-users, independent experts, in particular on security issues, and representatives of the relevant national agencies, in particular national space agencies, to provide it with the necessary technical and scientific expertise and user feedback. Other stakeholders may be invited as observers.

Amendment 17
Proposal for a regulation
Article 19 – paragraph 1 a (new)

Text proposed by the Commission
1a. The Commission shall chair the User Forum and provide its secretariat. The User Forum shall adopt its rules of procedure. The European Parliament, the Council and the Copernicus Committee shall be fully informed about its proceedings.

Amendment
1a. An interim evaluation report shall be submitted by 30 June 2016 at the latest
and should contain an accurate assessment of possible cost overruns.
**PROCEDURE**

<table>
<thead>
<tr>
<th>Title</th>
<th>Copernicus Programme</th>
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<tbody>
<tr>
<td>References</td>
<td>COM(2013)0312 – C7-0195/2013 – 2013/0164(COD)</td>
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<td>Committee responsible</td>
<td>ITRE</td>
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<tr>
<td>Date announced in plenary</td>
<td>1.7.2013</td>
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<td>Opinion by</td>
<td>BUDG</td>
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<td>Date announced in plenary</td>
<td>1.7.2013</td>
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<tr>
<td>Rapporteur</td>
<td>Maria Da Graça Carvalho</td>
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<td>Date appointed</td>
<td>27.6.2013</td>
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<td>Date adopted</td>
<td>14.11.2013</td>
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<td>Result of final vote</td>
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<td>Members present for the final vote</td>
<td>Marta Andreasen, Jean-Luc Dehaene, José Manuel Fernandes, Eider Gardiazañal Rubial, Salvador Garriga Polledo, Ivars Godmanis, Ingeborg Gräffe, Lucas Hartong, Anne E. Jensen, Ivailo Kalfin, Sergej Kozlik, Jan Kozłowski, Alain Lamassoure, Jan Mulder, Vojtěch Mynář, Juan Andrés Naranjo Escobar, Nadezhda Neynsky, Dominique Riquet, Alda Sousa, Derek Vaughan, Angelika Werthmann, Jacek Włosowicz</td>
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<td>Substitute(s) present for the final vote</td>
<td>François Alfonsi, Maria Da Graça Carvalho, Frédéric Daerden, Edit Herczog, Paul Rübig, Peter Šťastný</td>
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<tr>
<td>Substitute(s) under Rule 187(2) present for the final vote</td>
<td>Pablo Arias Echeverría, Jean-Paul Besset, Arkadiusz Tomasz Bratkowski, Zdravka Bušić, Jolanta Emilia Hibner, Helmut Scholz, Tadeusz Zwiefka</td>
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