

Opinion of the European Economic and Social Committee on the ‘Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on the European Earth monitoring programme (GMES) and its operations (from 2014 onwards)’

COM(2011) 831 final

(2012/C 299/13)

Rapporteur: **Mr IOZIA**

On 30 November 2011, the Commission decided to consult the European Economic and Social Committee, under Article 304 of the Treaty on the Functioning of the European Union, on the

Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on the European Earth monitoring programme (GMES) and its operations (from 2014 onwards)

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The Section for the Single Market, Production and Consumption, which was responsible for preparing the Committee's work on the subject, adopted its opinion on 12 June 2012.

At its 482nd plenary session of 11 and 12 July 2012 (meeting of 12 July), the European Economic and Social Committee adopted the following opinion by 178 votes to 2 with 3 abstentions.

1. Conclusions and recommendations

1.1 The EESC reiterates its unswerving support for European space policy and, in particular, for the major European projects Galileo and GMES, which it considers to be of strategic importance for European economic and scientific development. In its opinions ⁽¹⁾ the EESC has consistently stressed the need to dedicate more attention and resources to space sector activities, an area where the EU must maintain its prominent position.

1.2 The EESC is totally against the Commission's proposal to relegate the financing necessary for development and completion of the GMES programme to an external ad hoc fund.

1.3 The EESC points out that it is indispensable for a programme that is entering the operational phase to be assured of its continuity; otherwise, it will fail. The entire proposal for innovative funding, management and governance mechanisms that are different from the tried and tested ones that are customary in the EU appears untimely, unjustified and very risky. Indeed, the creation of new funding models and bodies means going into an exhausting and uncertain phase of negotiations and study, which will certainly take years, which seems incompatible with the entry into operation of a programme such as GMES. It also seems pointless given that the Commission and the other European agencies already have all the competences and powers necessary to pursue the programme.

1.4 The EESC calls for the financing of the programme to be brought within the 2014-2020 Multiannual Financial Framework, and for its governance to be structured in such a way as to take into account capabilities currently existing in Europe, avoiding both the fragmentation of management bodies and the creation of new bodies that are ill-suited to taking over the management of a programme that has been developed over a whole decade. This request has already been made in a previous opinion ⁽²⁾.

1.5 The communication relating to the details of implementing the proposal for an intergovernmental agreement on the operation of GMES ⁽³⁾, which was published while this opinion was being discussed, does not change these conclusions. On the contrary, it strengthens them by enabling the EESC to point out once again the high risk associated with the belated introduction of a new, untested financing and management model outside of the multiannual financial framework and the EU's established management channels.

1.6 The EESC is extremely concerned about the real risk that the GMES programme might encounter serious difficulties, wasting the EUR 3,2 billion investment already made. In the light of discussions between Member States, this does not seem so much a risk as a certainty.

1.7 The EESC points out that it seems highly risky and unnecessary to attempt to redefine the complex system of

⁽¹⁾ OJ C 43, 15.2.2012, p. 20.

⁽²⁾ OJ C 43, 15.2.2012, p. 20.

⁽³⁾ COM(2012) 218 final, 11 May 2012.

GMES funding and governance, as set out in the communication in question, less than a year from its planned entry into operation (the A satellites for the Sentinel-1, Sentinel-2 and Sentinel-3 constellations are due to be launched in 2013), not least given the strategic importance of the programme for the EU.

1.8 No feasibility study is provided to allow an assessment of the scheme's viability in terms of effectiveness and efficiency. In addition, there is no clear justification of the need for a new set-up.

1.9 The EESC notes the different treatment afforded to the two flagship programmes of the European space programme, Galileo and GMES, the former being included in the Multiannual Financial Framework (MFF) and the latter not.

1.10 When it comes to governance, one can only be surprised at the minor role allocated in this complex system to the European Space Agency (ESA), which has to date designed, managed and operated the majority of European satellite systems, in addition to having supplied almost all the financing thus far, in partnership with the European Commission. Its replacement by new bodies or others with little experience of managing satellite systems and the data they collect appears groundless.

1.11 The EESC would argue that with less than a year to go before the entry into force of the GMES programme funding model, introducing such a radical overhaul of programme responsibilities as that proposed by the communication is a highly risky operation.

1.12 The EESC draws attention to the uncertain, vague nature of the Commission's governance proposal. There are obvious problems with the model proposed and the technical coordination is entrusted to bodies that have neither experience of space sector activities nor a culture of working together with other agencies. Furthermore, over 80 % of the activities planned under the GMES programme are space-related. The EESC calls on the Commission to review the model proposed and maintain unitary governance, continuing to give the ESA technical responsibility for the programme, under Commission supervision and control as originally planned.

2. Introduction

2.1 The communication in question, of 30 November 2011, sets out the situation identified by the European Commission, whereby the operational phase of the GMES earth monitoring and security strategic programme, as defined thus far and brought to the final implementation phase, should be funded outside the 2014-2020 Multiannual Financial Framework ⁽⁴⁾. It also makes a proposal regarding its governance. This communication is therefore of fundamental importance to the GMES programme.

2.2 The subsequent communication relating to the details of implementing the proposal for an intergovernmental agreement

on the operation of GMES ⁽⁵⁾, which was published while this opinion was being discussed, does not change the comments on the communication under discussion nor its conclusions, as it is an addendum that sets out the financial aspects of the proposed fund and introduces a new body. This new body, the GMES Council, duplicates the competences that have hitherto applied to the management of European space programmes and thus creates clear conflicts of competences and duplication of decision-making bodies in Europe.

2.3 GMES – the Global Monitoring for Environment and Security programme – is one of the European Union's two flagship space sector programmes; the other is Galileo. It plays a fundamental role in earth observation, providing the means to understand and monitor climate change, civil protection and security, sustainable development and crisis management.

2.4 The fact that funding for the GMES earth monitoring and security strategic programme has not been included within the proposal for the 2014-2020 Multiannual Financial Framework is cause for great concern owing to the very real danger that a programme of strategic importance to Europe will be lost, along with a decade's work and EUR 3 billion in investment.

2.5 In its analysis of December 2011 ⁽⁶⁾, the EESC already expressed grave concern regarding the future of this programme, should continuity in its funding be lost.

2.6 In February 2012, in a resolution on the future of GMES ⁽⁷⁾, the European Parliament stated that it did not believe "that financing GMES outside the Multiannual Financial Framework (MFF) – with the funding and governance structure that the Commission proposed in its communication – is a viable option".

2.7 The space component of GMES is based on three constellations of satellites, Sentinel-1, -2 and -3, and on instruments hosted on other satellites (Sentinel 4 and 5). The first of the three constellations is due to be launched in 2013. The definition of a financial framework providing funding for these imminent operations is therefore a matter of the utmost urgency.

2.8 Given the lack of a proposal, the ESA's director-general, speaking at a press conference on 9 January 2012, reaffirmed that in the absence of a decision on the funding of GMES operations the agency would not go ahead with the planned launches ⁽⁸⁾.

⁽⁵⁾ COM(2012) 218 final, 11 May 2012.

⁽⁶⁾ OJ C 43, 15.2.2012, p. 20.

⁽⁷⁾ 2012/2509 (RSP).

⁽⁸⁾ <http://multimedia.esa.int/Videos/2012/01/ESA-Director-General-2012-Press-Briefing> (68:00).

⁽⁴⁾ COM(2011) 500 final PART I/II – A budget for Europe.

2.9 In this communication, the European Commission proposes pinpointing the necessary funding for the building and implementation of the entire infrastructure by establishing a new GMES-specific fund, which would require an intergovernmental agreement between the EU's Member States within the Council.

2.10 All 27 Member States of the EU should contribute to the fund on the basis of their gross national income (GNI). The communication includes a model agreement, which is fleshed out in the subsequent communication ⁽⁹⁾.

2.11 The governance proposal contained in the communication, no less important than the financial proposal, identifies numerous players who should take responsibility for the various aspects and sectors covered by the GMES programme.

2.12 The introduction of a new, complex funding scheme and a new management body for a space programme (the GMES Council) seems unnecessary and comes rather late, at one year from the launch of the first satellites.

3. General comments

3.1 The GMES earth monitoring and security programme and the GALILEO programme for satellite navigation are major strategic EU programmes, intended to enable the EU to maintain its independence and prime position in the space sector.

3.2 Maintaining strong leadership and independence in the space sector is of strategic importance for the future of Europe, owing to the widespread, essential economic, technological, geopolitical and, in the widest sense of the word, cultural effects of activities developed in the space sector.

3.3 GMES is a strategic EU programme that was set up under Regulation (EU) No 911/2010 of the European Parliament and the Council.

3.4 The communication states that "in order to respond to ever growing challenges at global level Europe needs a well-coordinated and reliable Earth observation system of its own. GMES is that system".

3.5 The communication proposes a new funding model, outside of the consolidated management system within the EU budget, which requires a specific contribution and approval from all 27 Member States. The mechanism for this is such that, in the current financial situation (looking at, purely by way of example, the situation in Greece and possible difficulties faced by France and Italy), it is highly likely, if not certain, to be blocked, which would lead to the end of the GMES programme.

4. Specific comments

Funding

4.1 The communication excludes GMES from the 2014-2020 QFP.

4.2 Funding is to be secured instead by means of an internal agreement between representatives of the Member State governments within the Council.

4.3 The agreement provides that each EU Member State must first complete the procedures necessary for its entry into force, notifying the secretary-general of the Council of the European Union of this.

4.4 Ratification by all EU Member States is a prerequisite for the agreement's entry into force.

4.5 The agreement can enter into force only once it has been approved by the last Member State. Given the current financial situation in Europe in general, and in some Member States in particular, this clause seems in and of itself to be enough to bring about the failure of the GMES programme.

4.6 The timetable and procedures for the organisation of this Council meeting are not yet known, which is risky given that the launch dates for the Sentinel -1, -2, and -3 satellites (2013) are fast approaching.

4.7 As for the planning, management and implementation of the GMES fund, the communication provides for the Council to adopt a regulation on the basis of a Commission proposal. There is no draft version of this regulation available as yet.

4.8 The communication states that the financial regulation on the GMES fund, setting out the rules regarding its establishment and implementation and the presentation and auditing of accounts, is to be adopted by the Council following a proposal from the Commission. There is no draft version of this regulation available as yet.

4.9 So far, the development of the programme has cost EUR 3,2 billion, shouldered almost entirely by the ESA (EUR 1 890 million) and the EU (EUR 1 300 million).

4.10 The implementation of the programme as a whole and its maintenance, development and modernisation bring estimates as to the budget needed for the 2014-2020 period to EUR 5,8 billion, in other words, approximately 0,6 % of the EU budget for the same period, which the 2014-2020 MFF sets at EUR 1 025 billion. It is also worth noting that the EU budget amounts to approximately 1,1 % of gross national income.

⁽⁹⁾ COM(2012) 218 final, 11 May 2012.

4.11 It does not seem likely, however, that the proposed financing of GMES outside the EU budget would bring financial benefits, given that the 27 Member States would still have to fund it, if only through another financing channel based on a complex intergovernmental agreement. We can thus see no reason for it.

4.12 As regards the space component, the ESA has a budget to launch all three "A" satellites of the Sentinel-1, -2 and -3 constellations. The launch of Sentinel-1 has already been paid for and there are no problems foreseen with funding the launch of the other two. The budget beyond 2013 therefore covers the deployment of the constellations in their entirety as planned in order to provide the service for which they were designed.

Governance

4.13 The communication provides for numerous bodies to manage the operational phase of GMES.

4.14 The Commission would be responsible for political supervision and management.

4.15 According to the subsequent communication concerning the detailed implementation of the proposal under discussion (COM(2012) 218 final, 11.5.2012), the governing body of the GMES programme would be the GMES Council, with such sweeping powers as to overlap both with those typical of EU programmes and with those typical of a space agency. This would result in a duplication of powers and decision-making bodies, which is not conducive to efficient management of the EU's resources, which are scarce enough as it is.

4.16 As regards operations, technical coordination of the land monitoring service would be entrusted to the European Environment Agency (EEA); technical coordination of emergency management services would be entrusted to the European Emergency Response Centre (ERC); technical coordination of the atmosphere service would be entrusted to the

European Centre for Medium-range Weather Forecasting (ECMWF); and a decision has yet to be taken regarding the management of the climate change, marine environment monitoring and security services; for other Commission services and European bodies the bodies proposed include the European Maritime Safety Agency (EMSA), the European Union Satellite Centre (EUSC), the European Agency for the Management of Operational Cooperation at the External Borders (FRONTEX) or the European Defence Agency (EDA).

4.17 For the space component, operational activities would go temporarily to the European Space Agency (ESA) for high resolution imagery observations over land and target-specific areas and to EUMETSAT for systematic and global observations of the atmosphere and oceans. Space component development activities may be entrusted to the ESA and the Commission.

4.18 The temporary arrangements set out above relate to the management of the entire constellations of Sentinel 1 and Sentinel 2, and the land component of Sentinel 3. The difficulties of taking on such a heavy burden in terms of organisation and resources under temporary arrangements are obvious.

4.19 The technical coordination of the in situ component may be entrusted to the European Environment Agency (EEA).

4.20 It is not clear how the particular skills and management capacities of these bodies will be able to meet the operational requirements of a programme like GMES, whose predominant space component calls for specific competence.

4.21 The GMES Council, proposed in the subsequent GMES communication⁽¹⁰⁾, duplicates many of the competences that are specific to the management of European space programmes, thus creating clear conflicts of competences and duplication of decision-making structures in Europe by setting up a sort of parallel space agency, which does not fit with the provisions of the Treaty on the Functioning of the European Union.

Brussels, 12 July 2012.

The President
of the European Economic and Social Committee
Staffan NILSSON

⁽¹⁰⁾ COM(2012) 218 final, 11 May 2012.