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COM(2013) 107 final

2013/0064 (COD)

Proposal for a

**DECISION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL**

**Establishing a space surveillance and tracking support programme**

{SWD(2013) 54 final}

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## EXPLANATORY MEMORANDUM

### 1. CONTEXT OF THE PROPOSAL

Space-based systems enable a wide spectrum of applications which play a fundamental role in our everyday life (TV, Internet or geopositioning), are critical to key areas of the economy, and help ensuring our security. Space-based applications and derived services as well as space research have become critical for the implementation of EU policies, such as environment, climate change, maritime policies, development, agriculture, security related policies including the CFSP/CSDP, as well as the furthering of technical progress and industrial innovation and competitiveness.

With increasing dependance on space-based services, the ability to protect space infrastructure has become essential to our society. Any shutdown of even a part of space infrastructures could have significant consequences for the well-functioning of economic activities and our citizens' safety, and would impair the provision of emergency services.

However, space infrastructures are increasingly threatened by the risk of collision between spacecraft and more importantly, between spacecraft and space debris. As a matter of fact, space debris has become the most serious threat to the sustainability of certain space activities.

In order to mitigate the risk of collision it is necessary to identify and monitor satellites and space debris, catalogue their positions, and track their movements (trajectory) when a potential risk of collision has been identified, so that satellite operators can be alerted to move their satellites. This activity is known as space surveillance and tracking (SST), and is today mostly based on ground-based sensors such as telescopes and radars.

There are other actions to mitigate the risk from collisions or their consequences. These include research efforts to better protect the satellites against the impacts of collisions and to develop technologies to remove space debris from orbits. Furthermore, there are several initiatives that seek to ensure the commitment of space-faring nations to reducing the production of space debris when conducting space activities through international level. The international Code of Conduct on Outer Space Activities proposed by the Union and currently under negotiation with space-faring nations has received wide international support so far. However, important as these instruments may be if their provisions are implemented, they will not eliminate the problem that existing and future space debris poses, they will just reduce the exponential growth of space debris in the future. The only solution today is to avoid collisions and monitor uncontrolled re-entry of spacecraft or their debris in the Earth's atmosphere.

However, in Europe there are today limited capacities to monitor and survey satellites and space debris as well as re-entry of space objects into the Earth's atmosphere. Furthermore, there are no proper services to issue collision warnings for satellite operators .

The Commission's Communication "Towards a space strategy for the European Union" (COM(2011)152) recognising both the importance of space infrastructures and derived services as well as the need to ensure their protection, underlines that the Union should define the organisation and governance of a European system for surveillance and tracking of spacecraft taking into account its dual nature and the need to ensure its sustainable exploitation as highlighted in the Industrial Policy Communication adopted in October 2010.

EU action in this domain is justified with the entry into force of the Treaty of Lisbon on 1.12.2009 which expands the EU's competences in space. Article 189 of the Treaty on the Functioning of the European Union empowers the EU to promote joint initiatives, support research and technological development and coordinate the efforts needed for the exploration and exploitation of space in the context of a European Space Policy.

The need for EU action in the domain has been supported by Member States in several Council Resolutions and Conclusions<sup>1</sup>. In 2008, the fifth Space Council meeting confirmed that Europe must "develop a European capability for the monitoring and surveillance of its space infrastructure and of space debris"<sup>2</sup>. It also confirmed that the Union needs to play an active role in the implementation of the SSA system and its governance mechanisms. Most recently, the May 2011 Council conclusions on the EU space strategy Communication reiterate the need for a European SST capability to enhance the safety of European space assets and their launches. It stipulates that to this end, "the Union should make the widest possible use of assets, competences and skills that are already existing or being developed in Member States, at European level and as appropriate internationally". The Resolution called on the EU [European Commission and EEAS], in close cooperation with ESA and Member States, to come forward with proposals for a governance scheme and a data policy which takes care of the high sensitivity of SST data. These views are also shared by the European Parliament in its report on the space strategy for the EU adopted on 30 November 2011<sup>3</sup>.

Progress on two flagship European programmes, Galileo and Copernicus (the new name for GMES, the Global Monitoring for Environment and Security programme) has also raised awareness of the need to protect EU space infrastructure. Galileo is the first EU space flagship project and will remain one of the major building blocks of the EU intervention in space and Copernicus has a major space-based component (the Sentinel satellites). Born as a R&D project, Copernicus has recently entered its initial operational phase.

In line with the above, the current proposal for a Decision concerns the establishment of a European service which will seek to prevent collisions between spacecraft or between spacecraft and debris and monitor uncontrolled re-entry of complete spacecraft or parts thereof. In technical terms this service is referred to as a European SST service.

Following the approach envisaged in the Commission Communication "Towards a space strategy for the European Union that benefits its citizens" of 2011<sup>4</sup>, this Decision allows for the definition of a partnership, whereby Member States will contribute with their existing and

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<sup>1</sup> See Council of the European Union, Resolution on the European Space Policy, Brussels, 25 May 2007,10037/07 which launched the European Space Policy; Council Resolution "Taking forward the European Space Policy" of 26 September 2008 (Council document 13569/08); Council Resolution on "The contribution of space to innovation and competitiveness in the context of the European Economic Recovery Plan, and further steps of 29 May 2009 (10500/09); Council Resolution "Global challenges: Taking full benefit of European space systems" of 25 November 2010 (16864/10); Council conclusions "Towards a space strategy for the EU that benefits its citizens" of 31 May 2011; and the Council Resolution "Orientations concerning the added value and benefits of space for the security of European citizens" of 6 December 2011 (18232/11).

<sup>2</sup> Council of the European Union, Resolution on "Taking forward the European Space Policy", Brussels, 26 September 2008, 13569/08.

<sup>3</sup> European Parliament report on the Commission Communication on a space strategy for the European Union that benefits citizens (2011/2148(INI)).

<sup>4</sup> Communication from the Commission to the Council, the European Parliament, the European Economic and Social Committee and the Committee of the Regions: "Towards a space strategy for the European Union that benefits its citizens", COM(2011) 152 final of 4.4.2011.

future assets to the SST capability at European level and the Union will provide a legal framework and a financial contribution to the implementation of the actions defined. The legal framework defines the governance scheme and the data policy in accordance with the relevant Council conclusions.

Last, but not least, the proposed European SST services accommodate an essential objective of the space industrial policy of the EU (identified in the Commission's Communication on Elements for an EU Space Industrial Policy to be released in 2013), namely to achieve European technological non-dependence in critical domains, and to maintain independent access to space.

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

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

Over the past years, DG Enterprise and Industry consulted different parties interested and involved in space affairs on various areas of potential future EU activities in space and notably on the development of a European Space Surveillance and Tracking (SST) service. The development of such service has also been the subject of political debate among EU Ministers responsible for space.

The main conclusions of these consultations can be summarised as follows:

- There is a consensus among EU and ESA Member States Ministers responsible for space that the development of a European SST service is to be led by the EU and not by the European Space Agency (ESA). This consensus is reflected in the Council Resolutions mentioned above. The underlying reason for this emerged in numerous discussions: The European SST service has a security dimension (it allows gathering intelligence on States' civil and military space infrastructure and operations) which the EU, unlike ESA, has the competence and is equipped to deal with. The TFEU grants the EU the competence to coordinate the exploitation of space systems and has also the competence and the mechanisms in place to deal with the security dimension of such a service; Member States consider that ESA should support the EU in this endeavour (and it is doing so through its SSA preparatory programme) but, as an R&D organisation, does not have the competence and the mechanisms necessary to set up and run a European SST service on its own.
- In particular, Member States ask the EU to define the governance and data policy for a European SST service, to play an active role in the setting up of the service, and to make best use of existing sensors and expertise. Member States are also explicit as to how security concerns should be taken into account: SST sensors need to remain under national control. Confidentiality of SST information has been defined as a key principle for SST data policy. SST information should only be declassified on a case by case basis when the need arises.
- There is a consensus among EU and ESA Member States and experts that a future European SST service should capitalise and build on existing sensor assets which should be linked and operated as a network. There is also convergence regarding the fact that current assets are insufficient to ensure a desirable level of performance. To reach a desirable level new assets (such as tracking and surveillance radars and telescopes) would

have to be built and integrated in a European SST system. Member States possessing sensor capacity and those willing to develop it should play a key role in the setting up of the European SST service.

- There is also consensus among Member States and experts in the field that in order to set up and operate a European SST service, it is necessary as a minimum to:
  - Link the limited existing assets (mostly ground-based telescopes and radars to capture information of the position of satellites) and increase these capacities by building and linking new assets (sensor function);
  - To develop a processing function which merges and analyses SST data captured (processing function);
  - Set up a 24/7 front desk that forms the link to the users and issues alerts on collision risks and re-entries to satellite operators and relevant public authorities.
- Throughout years-long discussions, Member States owning assets relevant for SST insisted on one crucial governance aspect: Due to security concerns, the sensor and processing functions of a future European SST system must remain under the control of the national competent authorities (in some cases military authorities). The majority of Member States support the idea that, for the purpose of setting up a European SST service, those Member States owning existing or new assets could form a consortium to run, as a network, both the sensor and processing function. Member States are also of the view that the front desk function should be run either by the consortium itself or by another body with adequate security credentials, such as the European Union Satellite Center. At the same time, for reasons of national security, Member States made clear that they would not collaborate with a commercial actor in this domain.
- There is a consensus that the development of a European SST service should be done in close cooperation with the United States of America.
- Member States are willing to make their assets available for the setting up of the European SST service. They are of the view that, in return, the development of the service should involve EU funding and should, as a minimum, cover operations directly linked to the setting up of the service. In addition to making their assets available, Member States are open to contributing to it financially.

The consultation also showed that the public opinion is aware of and supports the need to protect space infrastructure.

### **3. LEGAL ELEMENTS OF THE PROPOSAL**

The legal basis for the Commission proposal is Article 189(2) TFUE.

The proposal adopts the form of a Decision of the European Parliament and the Council, acting in accordance with the ordinary legislative procedure. The text has a general scope and its content is to be directly applicable to all Member States, although participation in the establishment and operation of the European SST system is not mandatory.

The proposal defines the objectives of the proposed action, namely, the provision of Space

Surveillance and Tracking services, the scope of the services to be provided, the governance aspects, as well as the budgetary resources. The main text is supplemented by an annex on SST data policy principles that forms an integral part of it.

The proposal complies with the principles of subsidiarity and proportionality. The objective of the proposal, namely support the setting up of European SST services by means of the federation of existing national assets exceeds the financial and technical capacities of a Member State acting alone and can only be achieved in a satisfactory manner at Union level. As far as proportionality is concerned, the Union action does not go beyond what is necessary to achieve the objective of the proposal 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 IMPLICATION**

The SST programme remains within the overall EU budget envelope proposed by the Commission for the next MFF. No funding requests beyond the MFF proposal are made. Article 11(1) of the proposal specifies that funding for the SST support programme shall be drawn from other relevant programmes in full compatibility with their legal base.

The Union will support activities by means of grants (including lump sums). The beneficiaries of such grants will be participating Member States contributing with national assets to the European SST system as well as the EUSC where it cooperates with the participating Member States in the establishment and operation of the SST service function as referred to in Article 3(c) functioning as EU "Front Desk". The indicative Union overall contribution to the implementation of the support programme is EUR 70 million over the period from 2014-2020 at current prices. However, this overall contribution depends on the outcome of the ongoing co-decision process on the MFF and the MFF related programmes from which funding should be drawn for the SST support programme. Furthermore, it will depend on decisions to be made under each of the relevant programmes concerning the use of funding for the activities to be co-financed by the SST support programme.

The estimated costs of the programmes are the result of extensive analyses and discussions with experts, in particular from the space agencies or similar bodies from Member States and from ESA.

Proposal for a

**DECISION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL**

**Establishing a space surveillance and tracking support programme**

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 189(2) 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 Committee<sup>5</sup>,

Having regard to the opinion of the Committee of the Regions<sup>6</sup>,

Acting in accordance with the ordinary legislative procedure,

Whereas:

- (1) In its Communication entitled "Towards a space strategy for the European Union that benefits its citizens"<sup>7</sup> the Commission underlined that the shared competence in the field of space conferred upon the Union by the Treaty on the Functioning of the European Union (TFEU) goes hand in hand with a reinforced partnership with the Member States. The Commission also emphasised that all new actions must be based on existing resources and on identifying jointly where new resources are needed.
- (2) In its Resolution of 26 September 2008, 'Taking forward the European space policy'<sup>8</sup>, the Council recalls that space assets have become indispensable for our economy and that their security must be ensured. It underlined the 'need for Europe [...] to develop a capability for the monitoring and surveillance of its space infrastructure and space debris, initially based on existing national and European assets, taking benefit of relationships which may be established with other partner nations and their capabilities'.
- (3) In its Resolution 'Global challenges: taking full benefit of European space systems'<sup>9</sup> of 25 November 2010, the Council recognises the need for a future space situational

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<sup>5</sup> OJ C , , p. .

<sup>6</sup> OJ C , , p. .

<sup>7</sup> COM (2011) 152 of 4 April 2011.

<sup>8</sup> CS 13569/08, 29.09.2008.

<sup>9</sup> CS 16864/10, 26.11.2010.

awareness (hereinafter referred to as 'SSA') capability as an activity at European level to develop and exploit existing national and European civil and military assets, and invites the European Commission and the Council to propose a governance scheme and data policy that will allow Member States to contribute with their relevant national capabilities in accordance with applicable security requirements and regulations. It further invites 'all European institutional actors to explore appropriate measures' which would build on defined civil and military user requirements, make use of relevant assets in accordance with applicable security requirements, and take into account the early developments from the SSA preparatory programme of the European Space Agency (ESA).

- (4) The Council conclusions of 31 May 2011 on the Communication of the Commission 'Towards a space strategy for the European Union that benefits its citizens'<sup>10</sup> and the Council resolution of 6 December 2011 'Orientations concerning added value and benefits of space for the security of European citizens'<sup>11</sup> reiterated the 'need for an effective SSA capability at European level', and called on the Union to make 'the widest possible use of assets, competences and skills that are already existing or being developed in Member States, at European level and as appropriate, international level'. Recognising the dual use nature of such a system and taking account its particular security dimension, the Council called on the Commission 'in close cooperation with the High Representative [of the Union for Foreign Affairs and Security Policy], in close cooperation with ESA and Member States, which own such assets and have capacities, and in consultation with all actors involved, to come forward with proposals to fully exploit and build on these assets and capacities in order to develop a SSA capability as an activity at European level, and in that context, to define an appropriate governance and data policy taking care of the high sensitivity of SSA data'.
- (5) Space debris has become the most serious threat to the sustainability of space activities. A space surveillance and tracking (hereinafter referred to as 'SST') support programme should therefore be established with the aim to support the setting up and operation of services consisting of monitoring and surveying space objects with a view to preventing damage to spacecraft resulting from collisions, as well as to prevent damage to ground infrastructure or human population as a result of uncontrolled re-entries of entire spacecraft or space debris thereof into the Earth's atmosphere.
- (6) The provision of SST services will benefit all public and private operators of space-based infrastructures, including the Union in view of its responsibilities for its EU space programmes – European Geostationary Navigation Overlay Service (EGNOS) and Galileo being implemented by 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)<sup>12</sup> and Copernicus/GMES established by Regulation (EU) No 911/2010 Of the European Parliament and of the Council of 22 September 2010 on the European Earth

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<sup>10</sup> CS 10901/11, 31.05.2011.

<sup>11</sup> OJ C 377, 23.12.2011, p. 1.

<sup>12</sup> OJ L 196, 27.4.2008, p.1.



monitoring programme (GMES) and its initial operations (2011 to 2013)<sup>13</sup>. Re-entry warnings will also benefit national public authorities concerned with civil protection.

- (7) The SST services should be complementary to research activities related to the protection of space-based infrastructure carried out under the Horizon 2020 programme established by [*reference to Horizon 2020 Regulation to be added once adopted*], as well as to the European Space Agency's activities in this domain.
- (8) The SST support programme should also be complementary to existing mitigation measures such as the United Nations (UN) guidelines for space debris mitigation or other initiatives, such as the Union proposal for an international Code of Conduct on outer space activities.
- (9) Civil-military SSA user requirements were defined in the Commission staff working paper 'European space situational awareness high-level civil-military user requirements'<sup>14</sup> endorsed by the Member States in the Political and Security Committee of the Council on 18 November 2011<sup>15</sup>. The provision of SST services should serve only civilian purposes. Purely military requirements should not be addressed by this Decision.
- (10) The operation of SST services should be based on a partnership between the Union and the Member States and use existing as well as future national expertise and assets, such as mathematical analysis and modelling know-how, ground-based radars or telescopes made available by participating Member States. The Member States retain ownership and control over their assets and remain responsible for their operations, maintenance and renewal.
- (11) The European Union Satellite Centre (EUSC), an agency of the Union established by Council Joint Action of 20 July 2001 on the establishment of a European Union Satellite Centre (2001/555/CFSP)<sup>16</sup> which provides geospatial imagery information services and products with various levels of classification to civil and military users, could be responsible for the operation and provision of SST services. Its expertise in handling confidential information in a secure environment and its tight institutional links with the Member States is an asset facilitating the provision of SST services. A pre-condition for the EUSC participation in the SST support programme is the amendment of the Council Joint Action which does currently not provide for EUSC action in the field of SST.
- (12) Precise information on the nature, specifications and location of certain space objects may affect the security of the European Union or its Member States. Adequate security considerations should therefore be taken into account in the establishment and operation of the network of SST sensors, the capacity to process and analyse SST data and the provision of SST services. It is therefore necessary to lay down general provisions on the use and secure exchange of SST data and information between the Member States, the EUSC and the recipients of SST services in this Decision. Furthermore, the European Commission and the European External Action Service

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<sup>13</sup> OJ L 276, 20.10.2010, p. 1.

<sup>14</sup> SEC(2011) 1247 final, 12.10.2011.

<sup>15</sup> Council document 15715/11, 24.10.2011.

<sup>16</sup> OJ L 200, 25.7.2001, p.5.

should define the coordination mechanisms needed to address matters related to the security of the SST support programme.

- (13) Participating Member States and the EUSC should be responsible for the negotiation and implementation of the provisions on the use and secure exchange of SST data and information. The provisions on the use and exchange of SST data and information set out in this Decision and in the agreement between the participating Member States and the EUSC should take into account the recommendations on SST data security endorsed by the Security Committee of the Council.<sup>17</sup>
- (14) The Security Committee of the Council recommended the creation of a risk management structure to ensure that data security issues are duly taken into account in the implementation of the SST support programme. For that purpose, the appropriate risk management structures and procedures should be established by the participating Member States and the EUSC.
- (15) The SST support programme should be financed by the Union in accordance with Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union<sup>18</sup>. Union funding for the SST support programme should be drawn from relevant programmes provided for in the multiannual financial framework for 2014-2020.
- (16) The financial interests of the Union should be protected through proportionate measures throughout the expenditure cycle, including the prevention, detection and investigation of irregularities, the recovery of funds lost, wrongly paid or incorrectly used and, where appropriate, penalties.
- (17) In order to ensure uniform conditions for the implementation of this Decision as regards the adoption of a multiannual work programme and the compliance by Member States with the criteria for their participation in the SST support programme, implementing powers should be conferred on the Commission. Those 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 the Member States of the Commission's exercise of implementing powers<sup>19</sup>.
- (18) Since the objectives of this Decision, namely to support actions aimed at the establishment and operation of the network of sensors, the establishment of the capacity to process and analyse SST data, and the establishment and operation of SST services, cannot be sufficiently achieved by the Member States because they exceed the financial and technical capacities of Member States acting alone, and therefore, by reason of the scale of the Decision, be better achieved at the level of the Union, the Union may adopt measures, in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty of the European Union.

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<sup>17</sup> Council document 14698/12, 09.10.2012

<sup>18</sup> OJ L 298, 26.10.2012, p. 1.

<sup>19</sup> OJ L 55, 28.2.2011, p. 13.

HAVE ADOPTED THIS DECISION:

### *Article 1*

#### *Establishment of the programme*

A space surveillance and tracking (hereinafter referred to as 'SST') support programme is established for the period from 1 January 2014 to 31 December 2020.

### *Article 2*

#### *Definitions*

For the purposes of this Decision, the following definitions apply:

- (1) 'Space object' means any man-made or natural object in outer space.
- (2) 'Spacecraft' means any man-made space object serving a specific purpose, including artificial satellites;
- (3) 'Space debris' means spacecraft or parts thereof that no longer serve any specific purpose including parts of rockets or artificial satellites, or inactive artificial satellites;
- (4) 'SST sensor' means a device or a combination of devices, such as ground- or space-based radars and telescopes, that is able to measure physical parameters related to space objects, such as size, location and speed;
- (5) 'SST data' means physical parameters of space objects acquired by SST sensors.
- (6) 'SST information' is processed SST data which is readily meaningful to the recipient.

### *Article 3*

#### *Objectives of the SST support programme*

The objectives of the SST Support Programme shall be to support actions aimed at establishing a SST capability and, in particular:

- (a) the establishment and operation of a sensor function consisting of a network of ground-based or space-based existing national sensors to survey and track space objects;
- (b) the establishment and operation of a processing function to process and analyse the SST data captured by the sensors, including the capacity to detect and identify space objects and to build and maintain a catalogue thereof;
- (c) the setting up and operation of a service function to provide SST services to spacecraft operators and public authorities.

## ***Article 4***

### ***SST services***

1. The services referred to in point (c) of Article 3 shall comprise of the following:
  - (a) the risk assessment of a collision between spacecraft or between spacecraft and space debris and the generation of collision avoidance alerts during the launch and in-orbit operation of spacecrafts;
  - (b) the detection and risk assessment of on-orbit explosions or break-ups or collisions;
  - (c) the risk assessment of and alerts related to the re-entry of space objects and space debris into the Earth's atmosphere and the prediction of the time and location of impact.
2. SST services shall be provided to Member States, the Council, the Commission, the EEAS, public and private spacecraft operators, and public authorities concerned with civil protection. The SST services shall be provided in compliance with the provisions on the use and exchange of SST data and information set out in Article 9.
3. Participating Member States, the EUSC, and the Commission shall not be held liable for any damage resulting from the lack or interruption of the provision of SST services, a delay in the provision thereof or the inaccuracy of the information provided through the SST services.

## ***Article 5***

### ***Actions to be supported by the programme***

1. The SST support programme shall provide support for the actions aimed at achieving the objectives set out in Article 3, provided for in the work programme referred to in Article 6(2) and under the specific conditions referred to in Article 7.
2. The SST Support Programme shall not provide support for the development of new SST sensors.
3. The Union shall co-finance the actions referred to in paragraph 1, including by means of grants in accordance with Regulation (EU) No XXX/2012.

## ***Article 6***

### ***Role of the European Commission***

1. The Commission shall:
  - (a) manage the funds to be drawn to the SST support programme and ensure the implementation of the SST support programme;

- (b) take the measures necessary to identify, control, mitigate and monitor risks associated with the programme;
  - (c) establish, in cooperation with the European External Action Service, the necessary coordination mechanisms to ensure the security of the programme.
2. The Commission shall adopt implementing acts establishing a multiannual work programme for the SST support programme complementing, as appropriate, the work programmes foreseen under the programmes referred to article 11(1). The work programme shall specify the objectives pursued, the expected results, the actions to be financed, the timetable for the implementation of these actions, the method of implementation, the maximum rate of Union co-financing, and the specific conditions applicable to Union grants under the SST support programme. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 14(2).

### *Article 7*

#### *Participation of Member States*

1. Member States wishing to participate in the implementation of the objectives set out in Article 3 shall submit an application to the Commission demonstrating compliance with the following criteria:
- (a) ownership of SST sensors and adequate technical and human resources to operate them or data processing capacities;
  - (b) establishment of an action plan for the implementation of the objectives set out in Article 3.
2. The Commission shall adopt implementing decisions regarding compliance of the Member States with the criteria set out in paragraph 1. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 14(2).
3. The Member States which comply with the criteria set out in paragraph 1 shall conclude the agreement referred to in Article 10.
4. The Member States which comply with the criteria set out in paragraph 1 and which are parties to the agreement referred to in Article 10 shall be eligible for financial contribution from the SST support programme. The Commission shall publish and update on its website the list of Member States.

### *Article 8*

#### *Participation of the European Union Satellite Centre*

The European Union Satellite Centre (EUSC) shall participate in the implementation of the objective set out in point (c) of Article 3 and shall be eligible for financial contribution from the SST support programme subject to the conclusion of the agreement referred to in Article 10.

## ***Article 9***

### ***Use and exchange of SST data and information***

The use and exchange of SST data and information for the purposes of the implementation of the objectives referred to in Article 3 shall be subject to the following rules:

- (d) Unauthorised disclosure of data and information shall be prevented while allowing efficient operations and maximising the use of the generated information;
- (e) SST data security shall be ensured;
- (f) Information generated in the framework of the SST support programme shall be made available on a need-to-know basis, in accordance with the instructions and security rules of the originator of the information and of the owner of the space object concerned.

## ***Article 10***

### ***Coordination of operational activities***

The Member States which comply with the criteria set out in Article 7(1) and the EUSC shall conclude an agreement laying down the rules and mechanisms for their cooperation in the implementation of the objectives set out in Article 3. In particular, that agreement shall include provisions on the following:

- (a) the use and exchange of SST data and information taking into account the recommendations 'Space Situational Awareness data policy – recommendations on security aspects' endorsed by the Security Committee of the Council<sup>20</sup>;
- (b) the establishment of a risk management structure to ensure the implementation of the provisions on the use and secure exchange of SST data and information.

## ***Article 11***

### ***Financing of the SST support programme***

1. Union funding for the SST support programme shall be drawn from other programmes provided for in the multiannual financial framework for 2014-2020 in full compatibility with their legal base.

The relevant programmes from which funding could be drawn include the programmes established by the following acts:

- (a) Regulation (EU) No [...] of the European Parliament and the Council on the implementation and exploitation of European satellite navigation systems<sup>21</sup>, Articles 1, 3 (c) and (d) and 4;

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<sup>20</sup> CS 14698/12, 09.10.2012

- (b) Council Decision No [...] establishing the Specific Programme implementing Horizon 2020<sup>22</sup>, Article 2(2)(b) and (c), annex part II, point 1.6.2 (d) and annex part III, point 6.3.4;
  - (c) Regulation (EU) No [...] of the European Parliament and the Council establishing, as part of the Internal Security Fund, the instrument for financial support for police cooperation, preventing and combating crime, and crisis management<sup>23</sup>, Article 3(2)(b) and (3)(e).
2. The annual appropriations shall be authorised by the budgetary authority within the limits foreseen for this activity under the programmes from which funding has been drawn.

## *Article 12*

### *Protection of the financial interests of the Union*

1. The Commission shall take appropriate measures to ensure that, when actions financed under this Decision are implemented, the financial interests of the Union are protected 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 the amounts wrongly paid and, where appropriate, by effective, proportionate and deterrent penalties.
2. The Commission or its representatives and the Court of Auditors shall have the power of audit, on the basis of documents and on-the-spot checks, over all beneficiaries, contractors and subcontractors who have received Union funds under the Programme.

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 2185/96<sup>24</sup> 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 grant decision or a contract concerning Union funding.

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

3. The beneficiary of financial support for the actions referred to in Article 3 shall keep available to the Commission, for a period of five years following the last payment in

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<sup>21</sup> COM(2011) 814 final, 31.11.2011. Reference to be updated after adoption.

<sup>22</sup> COM(2011) 811 final, 30.11.2011. Reference to be updated after adoption.

<sup>23</sup> COM(2011) 753 final, 15.11.2011. Reference to be updated after adoption.

<sup>24</sup> OJ L 292, 15.11.1996, p. 2.

respect of any action, all supporting documents regarding the expenditure on that action.

### ***Article 13***

#### ***Monitoring and evaluation***

1. The Commission shall monitor the implementation of the SST Support Programme.
2. By 1 July 2018, the Commission shall submit an evaluation report on the implementation of the SST Support Programme to the European Parliament and the Council. That report shall include recommendations on the renewal, modification or suspension of the actions supported by the SST Support Programme taking into account the following:
  - (a) achievement of the objectives of the SST Support Programme, from the point of view of both results and impacts of the actions supported by the SST Support Programme;
  - (b) effectiveness of the use of resources.

### ***Article 14***

#### ***Committee Procedure***

1. The Commission shall be assisted by a committee. That committee shall be a committee within the meaning of Regulation (EU) No 182/2011.
2. Where a reference is made to this paragraph, Article 5 of Regulation (EU) No 182/2011 shall apply.

### ***Article 15***

#### ***Entry into force***

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

Done at Brussels,

*For the European Parliament*  
*The President*

*For the Council*  
*The President*



## **LEGISLATIVE FINANCIAL STATEMENT FOR PROPOSALS**

### **1. FRAMEWORK OF THE PROPOSAL/INITIATIVE**

- 1.1. Title of the proposal/initiative
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## LEGISLATIVE FINANCIAL STATEMENT FOR PROPOSALS

### 1. FRAMEWORK OF THE PROPOSAL/INITIATIVE

#### 1.1. Title of the proposal/initiative

Decision of the European Parliament and of the Council establishing a space surveillance and tracking (SST) support programme

#### 1.2. Policy area(s) concerned in the ABM/ABB structure<sup>25</sup>

Title XX – Administrative expenditure  
Title 02 – Enterprise and Industry  
Title 18 – Home Affairs

#### 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**<sup>26</sup>
- 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. Objectives

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

The objective of the proposal is to set up the framework for the establishment of the structures needed to safeguard the long-term availability and security of European and national space infrastructures and services essential for the smooth running of Europe's economies and societies and for European citizens' security through the delivery of a 'space surveillance and tracking' (SST) service.

More specifically, the established structure aims at increasing the EU's capacity to

- i) Reduce the risks related to the launch of European spacecrafts;
- ii) Assess and reduce the risks to in-orbit operations of European spacecrafts in terms of collisions, and to enable spacecraft operators to more efficiently plan and carry out mitigation measures (e.g. more accurate collision avoidance manoeuvres; avoidance of unnecessary manoeuvres which are risky in itself and reduce a satellite's lifetime);
- iii) Survey uncontrolled re-entries of spacecraft or their debris into the Earth's atmosphere and provide more accurate and efficient early warnings to national security and civil protection/disaster management administrations with the aim to reduce the potential risks to the security and health of European citizens and mitigate potential damage to critical terrestrial infrastructure.

<sup>25</sup> ABM: Activity-Based Management – ABB: Activity-Based Budgeting.  
<sup>26</sup> As referred to in Article 49(6)(a) or (b) of the Financial Regulation.

Hence, this proposal contributes to ensuring the success of the EU flagship programmes Galileo, EGNOS and Copernicus/GMES which form integral part of the Europe 2020 Strategy and policies for sustainable growth.

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

Specific objective No 1

Establish the regulatory framework for the setting-up and operation of an SST sensor function (network of SST sensors owned by Member States), and of a processing function

Specific objective No 2

Establish the regulatory framework for the setting-up and operation of SST services to public and private spacecraft operators and public authorities users

ABM/ABB activity(ies) concerned

Chapter XX 01 – Administrative expenditure allocated to policy areas

1.4.3. *Expected result(s) and impact*

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

It is expected that, as a consequence of the proposal, effective and timely services will be provided to public and private spacecraft operators as well as to Member States which will enable them to avoid the economic, social and environmental impact resulting from:

- i) damages or destruction of spacecrafts due to collisions between spacecrafts and other space objects, as well as uncontrolled re-entries;
- ii) costs due to unnecessary mitigation or collision avoidance manoeuvres due to uncertainty of risk assessments (each collision avoidance manoeuvres shortens the lifetime of the satellite);
- iii) damages or destructions on Earth due to uncontrolled re-entries of spacecrafts or their debris.

1.4.4. *Indicators of results and impact*

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

The result and impact indicators of the programmes from which funding will be drawn for the SST support programme will apply as appropriate. Where these are not sufficiently specific to monitor the implementation of the proposal the indicators below may be applied:

According to the regulatory framework set by this proposal, a grouping of participating Member States which have relevant capabilities is to take action to implement the support programme's objectives set out in Article 3 (a) and (b), meaning the establishment and operation of the SST sensor function and the SST processing function according to an appropriate governance structure.

Specific objective No 1:

**Result indicators** related to the setting up and operation of the SST sensor and processing function:

- The list of participating Member States is established in accordance with Article 7 of the Decision by end of 2014;
- SST sensor function (based on sensors owned and made available by participating Member States): launch of initial operational phase by end of 2015;
- Processing function based on existing MS capacities (e.g. existing data centres): launch of initial operational phase by end of 2015;
- A catalogue of space objects is established by end of 2015;
- Sensor and processing function: Launch of full operational phase by end of 2016;

Specific objective No 2:

According to the regulatory framework set by this proposal, actual SST services are delivered in an effective and timely manner to a widespread number of European and national public and private/commercial actors in need of SST information. To this end, participating Member States referred to in Article 7, and the European Union Satellite Centre as referred to in Article 8, are to take action to implement the programme's objective set out in Article 3 (c), meaning the setting up and operation of the SST service function.

**Result indicators** related to the setting up and operation of the SST service function:

- The capacities needed to set up and operate the SST service function and the SST services are formally defined and agreed by end of 2014;
- The agreement laying down the rules and mechanisms for the cooperation between Member States and the European Union Satellite Centre is in place by end of 2014;
- Quality standards and mechanisms to collect feedback from operators on the quality of the SST services are established by end of 2014;
- SST services: Start of initial operational phase at the end of 2015 and final operational phase at the end of 2016;

**Impact indicators** for objectives 1 and 2 may include:

- The absence of collisions;
- The absence of disruptions of satellite or launch operations due to difficulties or uncertainties in the risk analysis;
- Impact indicators may include the positive feedback received from operators and public authorities regarding the information provided through the SST services and the collision mitigation actions carried out on the basis of the SST information provided.

## 1.5. Grounds for the proposal/initiative

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

The space sector is a strategic sector for Europe. The EU's economy, society, security and political independence heavily rely on space-based systems and infrastructures. This is the reason why the EU has engaged in costly large-scale space projects such as Galileo, EGNOS and Copernicus. These systems and infrastructures need to be protected against damage or destruction due to collisions or uncontrolled re-entries in order to ensure their actual operation and services delivery. Such protection is a permanent requirement.

### 1.5.2. Added value of EU involvement

From discussions with stakeholders over the past years, it became clear that the setting up of operational European SST services will require the intervention of the EU.

There is a consensus among EU and European Space Agency (ESA) Ministers responsible for space that the development of this service is to be led by the EU and not by ESA. This consensus is reflected in several Space Council Resolutions (Space Council resolution of 26 Nov. 2010, pt. 24; Competitiveness Council conclusions of 31 May 2011, pt. 14-15; Space Council resolution of 6 Dec. 2011, chap. II). In particular, Member States asked the EU to define the governance and data policy for a European SST service, to play an active role in the setting up of the European service, and to make best use of sensors and expertise that already exists at national and European level. Member States were also very explicit as to how security concerns should be taken into account: SST sensors need to remain under national control. Confidentiality of SST information was defined as the key principle for the SST data policy (e.g. all information is to be classified and to be declassified on a case by case basis only).

The reason for such position is not formally recorded but emerged in numerous discussions: European SST service has a security dimension (it allows gathering intelligence on States' civil and military space infrastructure and operations) which the EU, unlike ESA, has competence and is equipped to deal with. The TFEU grants the EU competence to coordinate the exploitation of space activities and the TEU confers the EU competence over security issues such as those that arise in the context of SST. The EU has the necessary legislative capacity to put in place governance mechanisms and a data policy for SST.

ESA, on the other hand, is a world-class R&D agency designed to define and implement scientific, technology and space application development programmes. ESA is neither conceived to do the sort of complex policy and legislative work necessary to set up an SST system where assets are largely in the hands of the military, nor has it been designed to operate space-based services (a fact which ESA itself underlines in its policy documents).

Arguably, Member States could set up a new organisation to deal with SSA. Such organisation would have to have many of the features that the EU already has. Therefore such new organisation would generate duplications and inefficiency. In addition, some Member States have expressed concerns that any solution outside the EU framework may be dominated by those Member States that already possess today some sensor capacity preventing others from developing their own in the framework of a truly European service.

Finally, the EU does not seek to replace initiatives taken by Member States individually or in the framework of ESA. It seeks to complement actions taken at their level and reinforce coordination where such coordination is necessary to achieve common objectives.

The EU involvement is necessary to aggregate the investment required to fund certain space projects, set in place governance arrangements, define a data policy and ensure that existing and future capacities are brought to work in a coordinated and efficient manner ensuring a robust and interoperable system benefiting all relevant European stakeholders.

Furthermore, the proposed EU action does not seek to replace or duplicate existing mitigation measures at international or multi-lateral level, such as the UN guidelines for space debris mitigation or the EU proposal for an international Code of Conduct on outer space activities. These measures will not solve the problem at hand, but will reduce the growth of space debris in the long-term.

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

There is no previous experience in this area. However, wherever information and data is shared, the added value is undeniable.

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

The proposal COM(2011) 814 final for a regulation on the implementation and exploitation of European satellite navigation systems mentions the need to protect the system through an SSA system (recital 15, article 3c) and foresees funding for such activities (article 7.1a), without prejudging the outcome of the legislative procedure and of the next MFF.

The space segment of Copernicus has similar protection needs. Hence, Copernicus might contribute to the funding of SST activities depending on the outcome of the next MFF.

Furthermore, this proposal is coherent and will create synergies with the objectives for space and security research under the proposed 'Horizon 2020' framework (COM(2011) 809 final), as well as with those on critical infrastructure protection under the proposed 'Internal Security Fund' (COM(2011)753 final). Under both instruments funding is available for SST activities, without prejudging the outcome of the legislative procedure and of the next MFF.

### 1.6. **Duration and financial impact**

Proposal/initiative of **limited duration**

–  Proposal/initiative in effect from 01/01/2014 to 31/12/2020

–  Financial impact from 2014 to 2020

Proposal/initiative of **unlimited duration**

– Implementation with a start-up period from YYYY to YYYY,

– followed by full-scale operation.

### 1.7. **Management mode(s) envisaged<sup>27</sup>**

**Centralised direct management** by the Commission

<sup>27</sup> 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](http://www.cc.cec/budg/man/budgmanag/budgmanag_en.html)

- Centralised indirect management** with the delegation of implementation tasks to:
  - executive agencies
  - bodies set up by the Communities<sup>28</sup>
  - national public-sector bodies/bodies with public-service mission
  - 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.*

Comments

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<sup>28</sup> As referred to in Article 185 of the Financial Regulation.

## **2. MANAGEMENT MEASURES**

### **2.1. Monitoring and reporting rules**

*Specify frequency and conditions.*

Union funding for the SST support programme will be drawn from other relevant programmes foreseen in the next MFF in full compatibility with their legal base. The relevant programmes may include Galileo, Horizon 2020 and the EU Internal Security Fund. Monitoring and reporting requirements of these programmes will apply.

Irrespective of the monitoring and reporting requirements of the programmes providing funding for the SST programme, a specific monitoring system will be put in place to ensure the highest quality outputs and most efficient use of resources. Monitoring will run throughout the life of the programme. It will be based on feedback about the programme from the beneficiaries.

An extended impact assessment integrating ex-ante evaluation requirements has been undertaken. Following a comparative assessment of the available policy options, the preferred policy option was identified and the associated impact, risks, assumptions and cost-effectiveness were assessed. This proposal is fully consistent with the conclusions of the assessment.

A mid-term evaluation of the programme will be undertaken in the fifth year of its implementation, hence in due time for the preparation of the following multiannual financial framework. The evaluation will focus on the results achieved and the qualitative aspects of implementation of the programme. An ex-post evaluation will also be carried out.

### **2.2. Management and control system**

#### *2.2.1. Risk(s) identified*

Implementation of the grant agreements signed with the participating Member States and the EUSC: The level of risk is considered low, since the beneficiaries are public administrations.

#### *2.2.2. Control method(s) envisaged*

As funding for the implementation of the SST support programme will be drawn from existing programmes under the next MFF, the control mechanisms foreseen under these programmes will apply. Irrespective of these mechanisms, the grant agreement signed with the beneficiaries of the support programme (public administrations of the participating Member States and the EUSC) defines the conditions applying to the financing of activities resorting under the grant, including a chapter on control methods. All participating administrations engage themselves to respect the Commission's financial and administrative rules on expenses.

For the Commission the provisions of the Financial Regulation apply concerning the ex-ante verification of commitments and payments by the financial unit, as well as the written declarations to be given by the AOSD. Administrative monitoring of the grants and related payments will be the responsibility of the central Commission services. Particular attention



will be paid to the nature of expenditure (eligibility) and to verifying supporting documents and relevant documentation.

### **2.3. Measures to prevent fraud and irregularities**

*Specify existing or envisaged prevention and protection measures.*

As funding for the implementation of the SST support programme will be drawn from existing programmes under the next MFF, the measures to prevent fraud and irregularities foreseen under these programmes will be applied as appropriate. Irrespective of these measures, the agreements resulting from this Decision foresee the follow-up and financial control by the Commission or any empowered representative, as well as audits undertaken by the Court of Auditors or OLAF, if need be 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 (not applicable)

*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
	[XX.YY.YY.YY]		YES/NO	YES/NO	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 [Description.....]	Diff./non-diff. (29)	from EFTA <sup>30</sup> countries	from candidate countries <sup>31</sup>	from third countries	within the meaning of Article 18(1)(aa) of the Financial Regulation
1.1	02.04.01.01 [02.02.02.01] Space research	Diff.	YES	NO	YES	NO
1.1	02.04.01.02 [02.02.03.02] Security research	Diff.	YES	NO	YES	NO
1.1	02.05.01 European satellite navigation programmes (EGNOS and Galileo)	Diff.	YES	NO	YES	NO
1.1	02.01.05.03 Other management expenditure for research	Non-diff.	YES	NO	YES	NO
1.1	02.01.04.05 European satellite navigation programmes (EGNOS and Galileo) – expenditure on administrative management	Non-diff.	YES	NO	YES	NO
3.1	18.05.08 Prevention, preparedness and consequence management of terrorism	Diff.	YES	NO	NO	NO

<sup>29</sup> Diff. = Differentiated appropriations / Non-Diff. = Non-differentiated appropriations

<sup>30</sup> EFTA: European Free Trade Association.

<sup>31</sup> Candidate countries and, where applicable, potential candidate countries from the Western Balkans.

5	XX.01.01.01 Expenditure related to staff in active employment working with the institution	Non-diff.	YES	NO	NO	NO
5	XX.01.02.01 External staff working with the institution	Non-diff	YES	NO	NO	NO
5	XX.01.02.11 Other management expenditure of the institution	Non-diff	YES	NO	NO	NO
5	XX.01.03.01 Expenditure related to equipment, furniture and services of the Commission	Non-diff	YES	NO	NO	NO

\* The budget lines are indicated according to the current multiannual financial framework 2007-2013 and without prejudice to the upcoming multiannual financial framework 2014-2020. Furthermore, nomenclature budget lines are indicated according to the legislative proposals on Horizon 2020, Galileo and the Internal Security Fund and they might change to the equivalent ones subject to the final budget nomenclature.

## 3.2. Estimated impact on expenditure

### 3.2.1. Summary of estimated impact on expenditure

EUR million (to 3 decimal places)

<b>Heading of multiannual financial framework:</b>	1.1	"Smart and Inclusive Growth"
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DG: ENTR *			2014	2015	2016	2017	2018	2019	2020	TOTAL
• Operational appropriations										
02.04.01.01 [02.02.02.01]	Commitments	(1)	0,640	0,960	1,280	1,600	1,760	1,920	1,920	<b>10,080</b>
	Payments	(2)	0,640	0,960	1,280	1,600	1,760	1,920	1,920	<b>10,080</b>
02.04.01.02 [02.02.03.02]	Commitments	(1)	0,480	0,720	0,960	1,200	1,320	1,440	1,440	<b>7,560</b>
	Payments	(2)	0,480	0,720	0,960	1,200	1,320	1,440	1,440	<b>7,560</b>
02.05.01	Commitments	(1)	2,880	4,320	5,760	7,200	7,920	8,640	8,640	<b>45,360</b>
	Payments	(2)	2,880	4,320	5,760	7,200	7,920	8,640	8,640	<b>45,360</b>
Appropriations of an administrative nature financed from the envelope for specific programmes <sup>32**</sup>										
02.01.05.03		(3)	0,072	0,072	0,072	0,072	0,072	0,072	0,072	<b>0,504</b>
02.01.04.05			0,028	0,028	0,028	0,028	0,028	0,028	0,028	<b>0,196</b>
<b>TOTAL appropriations for DG ENTR</b>	Commitments	=1+1a +3	4,100	6,100	8,100	10,100	11,100	12,100	12,100	<b>63,700</b>
	Payments	=2+2a +3	4,100	6,100	8,100	10,100	11,100	12,100	12,100	<b>63,700</b>

<sup>32</sup> 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.

\* The table indicates the funding for the SST support programme to be drawn from the relevant programmes foreseen in the next MFF. These figures are indicative and without prejudice to the final agreement on the distribution of the funds within the Horizon 2020 research areas and activities. No reprogramming is envisaged. The yearly amounts indicated for each budget line result from a repartition of the total yearly amounts required for this proposal. The repartition is based on the relative weight of each programme in respect to the total amount foreseen in the respective Commission proposals (Galileo 72 %, space research 16 %, security research 12 %). However, all amounts are indicative. They might have to be adjusted according to the final outcome of the legislative procedure on the relevant programmes and the discussions on the next MFF. In the same line, funding may also be drawn from the Copernicus programme depending on the final outcome of the MFF discussions.

\*\* Breakdown between budget lines: 72% 02.01.05.03 and 28 % 02.01.04.05.

<b>Heading of multiannual financial framework:</b>	3.1	"Freedom, security and justice"
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DG: HOME *			2014	2015	2016	2017	2018	2019	2020	TOTAL	
• Operational appropriations											
18.05.08	Commitments	(1)	1,000	1,000	1,000	1,000	1,000	1,000	1,000	<b>7,000</b>	
	Payments	(2)	1,000	1,000	1,000	1,000	1,000	1,000	1,000	<b>7,000</b>	
Appropriations of an administrative nature financed from the envelope for specific programmes <sup>33</sup>											
Number of budget line			(3)	0	0	0	0	0	0	<b>0</b>	
<b>TOTAL appropriations for DG HOME</b>			Commitments	=1+1a +3	1,000	1,000	1,000	1,000	1,000	1,000	<b>7,000</b>
			Payments	=2+2a +3	1,000	1,000	1,000	1,000	1,000	1,000	1,000

\* The Commission proposal for a Regulation of the European Parliament and of the Council establishing 'as part of the Internal Security Fund, the instrument for financial support for police cooperation, preventing and combating crime, and crisis management' (COM(2011) 753 final of 15.11.2011) foresees funding for critical infrastructure protection. Hence, funding for the SST support programme could also be drawn from the ISF. No reprogramming is envisaged. Furthermore, the amounts are only indicative. They might have to be adjusted, in close liaison with DG HOME, in view of the final outcome of the legislative procedure on the programme and the discussion on the next MFF.

<sup>33</sup> 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.

• TOTAL operational appropriations	Commitments	(4)	<b>5,000</b>	<b>7,000</b>	<b>9,000</b>	<b>11,000</b>	<b>12,000</b>	<b>13,000</b>	<b>13,000</b>	<b>70,000</b>
	Payments	(5)	<b>5,000</b>	<b>7,000</b>	<b>9,000</b>	<b>11,000</b>	<b>12,000</b>	<b>13,000</b>	<b>13,000</b>	<b>70,000</b>
• TOTAL appropriations of an administrative nature financed from the envelope for specific programmes		(6)	<b>0,100</b>	<b>0,100</b>	<b>0,100</b>	<b>0,100</b>	<b>0,100</b>	<b>0,100</b>	<b>0,100</b>	<b>0,700</b>
<b>TOTAL appropriations under HEADINGS 1 to 4</b> of the multiannual financial framework (Reference amount)	Commitments	=4+ 6	<b>5,100</b>	<b>7,100</b>	<b>9,100</b>	<b>11,100</b>	<b>12,100</b>	<b>13,100</b>	<b>13,100</b>	<b>70,700</b>
	Payments	=5+ 6	<b>5,100</b>	<b>7,100</b>	<b>9,100</b>	<b>11,100</b>	<b>12,100</b>	<b>13,100</b>	<b>13,100</b>	<b>70,700</b>

<b>Heading of multiannual financial framework:</b>	<b>5</b>	" Administrative expenditure "
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EUR million (to 3 decimal places)

		2014	2015	2016	2017	2018	2019	2020	TOTAL
DG: ENTR									
• Human resources		0.096	0.191	0.0191	0.0191	0.0191	0.0191	0.0191	<b>1.242</b>
• Other administrative expenditure		0.059	0.167	0.167	0.167	0.167	0.167	0.167	<b>1.061</b>
<b>TOTAL DG ENTR</b>	Appropriations	<b>0.155</b>	<b>0.358</b>	<b>0.358</b>	<b>0.358</b>	<b>0.358</b>	<b>0.358</b>	<b>0.358</b>	<b>2.303</b>
<b>TOTAL appropriations under HEADING 5</b> of the multiannual financial framework	(Total commitments = Total payments)	<b>0.155</b>	<b>0.358</b>	<b>0.358</b>	<b>0.358</b>	<b>0.358</b>	<b>0.358</b>	<b>0.358</b>	<b>2.303</b>

EUR million (to 3 decimal places)

		2014	2015	2016	2017	2018	2019	2020	TOTAL
<b>TOTAL appropriations under HEADINGS 1 to 5</b> of the multiannual financial framework	Commitments	<b>5.255</b>	<b>7.458</b>	<b>9.458</b>	<b>11.458</b>	<b>12.458</b>	<b>13.458</b>	<b>13.458</b>	<b>73.003</b>
	Payments	<b>5.255</b>	<b>7.458</b>	<b>9.458</b>	<b>11.458</b>	<b>12.458</b>	<b>13.458</b>	<b>13.458</b>	<b>73.003</b>

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	Average cost of the output	Number of outputs	Cost	Number of outputs	Cost	Number of outputs	Cost	Number of outputs	Cost	Number of outputs	Cost	Number of outputs	Cost	Number of outputs	Cost	Total number of outputs	Total cost
SPECIFIC OBJECTIVE No 1 Set up and operate network of sensors and a processing function																		
- sensor function	Product			4,000		5,500		7,000		9,000		9,500		10,000		10,000		55,000
- process data	Service																	
Sub-total for specific objective N°1																		
SPECIFIC OBJECTIVE No 2 Set up and operate SST services																		
- Deliver services	Service			1,000		1,500		2,000		2,000		2,500		3,000		3,000		15,000
Sub-total for specific objective N°2																		
<b>TOTAL COST</b>				<b>5,000</b>		<b>7,000</b>		<b>9,000</b>		<b>11,000</b>		<b>12,000</b>		<b>13,000</b>		<b>13,000</b>		<b>70,000</b>



### 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
--	------	------	------	------	------	------	------	-------

<b>HEADING 5 of the multiannual financial framework</b>								
Human resources	0.096	0.191	0.191	0.191	0.191	0.191	0.191	<b>1.242</b>
Other administrative expenditure	0.059	0.167	0.167	0.167	0.167	0.167	0.167	<b>1.061</b>
<b>Subtotal HEADING 5 of the multiannual financial framework</b>	<b>0.155</b>	<b>0.358</b>	<b>0.358</b>	<b>0.358</b>	<b>0.358</b>	<b>0.358</b>	<b>0.358</b>	<b>2.303</b>

<b>Outside HEADING 5<sup>34</sup> of the multiannual financial framework</b>								
Human resources								
Other expenditure of an administrative nature								
<b>Subtotal outside HEADING 5 of the multiannual financial framework</b>								

<b>TOTAL</b>	<b>0.155</b>	<b>0.358</b>	<b>0.358</b>	<b>0.358</b>	<b>0.358</b>	<b>0.358</b>	<b>0.358</b>	<b>2.303</b>
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<sup>34</sup> 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
<b>• Establishment plan posts (officials and temporary agents)</b>							
XX 01 01 01 (Headquarters and Commission's Representation Offices)	1	1	1	1	1	1	1
XX 01 01 02 (Delegations)							
XX 01 05 01 (Indirect research)							
10 01 05 01 (Direct research)							
<b>• External personnel (in Full Time Equivalent unit: FTE)<sup>35</sup></b>							
XX 01 02 01 (CA, INT, SNE from the "global envelope")	1	1	1	1	1	1	1
XX 01 02 02 (CA, INT, JED, LA and SNE in the delegations)							
<b>XX 01 04 yy</b> <sup>36</sup>	- at Headquarters <sup>37</sup>						
	- in delegations						
<b>XX 01 05 02</b> (CA, INT, SNE - Indirect research)							
10 01 05 02 (CA, INT, SNE - Direct research)							
Other budget lines (specify)							
<b>TOTAL</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>

**XX** is the policy area or budget title concerned.

The human resources required will be met by staff from the DG who are already assigned to management of the action 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.

Description of tasks to be carried out:

Officials and temporary agents	One AD official to manage the functions of the Commission in the programme such as providing the secretariat of the two committees (including preparing the documents to be adopted), preparing the annual work programme and budget, running the annual subsidy procedure, take care of international relations.
External personnel	One contract agent to provide the necessary support to the AD official.

<sup>35</sup> CA= Contract Agent; INT= agency staff ("*Intérimaire*"); JED= "*Jeune Expert en Délégation*" (Young Experts in Delegations); LA= Local Agent; SNE= Secoded National Expert;

<sup>36</sup> Under the ceiling for external personnel from operational appropriations (former "BA" lines).

<sup>37</sup> Essentially for Structural Funds, European Agricultural Fund for Rural Development (EAFRD) and European Fisheries Fund (EFF).

3.2.4. *Compatibility with the current multiannual financial framework*

- Proposal/initiative is compatible the current multiannual financial framework.
- 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 framework<sup>38</sup>.

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:

The SST support programme foresees co-financing by Member States including in-kind contributions. The exact amounts depend on the participating Member States and will have to be defined at a later stage.

Appropriations in EUR million (to 3 decimal places)

	Year N	Year N+1	Year N+2	Year N+3	... enter as many years as necessary to show the duration of the impact (see point 1.6)			Total
Specify the co-financing body								
TOTAL appropriations cofinanced								

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<sup>38</sup> See points 19 and 24 of the Interinstitutional Agreement.

### 3.3. Estimated impact on revenue

- Proposal/initiative has no financial impact on revenue.
- 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 <sup>39</sup>						
		Year N	Year N+1	Year N+2	Year N+3	... insert as many columns as necessary in order to reflect the duration of the impact (see point 1.6)		
Article .....								

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

Specify the method for calculating the impact on revenue.

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<sup>39</sup> 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.