

**RESOLUTION ON THE REINFORCEMENT OF THE
SYNERGY BETWEEN THE EUROPEAN SPACE AGENCY AND THE
EUROPEAN COMMUNITY**

(Adopted on 23 June 1998)

The Council of ESA,

HAVING REGARD to the evolution of space research and technology and their applications,

STRESSING that space technologies are opening new markets, increasing the economic value of space activities, while their political, cultural and social implications remain a dominant factor; and RECOGNISING that such space technologies are underpinning public policies towards the environment, the information society and transport and contributing to the creation of new job opportunities and to a better quality of life,

CONSIDERING the increasing international competition and the necessity to place European industry on an equal footing compared to international competitors,

STRESSING the achievements already made in the fields of science, launchers, satellite applications and human spaceflight; and RECOGNISING the progress already made in the cooperation between a number of different actors in the European space sector, in particular the European Space Agency (ESA), the European Community, the national space authorities, industry, the research

community and operators, and the benefits attached to it for European users and European industry,

RECOGNISING that such cooperation should be based on the complementarity of the interests of ESA (which is in particular responsible for elaborating and implementing a long term European space policy, activities and programmes in the space field and the industrial policy appropriate to its programme) and those of the European Community (which has competences in legal, economic and social fields which affect the regulation of space-related markets) with respect to Community policies in environment, transport and the information society whose implementation will benefit from the use of space systems,

BELIEVING that this co-operation will be a factor of encouragement to European industry to invest in space endeavours with a commercial potential,

NOTING the Communication on Space of the European Commission (COM(96)0617-C4-0042/97) and the associated European Parliament's Resolution dated 13 January 1998, the Commission's initiative to elaborate concrete action plans in certain space sectors, and the related Conclusions of the Council of the European Union of 22 September 1997, 27 June 1997 and 17 March 1998,

RECALLING the Resolution by the ESA Council at ministerial level on 20 October 1995 (ESA/C-MICXXII/Res.2 (Final)),

HAVING REGARD to the Common Position on the Fifth Framework Programme which provides for the co-ordination of space technology-related applications within the specific programmes,

RECALLING the fruitful cooperation developed over the years between ESA and the Community,

CONVINCED OF the need to provide Europe with a common vision and framework of reference on the basis of which the different actors involved in the space sector referred to above will be able to coordinate their actions,

NOTING that at the occasion of the celebration of the twenty fifth anniversary of the 1973 European Space Conference held on 23 June 1998, Ministers of ESA Member States responsible for space activities have stressed the importance of reinforcing the synergy between ESA and the European Community,

1. AGREES on the need to further strengthen the synergy and increase the complementarity between the European Community and ESA, in respect of their respective competences, so as to enhance the efficiency of government investments in space systems and technologies for the benefit of the users, industry and related European policies.
2. STRESSES that the above objective will be pursued actively, in particular in the fields of applications benefiting from space technologies and systems where the Commission has produced, or intends to produce, an action plan, i.e. telecommunications, navigation and Earth observation.
3. AGREES to take into account in these areas to the maximum extent possible the interests of the States which are Members of the European Community but not Members of ESA and to invite the European Community to take reciprocal account of the interests of the States which are Members of ESA but not Members of the European Community and to make every effort to ensure that such States are not disadvantaged as compared to States which are Members of both organisations.

4. CALLS ON the Director General to involve the Commission in the space applications referred to above, in the definition and implementation of the ESA programmes and activities and in the dialogue with the other actors in the space sector, so as to maximise the benefits of ESA and Community activities in support of the objectives of all Member States in the space fields.
- 5 ENCOURAGES the Director General to start implementing practical measures to promote synergy between the activities of the ESA and the European Community while avoiding unnecessary duplication, focusing on the specific fields of applications referred to above and CALLS ON the Director General to take appropriate initiatives with a view to obtaining necessary decisions from the Council.

RESOLUTION
ON MODIFICATIONS TO THE FINANCIAL REGULATIONS
REQUIRED FOR THE PURPOSES OF SETTING UP
AN ACCOMPANIMENT FUND

(adopted on 24 June 1998)

Council,

NOTING the propensity of the financial system currently operative at the Agency to induce a certain structural underspending of budgets,

WISHING to take the corrective action necessary to limit that phenomenon as far as possible,

HAVING REGARD to the Director General's proposal to set up an accompaniment fund (ESA/C(98)65, rev. 1),

APPRECIATING the efforts being made by the Director General to improve the Agency's financial management for the benefit of its Member States,

HAVING REGARD to the potential for improved planning of contributions that would be created by an accompaniment fund serving to introduce centralised management of budget risks, respecting the independence of each of the optional programmes,

HAVING REGARD to the recommendation made by the Administrative and Finance Committee at its meeting of 28 and 29 May 1998,

HAVING REGARD to Article XI.5.f of the Convention and Annex II thereto,

1. DECIDES to set up an accompaniment fund in accordance with the Director General's above-mentioned proposal, fully respecting the rules governing the optional programmes and in particular their legal and budgetary autonomy, thus warranting the neutrality of the fund as far as the cost at completion of each optional programme are concerned.
2. APPROVES the corresponding modifications to the Financial Regulations as set out in the Annex to this Resolution.
3. DECIDES that the payment appropriations representing amounts made available by centralised risk management under General Heading 9 in the 1999 and 2000 budgets for optional programmes may not be unblocked before the end of the financial year 2000, those blocked under General Heading 9 in the 1999 budgets being carried forward automatically to the 2000 budgets.
4. LIMITS to two years the possibility of a temporary advance which is offered by the present system and DECIDES that at the end of a two-year period a complete review of the procedures will be organized.
5. DECIDES that the accompaniment fund shall become operative on 1 January 1999.
6. REQUESTS the Director general to prepare for the next meeting of Council at ministerial level a proposal aiming at better matching the budget requests of ESA to the needs of the programmes.

Article 37

Accompaniment Fund

37/1 An accompaniment fund, implementing a central management of budget risks for optional programmes, and being neutral regarding their costs at completion, shall be established for each financial year as follows:

37/1.1 The accompaniment fund shall comprise a proportion of the payment appropriations by which optional programme budgets have been reduced to take account of the uncertainty of take-up within the financial year; this proportion shall be calculated by applying a percentage corresponding to the probable level of take-up.

37/1.2 The income of this accompaniment fund shall consist of amounts levied from the budgets of the contributing programmes and the accounts recording it shall be monitored by Participating State and by programme.

37/2 The accompaniment fund shall be approved by Council after recommendation by the AFC.

37/3 The appropriations in the fund shall be blocked. Contributions shall be called up in accordance with Article 25/1 and funds shall be managed in a separate treasury.

37/4 If additional appropriations and the related treasury are necessary for continuation of a programme during the financial year the AFC may, on a proposal from the Director General, decide the unblocking of appropriations from the accompaniment fund and recommend its transfer to the programme budget and the related funds from the separate treasury to the general treasury. On this basis, Council or the relevant Programme Board shall approve this transfer.

The additional appropriations transferred to the programme budget concerned shall not exceed the amount by which that budget was initially reduced.

37/5 Interest received shall be credited to the accompaniment fund per participating State per programme.

37/6 Appropriations not used by the end of the financial year shall be cancelled. As far as the balance is concerned, each State will decide on an individual basis on the use of its share.

37/7 The Executive shall monitor the accompaniment fund in order to guarantee the proper execution and the neutrality of the system and provide the AFC with an end-of-year status report showing the situation of each individual State per programme, i. e. contributions paid into the fund less contributions for additional payment appropriations transferred from the accompaniment fund to budgets calculated according to the relevant scales. This report shall be approved by the AFC in the framework of the carry-forward exercise. After a two-year period of activity, the AFC will review in depth the results of the system and will give to Council, for decision, its conclusions and recommendations in view of the continuation of the system.

37/8 At the end of an optional programme, the sum of the inputs made to the accompaniment fund will be equal to the sum of its outputs.

**RESOLUTION ON IMMEDIATE MEASURES AND PREPARATORY
STEPS TOWARDS THE COUNCIL MEETING AT MINISTERIAL
LEVEL RELATED TO THE AGENCY'S NEW PROGRAMMES AND ITS
EVOLUTION**

(adopted on 24 June 1998)

The Council,

CONVINCED that in order to maintain the momentum necessary for the success of the next Council meeting at ministerial level, steps should be taken immediately in adapting ESA to the future challenges and in initiating market and user driven programmes,

DETERMINED to provide the Director General with full support in his efforts to increase the efficiency of the Agency,

HAVING REGARD to the Resolution on the reinforcement of the synergy between the European Space Agency and the European Community (ESA/C/CXXXVI/Res. 1(Final)) adopted on 23 June 1998,

Chapter I

Towards the establishment of an overall European Space Policy

1. SUPPORTS the Director General in his action of consulting the European Community, the national space authorities of Member States, users, operators and industry with a view to propose to the Council at Ministerial Level, a coordinated European space policy and corresponding strategy, based on the ESA Convention, for ensuring attractive opportunities for all Member States, for responding to user needs and for building up a well harmonised technology programme.

2. SUPPORTS the Director General in his willingness to increase the public awareness of space benefits and attract the young generation towards space activities.

Chapter II

Evolution of the European Space Agency

1. SUPPORTS the Director General in his action to adapt the Agency's internal methods, procedures and structure to the new challenges; INVITES the Director General to further analyse and propose, if and where necessary, means for improving the budgetary procedures and the efficiency of decision making processes, as well as consequential changes to the internal structure of the Agency.

2. INSTRUCTS the Director General to further improve the internal efficiency of the Agency by achieving additional savings of an aggregate amount of currently 56 MECU (mid-1998 e.c.), for the period 1999-2001, in General Budget (basic activities) and optional programmes through a decrease in internal costs without affecting essential activities,

3. INVITES the Director General to further develop and propose by the October Council a small number of high-level performance indicators and targets for each indicator in order to make efficiency improvements transparent to Council.
4. INSISTS that measures are proposed by the Director General by the end of 1998 with a view of keeping the cost at completion of the new optional programmes within the 100% of the envelope referred to in the respective Declarations, conscious of the fact that modifications proposed in the technical content of the programme, as well as delays, and/or modifications incurred by an international partner in his portion of a cooperative programme may call for measures to adapt the technical content of the programme or the financial envelope and financial contributions.

Chapter III

Efficient use of public resources in Europe

UNDERLINES the importance of an efficient use of public resources for space activities in Europe; WELCOMES the steps already taken by the Director General in this respect; INVITES him in due consultation with all parties involved to make proposals to the Council for:

- a better use of existing public facilities and resources in Europe, in line with the policies defined in Article VI of the Convention, by elaborating guidelines for the use of ESA facilities and resources for national programmes and of national facilities and resources for ESA programmes;
- enhancing the overall competencies in Europe by defining the conditions for increasing the mobility of staff of national Centres, ESA and other entities.

Chapter IV
Programmes of ESA

1. Launchers

WELCOMES the subscription and the entry into force on this day of the:

- Additional Declaration on the first step of the Ariane 5 Plus programme (ESA/PB-ARIANE/CLXXI/Dec.1(Final)), with a firm financial sub-envelope of 135 MECU at 1997 economic conditions; the following table of contributions records the subscriptions received today:

Participating State	Ariane-5 Plus Programme Step 1 %
Belgium	5.0
France	45.0
Germany	24.5 **
Italy	[3.0] *
Netherlands	4.0
Spain	[3.0] *
Sweden	3.0
TOTAL	81.5

* Subject to confirmation following internal procedures, within a period of one month
** This amount reflects a fixed contribution of 33.1 MECUs at 1997 economic conditions

- Declaration on the first step of a Small Launcher Development programme (ESA/PB-ARIANE/CLXXI/Dec.2 (Final)), with a firm financial sub-envelope of 60 MECU at 1997 economic conditions. The following table of contributions records the subscriptions received today:

Participating State	Small Launcher Development programme Step 1 %
Belgium	5.0
France	8.3
Italy	55.0
Netherlands	[2.0] [*]
Spain	[2.0] [*]
TOTAL	68.3

^{*} Subject to confirmation following internal procedures, within a period of one month

2. Earth Observation

WELCOMES the subscription and the entry into force on this day of the programme extension within the EOPP Declaration (ESA/PB-RS/XXXVI/Dec.1, Rev. 11 (final)) covering 1999 and 2000 with a financial envelope of 30 MECU at 1997 economic conditions as a transitional measure for the definition and proper start-up of the Earth Observation Envelope Programme. The following table of contributions records the subscriptions received today:

Participating State	Extension 1999-2000 %
Denmark	1.0
Finland	1.1
France	12.5
Germany	20.0
Italy	12.7
Netherlands	3.8
Norway	1.0
Sweden	2.7
Switzerland	4.0
United Kingdom	[20.0] *
Canada	[1.7] *
TOTAL	58.8

* Subject to confirmation following internal procedures, within a period of one month

3. Navigation

WELCOMES the approval by States participating in the ARTES 9 programme of the revised Appendices A9 and B9 contained in document ESA/JCB(98)26, rev.1, as well as the subscription and entry into force on this day of an additional financial sub-envelope to fund activities of Step 1 of GNSS-2 in order to reinforce the preparatory activities leading to the choice of the best option for a European contribution to GNSS in accordance with the calendar defined in the relevant European Union policy. The following table of contributions records the subscriptions received today:

Participating State	GNSS-2 Step 1 MECU
Austria	0.2
France	6.0
Germany	9.5
Italy	7.1
Netherlands	0.2
Norway	0.2
Spain	3.0
Sweden	1.5
Switzerland	1.5
United Kingdom	[7.5] *
Canada	0.2
TOTAL	29.4

4. UNDERLINES the importance of the appropriate balances among the overall activities of ESA, namely the balance between science, applications and infrastructure activities, the balance between development, utilisation and technology activities and the balance between the interests of each Member State, and STRESSES the importance of the scientific and basic technology programmes as the foundation of ESA.
5. UNDERLINES the importance for future programmes to provide an adequate response to user needs, to ensure sufficiently attractive benefit to each Member State in ESA programmes, to make best possible use of public and private resources available in Europe for space investment and to take benefit from co-funding schemes sharing risks and benefits among partners in return for increased market opportunities.
6. UNDERLINES the importance of the role of industry in the field of space applications and INVITES the Director General to clearly identify in each programme proposal the participation of industry and the way in which this is achieved e.g. through partnership, co-funding or other.

Chapter V

Mandate of the Council Working Group for the preparation of the Council at Ministerial level

INVITES the Council Working group, within its mandate for preparing the Council at Ministerial Level (ESA/C/CXXXII/Res.1 adopted on 21 October 1997), to focus its analysis on the following areas:

1. the better use of public resources for space activities in Europe;
2. the definition and implementation of a co-ordinated European space strategy;
3. the improvement of the decision making process;

4. the progress achieved in the implementation of the Resolution on the European Space Agency's industrial policy adopted on 4 March 1997 and its further development;
5. programme decisions and other topics related to the Council meeting at Ministerial Level.