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Opinion

Title **DG ENTR - Impact Assessment on a proposal for a Regulation on the European Earth Observation Programme (Copernicus), originally called the Global Monitoring for Environment and Security (GMES)**

(resubmitted draft version of 13 March 2013)*

(A) Context

Following the 2008 Communication "GMES: We care for a safer planet", the Commission adopted on 20 May 2009 a proposal for a Regulation seeking to establish the legal basis for the GMES programme and EC funding of GMES initial operations for the period 2011-2013. At the request of the Space Council, the Commission adopted, on 28 November 2010, a Communication focusing on the space component of GMES: "The Challenges and Next steps for the Space Component". All three initiatives were accompanied by impact assessment reports. In its 2011 proposal for the next multiannual financial framework (MFF), the Commission put the GMES outside the scope of the EU budget, while identifying budgetary needs of a fully-fledged GMES Programme (EUR 834 mil per year). In its decision of 8 February 2013, the European Council allocated to GMES/Copernicus a maximum level of commitments of € 3.786 Mio for 2014-2020 (i.e. EUR 541 Mio per year). The aim of the current impact assessment report is to consider how to allocate this expenditure to secure the best value added and to review the options for future governance of the programme.

The focus of IAB analysis has been adapted according to the latest decision of the European Council and, subject to the approval by the European Parliament, is based on the assumption that the final budgetary allocation will not significantly change.

(B) Overall opinion

While the report has been revised to some extent along the lines of the Board's recommendations, it still provides little information on the programme's governance and overall sustainability. The report should describe upfront any negative consequences arising from the allocated budget on the service continuity of GMES/Copernicus and the development of its downstream sector. On the basis of lessons learned during the initial operations, it should substantiate the need to separate the supervision from the management and technical implementation of the programme. The report should then define the remaining options in more concrete terms, including the alternative budget allocation between key investment areas (i.e.

* Note that this opinion concerns a draft impact assessment report which may differ from the one adopted

services, in-situ and space), governance as well as ownership of space infrastructure. It should demonstrate the cost-effectiveness of the envisaged governance set up (i.e. delegation of the management to an existing European Agency) and discuss the likelihood of realising the estimated benefits for the various stakeholders. Finally, the report should present the different stakeholder views on policy options and should define adequate policy objectives that correspond to the monitoring indicators.

(C) Main recommendations for improvements

(1) Better explain the choices to be made. While having clarified that the programme is being analysed for the first time in its entirety, i.e. including all 3 components and 6 services, it is still not fully clear which decisions need to be made in upgrading GMES/Copernicus from an initial (research) activity to a fully-fledged operational programme. In particular, the report should explain what the key "enabling factors" mean in operational terms, such as the assurance of data quality and continuity or long term data policy (i.e. intellectual property rights issues, data archiving, access policy etc.). In doing so, it should clarify upfront to what extent these enabling factors, namely the service continuity and the development of the GMES/Copernicus downstream sector, can still be adequately ensured with the programme's significantly reduced budget (as compared to the Commission's MFF proposal). It should then discuss to what extent any negative impact on the sustainability of the programme could be mitigated. With regard to governance, the report should explain the need to change the current set up (i.e. how would separating the supervision, management and technical implementation improve the governance and efficiency of the programme) and corroborate this with the conclusions from the previous impact assessment reports and available evaluation results, for example of the GMES Bureau.

(2) Define options in concrete terms. On budget allocation, the report should better explain the scope and duration of actions that are foreseen to be funded under the investment areas: (i) 'in-situ', (ii) services, and (iii) space, and compare these to the status quo (i.e. initial operations). For example, it should clarify how exactly the GMES/Copernicus services and data will be improved/extended with a given space infrastructure or to what extent the development of a second generation of Sentinels would be covered. On governance, the report should explain which tasks would be delegated to whom under the preferred governance set up (option B), including describing the relationship with ESA, Member States (contributing Missions and in-situ locations) and intergovernmental agencies such as EUMETSAT. On ownership, it should: (i) specify who would own and control the Sentinels after they have been deployed, (ii) clarify how the corresponding data purchase policy would look, and (iii) substantiate the statement that the risk of satellites in orbit is minimal by outlining the range of corresponding risks and liabilities (damage/collision/space debris). On funding, the report should clarify the synergies with other programmes such as Horizon 2020 or Competitiveness of enterprises and SMEs (COSME).

(3) Better assess the impacts. The report should still assess the options on governance in more depth and demonstrate the extent to which they ensure a careful management of risks while enabling the delivery of GMES/Copernicus benefits. It should estimate the impact on human resources and administrative expenditure and analyse to what extent the externalisation of management tasks could lead to a duplication of existing capacities provided by the GMES Bureau. As regards programming, the report should clarify if, and on what basis, the envisaged (constant) yearly allocation might need to be adjusted

during the MFF period 2014-2020. Furthermore, the report should briefly describe the methodology and assumptions of the (2011 Booz) analysis of the programme's benefits in the main text (namely for the referenced option, i.e. the "baseline option extended"). It should better explain how the downstream benefits have been scaled down and indicate how robust such estimates are.

(D) Procedure and presentation

The views of different categories of stakeholders still need to be incorporated throughout the text, particularly with respect to the analysis of policy options. While having presented an elaborated set of monitoring indicators, the report should also clarify which policy objective(s) they correspond to and against which benchmark their success would be measured. The achievements of GMES architecture and governance in the period from 2007 to 2013 should be further described in the main text.

(E) IAB scrutiny process

Reference number	2011/ENTR/001
External expertise used	No
Date of IAB meeting	Written procedure. An earlier version of this report was submitted to the IAB in September 2011, for which the Board issued its opinion on 7 October 2011.