

# Shift2Rail Joint Undertaking (S2R JU)

## 13<sup>th</sup> FORMAL MEETING OF THE S2R JU GOVERNING BOARD

BRUSSELS, 7 June 2017, 10h00 – 13h30

White Atrium building,

Avenue de la Toison d'Or 56-60, B-1060 Brussels

### PRESENT:

<b>European Union, represented by the European Commission</b>	Matthew BALDWIN, DG MOVE, Deputy Director General, Acting Director C	Chair (alternate)
	Clara de la TORRE, DG RTD, Director H	Co-Chair (alternate)
	Antoine KEDZIERSKI, DG MOVE C.4	Observer
	Teresa PEREIRA-COUTINHO	Observer
	Reinder VAN DER ZEE, IAS, Director, Audit in EU Agencies and other autonomous bodies	Observer
<b>ALSTOM</b>	Nicolas CASTRES SAINT MARTIN	Member
<b>ANSALDO STS</b>	Nadia MAZZINO	Member
<b>AZD Praha</b>	Michal PAVEL	Alternate Member
<b>BOMBARDIER TRANSPORTATION</b>	Philippe OGIER	Member

<b>CAF</b>	José GORTAZAR	Alternate Member
<b>DEUTSCHE BAHN</b>	Ralf MARXEN	Alternate Member
<b>EUROC</b>	Jose Carlos CLEMENTE	Member
<b>EUROC</b>	Thomas PETRASCHKEK	Alternate Member
<b>HACON</b>	Lars DEITERDING	Member
<b>INDRA</b>		
<b>KNORR - BREMSE</b>	Gert FREGIEN	Member
<b>NETWORK RAIL (Industrial Spokesperson)</b>	Andy DOHERTY	Member
<b>SIEMENS</b>	Jürgen SCHLACHT	Alternate Member
<b>SMARTDEMAIN</b>	Henk SAMSON	Member
<b>SMARTRACON</b>	Meyer ZU HORSTE	Member
<b>SNCF</b>	Carole DESNOST	Member
<b>SNCF</b>	Christophe CHERON	Alternate Member
<b>THALES</b>	Yves PERREAL	Alternate Member
<b>TRAFIKVERKET</b>	Bo OLSSON	Member
<b>VVAC+</b>	Martin ROSENBERGER	Member
<b>VVAC+</b>	Filip KITANOSKI	Observer
<b>European Railway Agency</b>	Richard LOCKET	Observer

<b>Chairperson of the States' Representative Group</b>	Miroslav HALTUF	Observer
<b>Chairperson of the Scientific Committee</b>	Sebastian STICHEL	Observer
<b>S2R</b>	Carlo M BORGHINI, S2R JU	Executive Director
	Giorgio TRAVAINI, S2R JU	Observer
	Vincent DECLERFAYT, S2R JU	Observer
	Sebastien PECHBERTY, S2R JU	Observer
	Catherine CIECZKO, S2R JU	Observer
	Georgios PATRIS, S2R JU	Secretariat

JU members invited by the Governing Board to attend the meeting as observers:

<b>AERNOVA</b>	Carlos ERASO	Observer
<b>MERMEC</b>	Antonella SEMERANO	Observer
<b>TALGO</b>	Emilio GARCIA	Observer
<b>TALGO</b>	Daniel MOLINA	Observer
<b>WABTEC</b>	Claude BAUDRY	Observer

## **LIST OF DECISIONS:**

The following decisions were taken by the Board:

1. DECISION No 1/2017 APPROVING THE LIST OF ACTIONS SELECTED FOR FUNDING UNDER THE SHIFT2RAIL JU CALL FOR PROPOSALS H2020-S2RJU-2017-01
2. DECISION No 2/2017 ON AMENDMENT NO 1 TO THE ANNUAL WORK PLAN 2017, INCLUDING THE INVITATION TO SHIFT2RAIL JU ASSOCIATED MEMBERS TO SUBMIT AN ANSWER IN VIEW OF THE REALIGNMENT OF THEIR ACTIVITIES AND ADDITIONAL COMMITMENT TO THE SHIFT2RAIL PROGRAMME
3. DECISION No 3/2017 ON THE LAUNCH OF A PROCEDURE FOR THE ESTABLISHMENT OF A RESERVE LIST TO FILL ONE POSITION OF THE SCIENTIFIC COMMITTEE OF THE SHIFT2RAIL JOINT UNDERTAKING
4. ADOPTION OF THE S2R ANNUAL REPORT 2016, recorded in the minutes of the Governing Board.

## OVERVIEW OF DISCUSSIONS:

### ***INTRODUCTION***

The Chair of the Governing Board welcomed the participants to the thirteenth meeting of the Governing Board of the S2R JU and in particular the representatives of the Associated Members who participated as observers for the first time following the Governing Board's decision.

The Chair presented the key points of the agenda and particularly noted the importance of the decision concerning the approval of the list of actions selected for funding as a result of the 2017 call, which is essential for the regular cycle of activities of the JU.

In this respect, the Chair brought the attention of the Governing Board representatives on the points of the agenda where the members may have a Conflict of Interest.

### ***1. ADOPTION OF THE AGENDA***

The final agenda, as indicated below, was approved by the Board.

All participants signed a declaration of absence conflict of interest and of confidentiality.

1. WELCOME FROM THE CHAIR AND ADOPTION OF THE AGENDA 2. INFORMATION FROM THE COMMISSION 3. REPORT OF THE EXECUTIVE DIRECTOR ON S2R JU ACTIVITIES	9:30
<b>ITEMS FOR DECISION OF THE GOVERNING BOARD</b>	
4. ADOPTION OF THE ANNUAL ACTIVITY REPORT 2016 *	10:00
5. DECISION APPROVING THE LIST OF ACTIONS SELECTED FOR FUNDING UNDER THE SHIFT2RAIL JU CALL FOR PROPOSALS H2020-S2RJU-2017 **	10:15
6. DECISION AMENDING THE ANNUAL WORK PLAN 2017, INCLUDING THE MANDATE TO THE ED TO LAUNCH THE "INVITATION TO THE SHIFT2RAIL ASSOCIATED MEMBERS TO SUBMIT AN ANSWER IN VIEW OF THE	10:45

<i>REALIGNEMENT OF THEIR ACTIVITIES AND ADDITIONAL COMMITMENT TO THE SHIFT2RAIL PROGRAMME' **</i>	
7. DECISION TO LAUNCH THE PROCEDURE FOR THE ESTABLISHMENT OF A RESERVE LIST TO FILL ONE POSITION OF THE SCIENTIFIC COMMITTEE	11:15
8. DECISION ON IMPLEMENTING RULES ON HR ASPECTS <ul style="list-style-type: none"> <li>• Decision on the application by analogy of Implementing Rules to the Staff Regulations</li> </ul>	11:30
<b>ITEMS FOR DISCUSSION OF THE GOVERNING BOARD</b>	
9. THE S2R COMMUNICATION STRATEGY In line with Article 12 of the Statutes of the Joint Undertaking	11:45
10. MAAP: UPDATE ON THE STATUS DISCUSSION ON THE WAY FORWARD	12:00
11. PRESENTATION OF THE S2R INTERNAL AUDITOR (THE INTERNAL AUDIT SERVICE OF THE EUROPEAN COMMISSION ) OF THE STRATEGIC INTERNAL AUDIT PLAN 2017 – 2019	12:30
12. AWP 2018: UPDATE ON THE STATUS INCLUDING FINANCIAL RESOURCES	13:00
13. PRESENTATION OF THE DRAFT DECISION ON CONFLICT OF INTEREST FOR THE JU STAFF AND ADVISORY BODIES	13:20
<b>ANY OTHER BUSINESS</b>	
14. AOB	13:30

## ***2. INFORMATION FROM THE COMMISSION***

The Chair highlighted the importance of the current period for the future of Shift2Rail, in particular with the interim evaluation of the JU. He stressed the need to demonstrate that the partnership is capable of delivering concrete progress and that its long-term R&I programme has a real added-value. He noted that the work of the evaluation is still ongoing and it would be premature to draw any conclusions at

this stage. He suggested that the content of the evaluation should be discussed in detail at the next meeting of the Governing Board. In terms of timing, the Chair explained that the expert report should be finalised by the end of June. Following this, the Commission will conduct its own internal analysis and prepare the communication that will be sent to the European Parliament and Council, most likely towards the end of October. The Chair also explained that the Commission is ready to engage in a fair discussion with the members on what could be done to build a good case for a possible continuation of Shift2Rail and that an important element in this discussion will be to demonstrate the relevance of the work and the meaningful contributions to rail research that are being made by Shift2Rail. In doing so, it is important that the Joint Undertaking highlights clear integrated technology demonstrators, "Shift2Rail solutions" as concrete examples of the results of the JU activities and the added-value of the PPP.

The Governing Board took note of the information provided by the Commission.

### ***3. INFORMATION FROM THE EXECUTIVE DIRECTOR AND THE COMMISSION***

The Executive Director briefly presented the state of play of the main activities of the JU, placing emphasis on the progress of the R&I activities, where the aim is twofold: to achieve higher TRLs in demonstration activities and also to perform the necessary blue sky research in order to bring in new innovative ideas and solutions. He also noted that the automatic train operation (ATO) should be one of the S2R's flagship and, after having discussed with different members, he intends to propose a member representative to take the role of coordinator for all related actions. He referred to the work currently in progress about the review of the MAAP. He also noted the importance of concrete results to be delivered shortly and he highlighted that next year's events at TRA and InnoTrans will be excellent occasions to present and communicate those achievements. He proposed the Industrial Spokesperson, Andy Doherty, as the coordinator of the Quick-Wins and Demos in preparation of InnoTrans. He proposed to financially support the efforts with some of the unused appropriations that are expected to be available in the JU's administrative budget by year end 2017; an ad hoc budget amendment will be submitted to the GB at the next meeting. Concerning the budget, the Executive Director explained that the JU has done its best in order to achieve a front load schedule for the programme and around 20M€ has been allocated to the JU earlier than the initial multiannual planning. He noted the importance of the next meeting of the Governing Board (in October) where also the future of the JU will be discussed.

The Industrial Spokesperson in the S2R JU Governing Board welcomed the progress achieved so far and expressed his support to the future initiatives, as planned. He highlighted the fact that past uncertainty concerning the ownership of the Lighthouse Projects caused some administrative problems

and asked the reassurance of the Commission for the allocation of the appropriate resources to ensure the timely processing of the interim payment process. The Chair noted that the issue of the ownership had certain effect but reassured the members that it has been clarified and that the Commission is fully committed to the appropriate management of the projects.

Moreover, the Industrial Spokesperson noted that certain improvement in the organisation and work of the SIWG may be necessary, given the size and participation in that group. He proposed a more focused agenda to ensure adequate participation, with a possible split between programme management activities and strategic steering of the Programme. The Executive Director shared the concerns brought forward by the Industrial Spokesperson and that proper set-up will be put in place with the members.

With regard to the InnoTrans demos, the Industrial Spokesperson indicated that there is a need of balance between demonstrating the prospective results of S2R and the progress of the different Projects. The Executive Director confirmed that any quick win/demo brought to InnoTrans should be strictly related to the ongoing Programme activities, although in some cases maybe requiring a reasonable acceleration of their scheduled, but without put at risk the overall expected results.

The Governing Board took note of the information provided, in particular supporting a) the appointments of the ATO and the InnoTrans Demos' Coordinators and b) the proposal for a Budget Amendment for Demos; it thanked the S2R Programme Office for the efforts and results achieved.

#### ***4. ADOPTION OF THE ANNUAL ACTIVITY REPORT 2016***

The Chair highlighted that through the proposed adoption of the Annual Activity Report 2016, the Governing Board is taking stock of the progress made by the JU in the previous year and is being reassured that the activities were conducted in accordance with the work plan that the Governing Board had adopted. He indicated the role of the Annual Activity Report as instrument to communicate to stakeholders, European Parliament and Council in primis, the added value of the JU and the commitment of the Rail Industry to deliver the Programme.

The Executive Director noted the new version of the document, which takes into account all the comments received by the members. He explained that the JU draft Annual Accounts contained in Annex D are subject to the update by the Commission Accounting Officer to include the updated members' declarations in terms of Total Projects' Cost, hence IKOP, and IKAA. He confirmed the Chair point on the Annual Activity Report as strategic document subject to scrutiny by external stakeholders, especially in the context of the mid-term evaluation.

The Industrial Spokesperson recognised the work already done and highlighted the value of KPIs. He indicated the intention of the members to re-appropriate themselves with their role as contributors in the set-up of KPIs, not only at technical level but a more strategic level to ensure they are a valuable instrument to demonstrate the key R&I work achieved.

### ***Decision***

The Governing Board adopted the Annual Activity Report 2016 providing its opinion on it as reported in Section 5.1 of the document. The Board requested the Executive Director to update Annexe D of the Annual Activity Report once the Final Annual Accounts would be submitted by the Accounting Officer and adopted by the Governing Board by written procedure by the end of June 2017.

## ***5. LIST OF ACTIONS SELECTED FOR FUNDING UNDER THE SHIFT2RAIL JU CALL FOR PROPOSALS H2020-S2RJU-2017***

The Chair expressed the Commission's satisfaction with the quality of the evaluation process and also the quality of the submitted proposals, which appear very promising in delivering tangible results.

The Executive Director provided a brief overview of the evaluated proposals and presented some basic statistics, highlighting the vivid interest of the applicants (in the Open Call the requested budget was around five times more than the available budget) and the high rate of participation of SMEs. He also noted the role of regional workshops and their contribution in encouraging participation and success (e.g. Greece). He explained that such initiatives will continue, focusing on countries where the participation is still low. He also noted that there were no issues concerning the evaluation procedure, as confirmed by the report of the independent observer. The Executive Director explained the content of the documents circulated prior to the meeting, highlighting that they were distributed to the Members under the provisions of Articles 13 and 14 of the Rules of Procedures of the Governing Board. He explained that participants will receive an individual notification with the results of the evaluation of their proposal, accompanied by the corresponding Evaluation Summary Report. Consequently, he underlined that the content of the Executive Director Report with the annexed Call Evaluation Report shall remain under the provisions of Article 13 also after the notification of the Call results until the publication of the Governing Board decision and the notification of the results to the proposals' coordinators.

The Industrial Spokesperson congratulated the JU for efficiently concluding the evaluation and expressed his trust to the evaluation process. He welcomed the participation, as observers, of the IP coordinators and suggested this practice to be continued. He was also reassured by the Executive

Director that during the grant agreement preparation, the JU will insist with the Open Call projects in the fast establishment of cooperation with the S2R Members activities, through the relevant collaboration agreements.

### ***Decision***

The Governing Board, with the exclusion of Members with a conflict of interest, agreed with the recommendation of the Executive Director for the ranking lists and the list of proposals selected for funding and adopted Decision No 1/2017, approving the list of actions selected for funding under the Shift2Rail JU calls for proposals H2020-S2RJU-2017-01.

Following the request of the Executive Director, the Governing Board also approved the termination of the validity of the reserve list of proposals, which were submitted under the Shift2Rail JU calls for proposals H2020-S2RJU-2015-01 and H2020-S2RJU-2016-01. The Executive Director shall notify accordingly the concerned proposals' coordinators.

## ***6. DECISION AMENDING THE ANNUAL WORK PLAN 2017***

The Executive Director recalled that in its previous meetings the Governing Board mandated him to explore the various options for additional commitments to present and future research and innovation activities in order to properly implement the Master Plan and to utilise for this purpose the maximum amount of EUR 5.6 million of the Union contribution, which was left unallocated following the selection of the associated members of the S2R JU. He explained that the available budget is such that its allocation by means of an additional call pursuant to Article 4(4) of the Statutes would prove suboptimal, given the administrative burden and time constraints entailed by the implementation of such a procedure. In addition, considering the minimum commitment requested by the S2R Regulation to become associated members of the JU, the likely excessive ratio between application yield and the maximum number of legal entities (1 or maximum two under certain conditions) would jeopardize the nature of the procedure itself. On this basis, the current proposal of seeking additional commitment to the R&I activities from the existing associated members, appears to be the most appropriate in terms of efficiency of resources. The Executive Director ensured the Board that the principles of equal treatment and transparency will be fully respected during the process and that he will report back to the Governing Board on the outcome of the process, which is expected to be concluded by the end of the year.

The Founding Members agreed that the proposed approach is the most appropriate in terms of achieving the desired objectives while maximising the efficiency and that the proposed approach is the best available solution, for the reasons explained by the Executive Director.

## ***Decision***

The Governing Board with the exclusion of Members with a conflict of interest, adopted the decision on amendment No 1 to the Annual Work Plan 2017.

### ***7. DECISION TO LAUNCH THE PROCEDURE FOR THE ESTABLISHMENT OF A RESERVE LIST TO FILL ONE POSITION OF THE SCIENTIFIC COMMITTEE***

The Chair recalled the loss of Prof. Pereira and the need to complement the existing scientific skills and competencies of the Scientific Committee (SC) with expertise coming from the areas of telecommunication, information technology, artificial intelligence and/or digital sciences. The Executive Director explained that these specific needs had not been addressed in the 2015 call for expressions of interest for the selection of members of the SC and that there is need to seek for such expertise even outside the rail sector. For these reasons, it is necessary to launch a complementary call for expressions of interest for the selection of a new member of the S2R SC. Moreover the Executive Director asked for a mandate in order to discuss the introduction of a rotation scheme in the membership of the SC.

The Chairperson of the SC agreed with the proposed approach, including the principle of rotation.

## ***Decision***

The Governing Board unanimously adopted the decision to amend its Decision No 3/2015 and on the launch of a procedure for the establishment of a reserve list to fill one position of the Scientific Committee of the S2R JU.

### ***8. DECISION ON IMPLEMENTING RULES ON HR ASPECTS***

The Executive Director explained that the set of rules for adoption by the Board reflect the fact that S2R JU's staff members are subject to the Staff Regulations of Officials and Conditions of Employment of Other Servants of the European Union and, in general, apply all the same rules by analogy. For this reason the JU has to adopt this set of rules, even if their content is not directly applicable to the JU.

After briefly discussing the point the Governing Board concluded that this decision will be submitted for adoption via written procedure, in order to take into account comments received by the Commission services.

Regarding the decision on the appraisal of the Executive Director, the Governing Board requested the Executive Director to put in place the necessary procedure to ensure the Commission's agreement on this topic.

## ***9. THE S2R COMMUNICATION STRATEGY***

The Chair highlighted the need for the JU to keep all the stakeholders informed and involved not only concerning the outcomes of the Programme but also regarding the ongoing processes. He noted that the communication messages should be simple and aligned to the relevant ones by the Commission, which ensures alignment of ERA messages too. Moreover the messages should not necessarily address the general public but focus on targeted audiences.

The Executive Director clarified that although this is not an item for decision, he considered important for the Governing Board to be fully aware on how the communication activities are structured and how the related budget is used. He noted that InnoTrans 2018 may be a bit early for parts of the Programme to demonstrate results but it is an excellent opportunity for demonstrations, given the discussion on the future of S2R and Research and Innovation overall.

The Industrial Spokesperson noted that the JU should primarily be focused on technical results, however given the importance of communication the right balance should be sought. Trafikverket required the Executive Director to review the KPIs with some more performance oriented targets and the Commission confirmed that it will be submit some comments in writing.

The Governing Board took note of the Communication Strategy submitted by the Executive Director and requested him to finalize it in accordance with the different contributions received.

## ***10.MAAP: UPDATE ON THE STATUS DISCUSSION ON THE WAY FORWARD***

The Executive Director referred to the key concepts of the MAAP review, such as placing the user in the centre, providing a balanced, strategic vision for the future with a top-down approach and focusing on deployment and market uptake. He explained that some work needs to be done on the text, which is expected to be concluded by the end of June. Discussions with relevant associations will start in July (User Requirements Working Group) and the issue is expected to be presented for decision at the meeting of the Governing Board in October. He highlighted the important role of ERRAC in establishing a research and innovation strategy with a railway holistic approach. He noted that the text is already

sufficiently mature but some additional elements, including quantification, are necessary for the business case, especially as the document is going to be the basis for the discussions on the future of S2R. He mentioned the need to strengthen the Research and Innovation work of S2R with the establishment of a railway system architecture, work already started within IP2.

The Members highlighted the fact that all involved stakeholders are actively participating in this process. Trafikverket referred to the vision and the 12 capabilities agreed by ERRAC and UIC, Ansaldo mentioned a document under preparation on key enablers for rail research, Bombardier highlighted the notion of multi-modality. During the discussion it was also noted that the interaction/coordination with the Member States is very important.

The Governing Board took note of the MAAP Part and agreed with the Executive Director proposals to a) submit the document to the consultation process with stakeholders, b) provide the necessary support to ERRAC in the most adequate forms and c) work toward the establishment of the railway system architecture.

### ***11. PRESENTATION OF THE S2R INTERNAL AUDITOR (THE INTERNAL AUDIT SERVICE OF THE EUROPEAN COMMISSION) OF THE STRATEGIC INTERNAL AUDIT PLAN 2017 – 2019***

Mr Reinder van der Zee, Director of the Commission Internal Audit Service, and representing in this respect the Internal Auditor of the JU, presented the Strategic Internal Audit Plan for 2017-2019 (presentation attached) and exchanged views with the members of the Board. It was noted that risks always exist, especially in processes like the one handled by the JU and that the right balance should be sought between risks and costs.

The Governing Board took note of the Internal Audit Plan for 2017-2019 and the additional information provided.

### ***12. AWP 2018: UPDATE ON THE STATUS INCLUDING FINANCIAL RESOURCES***

The Executive Director informed that the Commission has already tabled a proposal requesting the necessary budget for the AWP 2018 R&I activities, in accordance with the Union budgetary procedure. At the same time, the text of the AWP 2018 is being finalised within the budget limits already discussed with the different IPs. A draft final version is expected before summer. The current version of the AWP

2018 takes already into account the recent discussions on the MAAP, so the two documents will be aligned. It was noted that with this plan the JU will have reached half of its planned budget for R&I activities and the focus is on higher TRLs and demonstration activities. The Executive Director proposed to the Governing Board, in addition to the support to ERRAC, to consider the launch of a dedicated PhD Programme on S2R thematic areas in agreement with the S2R Scientific Committee, subject to budget availabilities.

The Industrial Spokesperson noted the need to bring forward the available budget (front-loaded programme) in order to allow for the activities to reach the expected results. At the same time the focus on higher TRLs may be faced with challenges, especially for the open calls, where it is sometimes difficult for research bodies to perform full-scale tests (e.g. in IP3, where test are very demanding in terms of infrastructure). The Executive Director confirmed that he will undertake discussions with the different services of the Commission on the 2019 budget request.

The Governing Board took note of the information provided by the Executive Director and he agreed to consider his proposals to complement the AWP2018.

### ***13. PRESENTATION OF THE DRAFT DECISION ON CONFLICT OF INTEREST FOR THE JU STAFF AND ADVISORY BODIES***

The Executive Director explained that although the JU has already implemented specific measures on CoI for each of its bodies, it has not adopted rules that address the related issues, as foreseen by Article 23 of the Statutes. He explained that the proposed decision does not introduce additional rules, to the ones already established but provides the necessary legal framework concerning, for example, the definition and management of conflict of interest. The main objective is the protection of the JU vis-à-vis third parties.

The Chair noted that the Commission services will review the document and provide comments, so the subject could be tabled for decision at the next meeting of the Board.

The Industrial Spokesperson noted that also the non-Commission members will provide comments as the topic touches upon their participation in the JU bodies.

#### ***14. AoB***

The Executive Director informed the Governing Board that on the 6th of June he was notified of the acquisition of HACON by Siemens. This development and its possible effects on the membership of S2R will undergo a legal analysis, which will be submitted to the Board by the next meeting.

The Chairperson of the States Representatives Group informed the participants of the “International Railways Summit” to be hosted in Prague, on 21-23 February 2018 and encouraged the S2R to be represented.

#### ***INDICATIVE LISTS OF DOCUMENTS TO BE ADOPTED AT THE NEXT BOARD MEETING OR BY WRITTEN PROCEDURE***

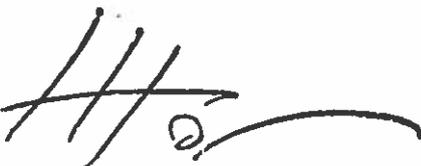
- final Annual Accounts 2016 of the S2R JU
- decision on implementing rules on HR aspects (written procedure)

#### ***NEXT MEETINGS***

The next meetings of the Governing Board are scheduled on:

- 27 October 2017
- 13 December 2017

Signed:



Henrik HOLELEI

Chairman of the Governing Board

Done in Brussels on 27 October 2017

## Annex 1- List of Actions

Action	Responsible	Deadline/status
Additional commitment to the R&I activities from the existing associated members	S2R ED	By the GB meeting of December 2017
Legal Analysis on Conflict of Interest between the role of Project Coordinator and GB Member	S2R	By the next GB meeting of October 2017