

Shift2Rail Joint Undertaking (S2R JU)

18th FORMAL MEETING OF THE S2R JU GOVERNING BOARD

BRUSSELS, 4th December 2018, 09:30 – 13h30

White Atrium building,

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

PRESENT:

European Union, represented by the European Commission	Elisabeth WERNER, Director C, DG MOVE	Chair (Alternate)
	Signe RATSO, DG RTD, Deputy Director General, DG RTD	Co-Chair (Member)
	Keir FITCH, DG MOVE	Observer
	Mihaela WILLIAMS, DG MOVE	Observer
	Leonardo DONGIOVANNI, DG MOVE	Observer
	Jean-François AGUINAGA, DG RTD	Observer
	William BIRD, DG RTD	Observer
ALSTOM	Nicolas CASTRES SAINT MARTIN	Member
ANSALDO STS	Nadia MAZZINO	Member

AZD Praha	Michal PAVEL	Alternate Member
BOMBARDIER	Massimo SIRACUSA	Member
CAF	Imanol ITURRIOZ	Member
DEUTSCHE BAHN	Ralf MARXEN	Alternate Member <i>(remotely)</i>
EUROC	Thomas PETRASCHEK	Alternate Member
HACON	Lars DEITERDING	Member
INDRA	Javier Rivilla LIZANO	Member
INDRA	Jesus LACOSTA GIMENO	Alternate Member
KNORR - BREMSE	Martin DEUTER	Member
NETWORK RAIL (Industrial Spokesperson)	Andy DOHERTY	Member
SIEMENS	Jürgen SCHLAHT	Alternate Member
SMART DEMAIN CONSORTIUM	Henk SAMSON	Member
SMARTRACON CONSORTIUM	Meyer ZU HORSTE	Member
SNCF	Christophe CHERON	Alternate Member
THALES	Yves PERREAL	Alternate Member

TRAFIKVERKET	Bo OLSSON	Member
European Railway Agency	Anna GIGANTINO	Observer
Chairperson of the States Representative Group	Miroslav HALTUF	Observer
Chairperson of the Scientific Committee	Angela di Febraro	Excused
S2R	Carlo M BORGHINI	Executive Director
	Vincent DECLERFAYT	Observer
	Giorgio TRAVAINI	Observer
	Isaac GONZALEZ GARCIA	Observer
	Caroline KEARNEY	Observer
	Valerie LORGE	GB Secretariat

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

AERFITEC	Miguel CASTILLO ACERO	Observer <i>(remotely)</i>
FAIVELEY Transport	Ralph FUERDERER	Observer <i>(remotely)</i>

FAIVELEY Transport	Claude BAUDRY	Observer
KAPSCH	Jochen NOWOTNY	Observer
MERMEC	Antonella SEMERANO	Observer
SWI'TRACKEN (Railenium)	Vincent BLERVAQUE	Observer
TALGO	Daniel MOLINA GALÁN	Observer

LIST OF DECISIONS:

The following decisions were taken by the Board:

1. Decision of the GB n° 15/2018 on giving a mandate to the Executive Director of the Shift2Rail Joint Undertaking to establish relations with European regions and other European and international organizations
2. Decision of the GB n°19/2018 on the Annual Work Plan and Budget for 2019
3. Decision of the GB n°20/2018 on Guidelines for Whistleblowing
4. Decision of the GB n°21/2018 on middle management staff
5. Decision of the GB n°22/2018 concerning the function of adviser
6. Decision of the GB n°23/2018 amending Governing Board Decision N°6/2015 on the Staff Regulation and the Conditions of Employment of Other Servants of the European Union (CEOS) implementing rules for the purpose of the application by analogy of rules on outside activities and assignments and on occupational activities after leaving the Service adopted by Commission Decision C(2018)4048 of 29.6.2018
7. A decision by written procedure is expected to be launched with regard to:
 - the amendments to the Membership Agreements.

OVERVIEW OF DISCUSSIONS:

INTRODUCTION

The Chair welcomed the participants to the eighteenth meeting of the Governing Board of the S2R JU and welcomed the new representatives of Bombardier Transportation (Mr Massimo Siracusa), the new Indra representative (Mr Jesus Lacosta Gimeo, alternate) and the new ERA observer (Mrs Anna Gigantino). Mr Siracusa, Mr Lacosta and Mrs Gigantino introduced themselves to the GB members.

The Chair briefly presented the items on the Agenda.

1. WELCOME FROM THE CHAIR AND ADOPTION OF THE AGENDA

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

1. WELCOME FROM THE CHAIR AND ADOPTION OF THE AGENDA - Declarations of conflict of interest based on the Agenda items (the forms will be available in the meeting room)	09:30
2. INFORMATION FROM THE COMMISSION <i>Update by DG MOVE and DG RTD on Horizon Europe (next EU R&I programme 2021-2027) and S2R 2</i>	
3. REPORT OF THE EXECUTIVE DIRECTOR ON S2R JU ACTIVITIES	
4. ADOPTION OF THE MINUTES OF THE GB OF 29 JUNE 2018	10:30
ITEMS FOR DECISION OF THE GOVERNING BOARD	
5. S2R JU ANNUAL WORK PLAN 2019, in particular: - Status of the discussions on RCA (Reference “Command Control and Signalling” Architecture) - Re-planning of the activities 2019 and 2020 - MAAP Part B final work - Standardization roadmap - S2R JU KPI model	10:30
6. S2R JU GOVERNING BOARD’S OBSERVER SEAT TO THE ERRAC CHAIR	11:15
7. HUMAN RESSOURCES IMPLEMENTING RULES - Whistleblowing - Function of adviser and middle management staff - Outside activities	11:20

8. MANDATE TO THE EXECUTIVE DIRECTOR TO ESTABLISH RELATIONS WITH EUROPEAN REGIONS AND OTHER EUROPEAN AND INTERNATIONAL ORGANIZATIONS	11:25
ITEMS FOR DISCUSSION OF THE GOVERNING BOARD	
9. INFRASTRUCTURE TEST FACILITIES WORKING GROUP	11:30
10. S2R JU EXECUTIVE DIRECTOR'S PROPOSAL FOR THE REORGANISATION OF THE S2R JU SCIENTIFIC COMMITTEE	12:00
11. NEW CHAIR PERSON AND VICE-CHAIR PERSON OF THE S2R JU STATES REPRESENTATIVES GROUP	12:10
12. FINALISATION AMENDMENT MEMBERSHIP AGREEMENTS (FOLLOW-UP OF GB DECISIONS N° 16/2018 AND 18/2018) – DOCUMENTS TO BE ADOPTED BY WRITTEN PROCEDURE	12:15
13. DISCHARGE PROCEDURE 2017, IAS FINAL AUDIT REPORT 2018 AND NEW INTERNAL CONTROL FRAMEWORK	12:20
14. NEW S2R JU FINANCIAL RULES: STATUS AND ADOPTION PROCEDURE	12:45
15. COMMON COLLABORATION AGREEMENT - CCOLA	13:00
ANY OTHER BUSINESS	
16. AOB <ul style="list-style-type: none"> ▪ DATE OF 2019 MEETING(S) 	13:30

** This Agenda item is for decision with particular attention to the specific provisions of Article 13 and 14 of the Rules of Procedures of the Governing Board.*

The Chair asked all members of the Governing Board to declare and sign a declaration of confidentiality and absence of conflict of interest and to abstain from deliberations should a conflict of interest on the matter exist.

2. INFORMATION FROM THE COMMISSION

The Chair started by thanking the S2R JU GB members for the support letters sent for the continuation of the S2R JU. She emphasized the priorities for the next period, *inter alia* digitalization, automation, focus on freight and rail in a multimodal perspective.

The Chair presented the challenges ahead for the rail sector (*see presentation enclosed*), namely the implementation of the 4th railway package, including the list of delegated acts voted and published. The institutional changes foreseen in 2019, as well as their implications, were mentioned (European elections on 23-26 May 2019 and new College in autumn 2019). The Chair underlined the rail highlights for 2019, *inter alia* the adoption of the Connecting Europe Facility (CEF), the revision planning of secondary legislation, the entry into force in June of the Technical Pillar of 4th Railway Package with ERA acting as a One Stop Shop for authorisation of rolling stock. She emphasized that rail freight will remain a top priority in 2019, and that the Commission promotes an efficient use of the Issues Logbook.

Regarding the status of S2R2, the Chair called for S2R JU GB input on shaping the details of the technical priorities, quantifying needs and fostering a more inclusive approach and a more efficient governance and programme structure. This input would be welcomed in by the end of 1st quarter 2019, subject to the political decisions on the partnership areas at Council and European Parliament level.

The Co-Chair presented an update of the Horizon Europe package (*see presentation enclosed*). The European Parliament and Council negotiations on the Union budget for 2021-2027 are currently ongoing, including the budget for Horizon Europe. On 21 November, the Horizon Europe package was endorsed in the ITRE Committee (Committee on Industry, Research and Energy) in the European Parliament. On 30 November, the Competitiveness Council agreed on a partial general approach on the proposed framework programme for research and innovation (Horizon Europe) and took note of a presidency progress report on the specific programme implementing Horizon Europe. This included the insertion of a cap on the clusters' budget of pillar 2 and delineation of mobility as a separate cluster.

The Co-Chair underlined that the provisions on European Partnerships remain stable in substance. The ERAC Committee plenary on 6 December will address its final report on partnerships, which is expected to include the 'necessity test', proving why partnerships are the best option to achieve policy objectives compared to other instruments, and inclusion of a broader set of actors.

Strategic planning and areas for institutionalised partnerships based on Article 185 and Article 187 (incl. JUs) will be addressed in the Specific Programme under the Romanian Presidency. The Co-Chair indicated that a majority of Member States support capping of budgets for European Partnerships. For Article 185/187 initiatives, impact assessments will be supported by a central study and co-ordinated by DG RTD across all services. In Q2 2019, stakeholders input will be streamlined into the impact assessment.

European Parliament and Council negotiations on the basis of the Commission proposal for Horizon Europe is expected to start in June 2019. Strategic planning to prepare the first work programmes under Horizon Europe, including co-design of missions and setting up of partnerships, will be pursued throughout 2019. The envisaged start of the Horizon Europe programme is January 2021.

The Industrial Spokesperson stressed that the process is lengthy and still fraught with uncertainty. The Co-Chair underlined that information has been provided from the start and that more attention will need to be given to the demonstration of added-value in the impact assessment. Answering a question addressed by the Chairperson of the States Representatives Group on how to avoid delays in launching the new JU, the Chair indicated that the JU already has an effective and functioning existing governance structure, but that financing will need to be secured. The Executive Director added that the S2R JU is partaking in lessons learned exercises with other JUs and developing a model on Key Performance Indicators (KPIs), which should place it in a favourable position to demonstrate its added-value and to secure future funding.

3. REPORT OF THE EXECUTIVE DIRECTOR ON S2R JU ACTIVITIES

The Executive Director underlined the key points regarding the functioning of the S2R JU since the last GB meeting of June as well as the future challenges (*see presentation attached*).

In particular, he brought the attention of the GB to the speedy process deployed by the JU, which enabled it to sign nine grant agreements – with another nine currently in the pipeline, thereby recuperating the delay generated in previous months by membership uncertainties. Out of those 9 grant agreements signed, none are for the Call For Members (CFMs) topics. In relation to this, the Executive Director further stressed the need to sign the Grant Agreements within the next ten days, as 26,8 Million Euro are currently set aside for pre-financing.

The Executive Director emphasized the successful presentation of InnoTrans 2018 quick-wins and demos in September 2018 and thanked the GB members for a successful event. He highlighted the following achievements of Innotrans in particular:

- 160.000 participants at the fair and hundreds visitors to the stand
- Commissioner Bulc & German Federal Minister Scheuer at S2R stand, CZ Deputy Minister, Members of National Parliaments
- S2R prominent exhibitor in the InnoTrans Daily newsletter
- 20+ technology demonstrators presented

He stated that preparation for the quick wins for InnoTrans 2020 will start in January 2019.

Furthermore, he underlined that the CFM and Open Call (OC) projects' reviews indicate the programme is in line with the objectives and shows a slightly slower funding absorption. He indicated that the (Reference "Command Control and Signalling" Architecture) RCA and System of Systems approach is on its way, after months of preparatory works. Charts representing grants for 2015-2018 per Member State and associated country for CFM and OC, as well as per member, were presented to the GB. These

charts revealed that an important amount of money was committed, and that for a 3 year project duration, after one year and a half, the activity for one-third of the funding is performed.

The Siemens AG representative expressed support for the JU as a Public-Private Partnership because interaction with other stakeholders is essential.

The Executive Director presented an overview of Certification TPC (IKOP) and IKA 2018. He highlighted the simplification brought with the lump sum pilot from a grants' point of view, but stressed the need to correctly report Total Project Cost.

Regarding staff, all positions in the S2R JU, but one, are now filled, including 3 SNEs, who provide a strong connection to Member States.

The Executive Director provided the members of the GB with an update on agreements with Regions/Member States, other Bodies and Organizations. SEESARI was signed at InnoTrans in the presence of Commissioner Bulc, while the S2R JU agreement with the Czech Republic will be signed on 7th December 2018, and the MoU with ETSI will be signed by the end of the year. UIC exchange of letters on the model of ERA is currently under discussion, and the agreement with CUTRIC will be followed-up in January 2019.

Concerning the status of S2R2, the Executive Director presented the status of the support letters, and briefed the members of the GB on the ITRE Committee proceedings of 8th October, as well as the 28th November session organised by Honourable MEP Werner. He emphasized the need to provide support to the Commission in the preparation phase.

The Chair congratulated the JU, its Industry Members and staff on the work done and especially on the success of the Demos at InnoTrans.

4. ADOPTION OF THE MINUTES OF THE GB OF 23 MARCH 2018

The Chair invited the participants to comment on the minutes of the seventeenth Governing Board meeting. The minutes of the seventeenth Governing Board meeting were adopted.

ITEMS FOR DECISION OF THE GOVERNING BOARD

5. S2R JU ANNUAL WORK PLAN 2019:

The Executive Director underlined lengthy discussions had taken place on how to finalize the Annual Work Plan (AWP) 2019 and AWP 2020, with some Members raising concerns regarding aspects related

to system architecture of the future. The decision was therefore taken to proceed with the AWP 2019 and 2020 separately, ensuring proper alignment. The Executive Director provided an overview of activities foreseen per IP in the AWP 2019.

In addition, he underlined that for IP2 and IP1, some activities are targeting the final part of work and expected to reach TRL7. In this respect, he also highlighted that a catalogue of solutions ready for 2024 and demonstrating the impact of S2R will be released by the end of February 2019.

The Executive Director informed the Governing Board about the comments received on the draft AWP 2019 and the changes introduced to align to the comments. In particular, the changes resulted in

1. the extension of the scope of the topic on “conceptual data model” to include RCA (Reference “Command Control and Signalling” Architecture) and system engineering (additional EUR 0,7 Million reduced proportionally from all other topics, to take due account of the progress of the discussions on RCA);
2. the inclusion in each CFM topic of a request to align the proposals to the RCA developments or explain why it would not have been the case;
3. refinement of the budget for operational tenders;
4. updated list of tender procedures of low/middle low value contracts to include a possible procedure for ad hoc support from railway associations (EUR 0.1 million);
5. administrative procedures (*without budget impact*)
 - 4 years framework contract on Legal – General Data Protection Regulation focus - (EUR 0.1 million),
 - tender on HR development support implementing the Decision of the S2R Executive Director (ED) on Learning and Development Policy (EUR 0.05 million);
6. other administrative changes to take into account the latest Commission’s comments;
7. alignment with Multiannual Action Plan (MAAP) part B (first draft of the new MAAP part B to be published in March, targeting submission to the GB in June);
8. standardisation roadmap;
9. KPI model.

The Executive Director presented the programme support tenders included in the AWP2019, namely:
i.) Technical solution for intermodal information exchange for freight - (*EU funding 350.000*); ii.) Support to ERTMS European Action Plan to pave the way for the deployment of future S2R Innovative

Solutions - (*EU funding 750.000*); and *iii.*) Strategic support to the S2R JU (framework contract) - (*EU funding 300.000€.*)

Following this presentation, the Executive Director stated that the final version of the AWP2019 and of the corresponding GB Decision will be made available to the members and then published on the S2R JU website.

He further emphasized that the work is on-going on the standardisation rolling development plan with ERA and the standardisation bodies, including the impact on S2R innovative solutions. In this respect, he informed the GB that he had received a letter from the Executive Director of ERA with a series of requests in relation to TSIs' open points. The S2R JU duly took into account the request and answered indicating the actions taken to support ERA.

The Executive Director presented the major 2019 events, which important impact on the JU and the Communication activities.

In terms of high-level planning for the S2R JU, the Executive Director provided the members of the GB with the following indicative calendar:

- Publication of the S2R JU Call 2019 on 15 January 2019
- S2R JU 2019 Info Day on 6 February 2019
- Deadline Call 2019 on 18 June 2019
- Consensus week Call 2019 on 22 July 2019
- Extraordinary GB award of Call 2019 on 4/6 September2019 or first week of August.

Mr Meyer ZU HORSTE, in his role of representative of IMPACT-1 presented the progress on the KPI model results (*please refer to the presentation*), namely the stabilisation of calculation formulas and finalisation of model v.1.0. Mr Zu Horste also presented the planned activities for 2019, including agreement of the model and input data with the Technical Demonstrators (TDs). In order to guarantee a successful KPI-estimation, he requested the Governing Board Members advise their colleagues in the IPs and TDs to support the KPI-management team by providing the required input from their TD/ WP.

The Executive Director commented the results, indicating that freight is more in line with the target and that there are opportunities for improvement on regional and life cycle costs of high speed. He emphasized the need for GB support, both at the level of the validation of the input - especially as regards the distribution of costs – as well as at the level of corporate overview of the model.

The Alstom representative indicated that KPIs do not reflect the full range of activities performed, e.g. with regard to environmentally friendly activities deployed, or with regard to passenger comfort.

The Industrial Spokesperson suggested a more in-depth GB workshop be organized with the Commission in order to discuss more in depth the work on KPIs and on standardisation.

The Chair thanked the Executive Director for his presentation and for the quality of the Annual Work Plan 2019. Moreover, she highlighted two important aspects: i.) The need for the AWP to reflect policy objectives and to focus on innovation activities entailing a clear EU added-value; and ii.) The need to minimize delays, namely with regard to the revision of the MAAP part B and the work on the KPI model.

The Industrial Spokesperson highlighted that three quarters of projects are supporting the ERA request for standardisation. He stated that members are happy to contribute to the assessment to ensure alignment in the framework of the Collaboration Agreements. He also underlined that standardisation could be an issue due to lack of CEN-CENELEC resources. He also referred to some Open Call projects, which seemed isolated and with no clear added value.

The Chairperson of the States Representatives Group took the opportunity to announce the next States Representatives Group meeting and EU-13 workshop on 10 April in Pardubice.

Decision

After the presentation of the Executive Director, the Governing Board proceeded to the adoption of the Annual Work Plan 2019 and the Decision of the GB n°19/2018 on the Annual Work Plan and Budget for 2019.

The GB took also note of the presentation on KPIs and the Members committed to ensure a review of the quality of input at TD levels as well as the quality of output at corporate level.

The GB agreed to organize a GB workshop in March 2019 in order to discuss the work on KPIs and on standardization, as well as the future of railway research and innovation.

6. S2R JU GOVERNING BOARD OBSERVER SEAT TO THE ERRAC CHAIR

Decision

After the presentation of the Executive Director on the request of ERRAC, the Governing Board agreed to grant an observer seat to the ERRAC Chair, subject to the provisions of the Rules of Procedure, in particular Article 13 – Confidentiality and Article 14 – Conflict of Interest.

7. HUMAN RESOURCES IMPLEMENTING RULES

The Executive Director presented the human resources implementing rules on guidelines on whistleblowing, the function of adviser and middle management staff and rules on outside activities and occupational activities after leaving the service. He indicated that the Commission comments were taken into account.

Decision

The Governing Board adopted the Decision of the GB 20-2018 on guidelines on whistleblowing, the Decision of the GB 21-2018 on middle management staff, the Decision of the GB 22-2018 concerning the function of adviser, and the Decision of the GB n°23/2018 amending Governing Board Decision N°6/2015 on the Staff Regulation and the Conditions of Employment of Other Servants of the European Union (CEOS) implementing rules for the purpose of the application by analogy of rules on outside activities and assignments and on occupational activities after leaving the Service adopted by Commission Decision C(2018)4048 of 29.6.2018.

8. MANDATE TO THE EXECUTIVE DIRECTOR TO ESTABLISH RELATIONS WITH EUROPEAN REGIONS AND OTHER EUROPEAN AND INTERNATIONAL ORGANIZATIONS

Following the agreement by the GB of the note on international activities by the GB on 5 September 2018, the Executive Director provided the GB members with an update on international collaborative outreach activities undertaken in the past months with European regions and other European and international organizations, e.g. with the Czech Republic, the Basque region, Dutch regions, and ETSI. He further detailed in this respect the request to the GB for the provision of a mandate to the Executive Director of the Shift2Rail Joint Undertaking to establish relations with European regions and other European and international organizations. In this respect, he provided details to the GB members on the suggested procedure by which the GB members would oversee the final text before Executive Director signature.

The Co-Chair expressed her encouragement for these initiatives and encouraged strategic planning with regard to international partnerships. The Chair indicated that this flurry of activity shows the S2R JU is identified as a relevant player on the international scene. Furthermore, she emphasized consideration for the principles of openness, inclusiveness, and the need to select collaboration agreements through the prism of EU added-value on a case-by-case basis in order to balance with the availability of resources within the S2R JU.

Decision

The Governing Board adopted the Decision of the GB n° 15/2018 on giving a mandate to the Executive Director of the Shift2Rail Joint Undertaking to establish relations with European regions and other European and international organizations.

ITEMS FOR DISCUSSION OF THE GOVERNING BOARD

9. INFRASTRUCTURE TEST FACILITIES WORKING GROUP

The Executive Director presented the developments in the field of infrastructure test facilities, namely the outcome of the S2R JU WG meeting on 10th October (position paper), the input sent by S2R JU to the European Commission working document on technology infrastructures, and the Validation Workshop “European approach on Technology Infrastructures - How to ensure success?” on 14 November 2018. The position paper on R&I TF and their capabilities will be shared by the end of January 2019.

The Co-Chair thanked the S2R JU for providing this input and for aiming for less fragmentation in this field. The Industrial Spokesperson highlighted the importance of business cases and sustainability. The Chair recalled the importance of focusing on the EU dimension and the potential added value of shared test facilities.

The GB took note of the information provided.

10. S2R JU EXECUTIVE DIRECTOR PROPOSAL FOR THE REORGANISATION OF THE S2R JU SCIENTIFIC COMMITTEE

The Executive Director stated that having regard to Decision n° SC 1/2015 adopting the rules of procedure of the Scientific Committee of the S2R JU, and in particular Article 15 on the amendment to the rules of procedure at the request of the Executive Director, an amendment to the rules of procedure of the Scientific Committee is called for in order to allow members of the Scientific Committee to be contracted as individual experts by the S2R JU for the review of S2R projects, whilst ensuring their independence and impartiality and the absence of conflict of interest. The Executive Director indicated that the Commission comments had been taken into account in the drafting of the Executive Director Decision ED-18-14 “Request for Amendment to the Rules of Procedure of the Shift2Rail Joint Undertaking Scientific Committee”. Furthermore, he stated that the new set-up of the Scientific Committee would be presented at the next GB meeting.

The Alstom representative expressed the desire to invite the Scientific Committee Chairperson to the next GB to present their work and to increase their visibility.

The GB took note of the information provided and agreed to the revision of the Rules of Procedure and to the presentation by the Scientific Committee Chairperson of the SC work at the next GB.

11. NEW CHAIRPERSON AND VICE-CHAIRPERSON OF THE S2R JU STATES REPRESENTATIVES GROUP

The Executive Director of the Shift2Rail Joint Undertaking informed the GB members of the results of the written procedure for the election of the Chairperson and Vice-Chairperson of the States Representatives Group (SRG), which took place in October 2018. Mrs Sarah Bittner – Krautsack (AT) was elected as SRG Chairperson and Mr Miroslav Haltuf (CZ) was elected as SRG Vice-Chairperson. The mandates of the newly elected Chairperson and Vice-Chairperson shall be effective as of 1 January 2019, for a period of two years.

The GB members congratulated the newly elected Chairperson and Vice-Chairperson and took note of the information provided.

12. FINALISATION AMENDMENT MEMBERSHIP AGREEMENTS (FOLLOW-UP OF GB DECISIONS N°16/2018 AND 18/2018) – DOCUMENTS TO BE ADOPTED BY WRITTEN PROCEDURE

The Executive Director stated that following the adoption of “*GB Decision 16/2018 regarding the amendment of the membership agreements between the Shift2Rail Joint Undertaking and the members other than the Union*”- adopted by the GB by written procedure, the Membership Agreements with the Founding Members and with the Associated Members are revised to include the new Article 2(2) of the “*Template Membership Agreement*”. He reminded that Article 2(2) lists the eligibility criteria for the Members’ in-kind contribution in implementing indirect actions. In order to ensure more flexibility in prioritizing the implementation of the programme research and innovation activities and to contribute to the achievement of the S2R JU objectives, the maximum limit of the reimbursement requests set out in Article 2(2) at the level of 44.44% of the project cost should relate to the totality of the Member’s costs in implementing intertwined indirect actions calculated *cumulatively*, rather than, for each indirect action, to the total costs in implementing that indirect action.

Furthermore, the Membership Agreements with the Associated Members have been revised to also take into consideration the “report regarding the outcome of 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” and the subsequent negotiation process.

Subject to the feedback and approval of the revised versions of the Membership Agreements by each member by 7 December, the Executive Director of the S2R JU will transmit the amended membership agreements to the Governing Board for approval by written procedure by mid-January 2019.

The Chair encouraged the members of the GB to react swiftly within the set deadlines and finalize before the end of the year.

The GB members took note of the information provided.

13. DISCHARGE PROCEDURE 2017, IAS FINAL AUDIT REPORT 2018, NEW INTERNAL CONTROL FRAMEWORK

The Executive Director indicated that the ECA 2016 recommendations have been implemented (S2R JU Anti-Fraud Strategy). Furthermore, he highlighted three comments from the ECA 2017 Report: i.) Unused payment appropriations from previous year for around 7.6m€; ii.) Procurement procedure on communication (procedure launched in 2016); iii.) Leverage effect - S2R JU is confirming the excellent results achieved with respect to the IKAA certification.

As regards the Internal Audit Service (IAS) final audit report, the S2R JU submitted an action plan in October regarding few topics under implementation. They will all be completed by the end of the year or by Q1 2019.

Following the adoption of the new S2R JU Financial Rules, an action plan for the integration of the new Internal Control Framework (ICF) will be prepared in 2019 and submitted to the GB. The Executive Director highlighted that the new ICF is less prescriptive and adapted to the risk framework.

The Chair expressed her praise for the positive recommendation given by the European Court of Auditors (ECA) to the S2R JU. As regards the comments on the unused appropriations, she stated a collective effort should be deployed to avoid it in the future.

The GB members took note of the information provided.

14. NEW S2R JU FINANCIAL RULES: STATUS AND ADPTION PROCEDURE

The Executive Director underlined that the new EU Financial Regulation (FR 2018) entered into force in May 2018. As a consequence, the Model Financial Regulation (MFR) for public-private partnership bodies must be adopted. The S2R JU contributed to this exercise and sent its comments to the Commission in order to ensure more alignment with the S2R JU Regulation. Once the MFR is adopted by the European Commission, the GB should adopt the new financial rules that will repeal the current rules dated December 2015 (GB decision N° 21/2015). The new rules will inter alia foresee the inclusion of multi-annuality.

The Chair stressed the importance of simplification and flexibility in the new Financial Regulation.

The GB members took note of the information provided.

15. COMMON COLLABORATION AGREEMENT - CCOLA

The Executive Director then presented the work undertaken by the S2R JU to develop a unified framework for Cooperation, called the Common Collaboration Agreement (CCOLA). The CCOLA is an ambitious attempt to unify the multitude of existing cooperation relationships under a single common framework. With the CCOLA, all kinds of cooperation between all kinds of actors would be covered and given a legal framework simply through accession, superseding previous COLAs. Overall, this unification and simplification should result in a significant decrease in transaction costs of cooperation regarding bureaucratic and legal overhead. The CCOLA will create transparency and common contractual standards, ensure coherent IPR rules throughout the programme and create legal certainty to facilitate future exploitation of results. The Executive Director indicated that the CCOLA establishes a standard process for results and background requests and does not create an expansion of shared IPR/background – the extent of sharing will be the same as under the current framework (H2020 rules), except it will no longer require individual contract negotiations each time. More specifically, a unified IPR protection framework with a licensing scheme allows research within the Programme while protecting the commercial interest of Members regarding later exploitation.

The Industrial Spokesperson emphasized the need for projects to be fully aligned. The Chair underlined that the CCOLA would reduce time spent on negotiation of recurrent issues.

The Executive Director stated that following discussions with members on a bilateral basis, the CCOLA would be sent in December to the GB for consultation until mid-January 2019.

The GB members took note of the information provided.

ANY OTHER BUSINESS

16. AOB

The Executive Director indicated that in June 2017, the GB approved the list of actions selected for funding under the S2R JU call H2020-S2RJU-2017-01 (Decision 1/2017), including the proposals on the reserve list. The Executive Director informed the members of the GB that he will now proceed with the termination of the validity of the reserve list of proposals submitted under the S2R JU call for proposals H2020-S2RJU-2017-01. The coordinators of the proposals concerned will be notified of the termination of the validity of the reserve list, with immediate effect, through the H2020 Participant Portal.

The Executive Director informed the members of the GB of the upcoming dates scheduled for GB meetings in 2019:

- 25 Mar 2019: AAR 2018, Provisional Annual Accounts 2018, S2R 2
- 24 Jun 2019: Final Annual Accounts 2018, AAR 2018, MAAP, S2R2
- 6 Sep 2019: extraordinary GB on the award of Call 2019 (or 4 Sep or first week of Aug);
- 14 Nov 2019: AWP 2020, S2R 2, etc.

The Chair indicated that letters from the Commission will be sent to the GB members informing them about Commission access to project results and confidential information on a need-to-know basis and with tracking and tracing. This procedure for access will be submitted to the GB by written procedure.

The Chair thanked the Executive Director for the good cooperation and for a well prepared agenda.

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

- The amendments to the Membership Agreements.
- Commission access to project results and confidential information on a need-to-know basis and with tracking and tracing

NEXT MEETINGS

The next meeting of the Governing Board is scheduled on:

- 25 March 2019

Done in Brussels on 4 December 2018

A handwritten signature in black ink, consisting of stylized vertical lines and a curved flourish extending to the right.

Signed:

Henrik HOLELEI

Chairman of the Governing Board