

Shift2Rail Joint Undertaking (S2R JU)

24th FORMAL MEETING OF THE S2R JU GOVERNING BOARD

22 June 2020, 10:00-13:30

Remote connection

PRESENT:

European Union, represented by the European Commission	Elisabeth WERNER, Director C, DG MOVE	Chair (Alternate)
	Patrick CHILD, DDG, DG RTD	Co-Chair
	Keir FITCH, DG MOVE	Observer
	Mihaela WILLIAMS, DG MOVE	Observer
	Leonardo DONGIOVANNI, DG MOVE	Observer
	Jean-François AGUINAGA	Observer
	William BIRD, DG RTD	Observer
	John CLEUREN, DG RTD	Observer
ALSTOM	Nicolas CASTRES SAINT MARTIN	Member
AZD Praha	Michal PAVEL	Alternate Member
BOMBARDIER	Massimo SIRACUSA	Member

CAF	Jorge DE CASTO	Alternate Member
DEUTSCHE BAHN	Ralf MARXEN	Alternate Member
EUROC	Thomas PETRASCHEK	Member
HACON	Lars DEITERDING	Alternate Member
HACON	Rolf GOOSSMANN	Member
HITACHI RAIL STS	Antonella TROMBETTA	Member
INDRA	Javier RIVILA LIZANO	Member
KNORR - BREMSE	Hans-Christian HILSE	Member
KNORR - BREMSE	Martin ERTL	Alternate Member
NETWORK RAIL (Industrial Spokesperson)	Andy DOHERTY	Member
SIEMENS	Jürgen SCHLAHT	Alternate Member
SIEMENS	Roland EDEL	Member
SMART DEMAIN CONSORTIUM	Henk SAMSON	Member
SMARTRACON CONSORTIUM	Michael MEYER ZU HÖRSTE	Alternate Member
SNCF	Christophe CHERON	Alternate Member
THALES	Yves PERREAL	Alternate Member

TRAFIKVERKET	Bo OLSSON	Alternate Member
VVAC+	Filip KITANOSKI	Member
European Railway Agency	Anna GIGANTINO	Observer
Chairperson of the States Representative Group	Sarah BITTNER-KRAUTSACK	Observer
Vice-Chairperson of the States Representative Group	Miroslav HALTUF	Observer
Chairperson of the Scientific Committee	Angela DI FEBBRARO	Observer
S2R	Carlo M BORGHINI	Executive Director
	Giorgio TRAVAINI	Observer
	Vincent DECLERFAYT	Observer
	Isaac GONZALEZ GARCIA	Observer
	Claudia REPP	Observer
	Valerie LORGÉ	GB Secretariat

AERFITEC	Miguel CASTILLO ACERO	Observer
AERONOVA	Carlos ERASO	Observer
FAIVELEY Transport	Roberto TIONE	Observer
KONTRON	Michael MIKULANDRA	Observer
MERMEC	Antonella SEMERANO	Observer
SWI-TRACKEN	Eric TREGOAT	Observer
TALGO	Daniel MOLINA	Observer
TALGO	Eduardo DE LA GUERRA OCHOA	Observer
CS GROUP FRANCE	Arnaud Salomon	Observer

LIST OF DECISIONS:

The following decisions were taken by the Board:

- GB Decision n°04/2020 On the application by analogy of Commission Decision C(2020) 1559 final of 16.3.2020 amending Decision C(2013) 9051 of 16 December 2013 on leave
- GB Decision n° 05/2020 approving the Annual Activity Report 2019
- GB Decision n° 06/2020 regarding the Governing Board's opinion on the Shift2Rail Joint Undertaking's final accounts, Financial year 2019

OVERVIEW OF DISCUSSIONS:

INTRODUCTION

The Chair, Mrs Elisabeth Werner, welcomed the participants to the 24th Governing Board meeting held remotely via WEBEX. The Chair indicated that all documents relating to the meeting were circulated in advance according to the Rules of Procedure. The Chair briefly presented the items on the Agenda.

1. WELCOME FROM THE CHAIR AND ADOPTION OF THE AGENDA

The final agenda 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) ¶	10:00
2. → INFORMATION FROM THE COMMISSION¶	
3. → REPORT OF THE EXECUTIVE DIRECTOR ON S2R JU ACTIVITIES	
4. → ADOPTION OF THE MINUTES OF THE GB OF 26 MARCH 2020	11:15
ITEMS FOR DECISION OF THE GOVERNING BOARD	■
5. → ADOPTION OF THE ANNUAL ACTIVITY REPORT 2019	11:20
6. → ADOPTION OF THE FINAL ANNUAL ACCOUNTS 2019	11:45
7. → ADOPTION OF GB DECISION CONCERNING COMMISSION DECISION C(2020)1559 of 16 MARCH 2020 ON LEAVE	12:00
8. → DECISION ON REPERCUSSIONS ON S2R JU MEMBERSHIP OF THE MERGER BETWEEN DIGINEXT AND CS SYSTEME D'INFORMATION¶ Presentation by Diginext	12:15
9. → DECISION ON ED PROPOSAL ON THE EUROPEAN DAC DELIVERY PROGRAMME	12:30
ITEMS FOR DISCUSSION OF THE GOVERNING BOARD	■
10. → EXCHANGE ON THE FUTURE S2R	12:45
11. → UPDATE ON THE NEW INTERNAL CONTROL FRAMEWORK	13:15
ANY OTHER BUSINESS	■
12. → AOB ¶ ▪ → INDICATIVE LIST OF DOCUMENTS TO BE ADOPTED BY WRITTEN PROCEDURE OR AT THE NEXT BOARD MEETING¶ ▪ → INDICATIVE DATES OF THE NEXT MEETING(S) ¶ --> 17 July 2020¶ --> 19 November 2020¶ --> 23 March 2021, ¶ --> 22 June 2021, ¶ --> 25 November 2021	13:30

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. In addition, in accordance with the GB Decision n° 07/2018, the GB members were invited to sign and submit the annual declaration on conflict of interests, should there be a change from the

situation mentioned in their respective 2019 annual declarations. The declarations for Conflict of Interest (CoI) were sent electronically.

2. INFORMATION FROM THE COMMISSION

The Chair highlighted that the future rail partnership would be discussed under item 10 ‘exchange on the future S2R’.

The Chair presented the on-going work of the Commission in response to COVID-19. She highlighted that passenger volumes were down by 80-85% and international links had been interrupted during several weeks. She underlined however that freight had continued to operate with reliability during the pandemic – showing its important role in safeguarding the supply chain and the free movement of goods - even though its volumes were down by 25%. The Commission sought to ensure there would be no cross-border obstacles further hindering movement, proposing guidelines and an Omnibus Regulation suggesting to extend the validity of safety certificates and rail driver licences. The implementation deadline for the 4th railway package technical pillar was postponed, as well as the alignment of secondary legislation. The EU Agency for Railways (ERA) is working on more detailed guidance and is in touch with the European Centre for Disease Control (ECDC) and other transport agencies (EASA, EMSA) for this. She emphasized the need to secure passenger trust in the current circumstances, including for tourism. Looking to the future, the Commission will seek to ensure that no liquidity problems would push companies into bankruptcy, by supporting railway undertakings and providing financial relief. The Recovery Plan for Europe 2021-2027 is currently discussed by the Heads of State and Government.

The Co-Chair presented the Recovery Plan for Europe, which strives to help repair the economic and social damage brought on by the COVID-19 pandemic, kick-start European recovery, and protect and create jobs. In order to achieve this, the European Commission is proposing a major recovery plan for Europe based on harnessing the full potential of the EU budget. The Co-Chair indicated that in order to mobilise the necessary investments, the Commission is putting forward a two-fold response:

- ‘Next generation EU’: a new recovery instrument of EUR 750 billion which will boost the EU budget with new financing raised on the financial markets for 2021-2024
- A reinforced long-term budget of the EU for the period 2021-2027 (EUR 1,100 billion)

He underlined that ‘Next Generation EU’ of €750 billion, as well as targeted reinforcements to the long-term EU budget for 2021-2027, will bring the total financial firepower of the EU budget to €1.85 trillion. Together with the three important safety nets for workers, businesses and sovereigns endorsed by the European Council on 23 April 2020 and amounting to a package worth €540 billion, these measures taken at the EU level would reach €1.290 trillion.

The Co-Chair emphasized that Next Generation EU will be rolled out under three pillars, under the common arch of investment in a green, digital and resilient Europe. He emphasized the recognition of R&I driving the COVID-19 recovery, with a focus on the European Green Deal and the digital transformation:

- “Supporting Member States to recover”: action is needed to kick-start the economy and create the conditions for a recovery led by private investment in key sectors and technologies. This investment is particularly crucial to the success of Europe’s green and digital transitions.
- “Kick-starting the economy and helping private investment”: The Commission is proposing a new Solvency Support Instrument to provide equity support to sound companies put at risk by the crisis. This will help support the green and digital transformation. The Commission is also proposing to strengthen InvestEU, Europe’s flagship investment programme, to mobilise investment across the Union in areas such as sustainable infrastructure and digitisation. As part of this, the Commission proposes to create a new Strategic Investment Facility to invest in key value chains crucial for Europe’s future resilience and strategic autonomy in the context of the green and digital transitions.
- “Learning the lessons from the crisis”: Horizon Europe will be reinforced to fund vital research in health, resilience and the green and digital transitions.

The Co-Chair emphasized that the European Commission invited the European Council and the co-legislators to examine these proposals rapidly with a view to reaching a political agreement at the level of the European Council by July. The Commission will then work closely with the European Parliament and the Council to finalise an agreement on the future framework and the accompanying sectoral programmes. Completing this work in the early autumn would mean that the new long-term budget could be up and running and driving Europe’s recovery on 1 January 2021.

The Chair thanked Co-Chair for providing this overview, underlining that the heavy focus on sustainability and digitalization will undeniably represent a beneficial opportunity for rail, coupled with 2021 as the European Year of Rail. Moreover, the Chair stated that in the context of discussions on skills and the Erasmus + programme, the rail Blueprint initiative on skills received high appreciation from the evaluation committee. She highlighted that Professor di Febraro has been appointed as coordinator for this project.

3. REPORT OF THE EXECUTIVE DIRECTOR ON S2R JU ACTIVITIES

For additional details, please refer to the presentation.

The S2R JU Executive Director stressed that during the Covid-19 crisis, the S2R JU organization was fully operational and active.

He provided an update on programme activities, indicating that the S2R JU call for proposals H2020-S2RJU-2020 call deadline was extended to 27 May 2020, with the evaluation of the call 2020 scheduled remotely from the S2R premises and the consensus week spanning from 25 June until 1st July. The Extraordinary GB meeting on 17 July will be held remotely and will focus on the call 2020 award. The Grant Agreement Preparation (GAP) phase will start in September. He emphasized that activities can start with an early start date and be eligible for funding as of the selected early start date.

From September until December 2020, focus will be placed on the GAP and on Pre-financing. The Executive Director stated that pre-financing will be increased pending on the availability of resources. The Governing Board meeting of 19 November will focus on the adoption of the Annual Work Plan 2021.

The Executive Director presented the COVID-19 Programme's Impact Mitigation:

- An internal fast-track procedure was developed to implement project amendment requests linked to COVID-219 restrictions in a swift manner;
- Monitoring of the Projects status with the Members and IP/CCA SteCo: mitigation measures are assessed against impact on TDs/ITDs and especially testing/demos;
- No critical issues have been reported. Nevertheless, a shift of 3-4 months is expected on those activities requiring operational testing or social "real-life" feedback

The Executive Director provided an update on the EDPB key discussions:

- Linx4Rail is working on a draft architecture of a single-bus modular on-board for CCS (CONNECTA-OCORA), with input to the ERA Technical Working Group ARCHI :
- TSI2022 input to the other ERA TWG monitored and ongoing
- DAC delivery programme
- MCCOLA agreement in sight, with the EDPB lawyers meeting scheduled on 23/06
- As regards points of attention for project monitoring, the Executive Director stressed the lack of signature of a PIVOT2/CARBODIN collaboration agreement

With regard to on-going cooperation with regions and international organizations, he indicated that the signing of the MoU with CUTRIC is foreseen in Q3 2020 at the CUTRIC Rail Conference, and the signing of the MoU with FERRMED is foreseen by the end of 2020. The MoU with CEN/CENELEC, the MoU with UIC, and the Cooperation Agreement with the Permanent Secretariat of the Western Balkan Transport Community are in their final drafting stages, under review by the European

Commission. Concerning the MoU with ACRI, the Governing Board consultation process has been launched until 17 July.

The industrial Spokesperson recognized agreements with standardisation bodies and international organizations are important, but he indicated his concern about S2R resources and that the MoU with FERRMED would be a diversion from S2R core objectives. The Executive Director took note of the comment, stating it would not be an issue to inform FERRMED of the GB position. The Chair recommended focus be placed in the future on MoUs with standardization bodies as well as a proposal for prioritizing criteria.

The Executive Director underlined that participation in remote S2R events had been very high. He highlighted the organization of the S2R Innovation Days on 22-23 October 2020, as a hybrid event digital/presential at the White Atrium in Brussels, with projects IP2, IP5 and CCA, marking the preparation for the S2R successor. The invitation will be sent out in the next couple of weeks. The event will represent an opportunity for the European railway community to see how far S2R innovations have come and what can be expected at InnoTrans 2021. The plenary sessions will focus on the big issues facing the future of rail, with a high-level Panel on the Future of Rail Research & Innovation; a panel on Delivering Innovation Capabilities for the European Railway of the Future; and a Freight Innovation Forum. Parallel workshops will target concrete project results that are building the future of rail. The event will also see the launch of the Shift2Rail Research & Innovation Awards (2020 Prizes postponed to the next InnoTrans)

The industrial Spokesperson highlighted that in view of the organization of the European rail 2021, attention should be given to the fact that due to the impact of the COVID-19 crisis, the sector is struggling financially. The Chair answered that the programme event is organized in S2R premises precisely for those reasons, with the objective of a low impact event in terms of cost for projects, but with a high level visibility for the rail sector, and widely sustained by the communication resources of the S2R JU.

The Executive Director presented the S2R action plan to maintain climate neutrality, with current measures already in place targeting an estimated 5-10% reduction, and additional actions striving for an estimated 20-30% reduction - indicating that the idea is to continue contributing to climate neutrality beyond the future normalization of the COVID-19 situation.

The Talgo representative enquired about the Carbodin-PIVOT 2 issue. The Executive Director indicated clear mitigating actions have been requested to move forward swiftly on the lack of signature of a collaboration agreement between these two complementary projects, with the parallel investigation on

potential Chapter 6 measures relating to (full or partial) action implementation suspension on the basis of Articles 49.2 of the Carbodin Grant Agreement n° 881814 and PIVOT2 Grant Agreement n° 881807. This (full or partial) suspension would be based on the ground of (possible) loss of scientific or technological relevance of the Carbodin project, with impact on the suspension of the linked action/complementary Grant Agreement PIVOT2 n° 881807.

4. ADOPTION OF THE MINUTES OF THE GB OF 26 MARCH 2020

The Chair invited the participants to comment on the minutes of the twenty third Governing Board meeting which included the comments received. The minutes were adopted with no additional changes.

ITEMS FOR DECISION OF THE GOVERNING BOARD

5. ADOPTION OF THE ANNUAL ACTIVITY REPORT 2019

The Chair emphasized that 2019 has been a very successful year for the JU.

The Executive Director indicated that the AAR 2019 was sent out on 2nd March 2020 to the GB, SRG and SC. The following comments have been received and duly taken into account

- European Commission comments mainly on administrations and institutional harmonisation matters as well as on the description of the activities aligned with the successor of the S2R JU
- Members: DB comments on IP5 overview summary and IP5 TD results presentation section
- Scientific Committee comments on the risk management section
- State Representative Group comments on harmonisation of formatting and a few specific modifications
- The S2R JU also updated the CCA WA results with some error corrections and the ex-post control section with adapted text based on updated error rate calculation.

The Executive Director indicated that the AAR 2019 and the annual accounts will be sent to the European Parliament, the Council, and the European Court of Auditors by 1st July 2020.

He provided the GB members with a presentation on the progress of achievement of the estimated work planned in 2019 for the different IPs, highlighting that the S2R JU is performing according to plan, - with even some accelerations in a few areas. The document provides a detailed overview on the progress on all activities, all detailed TDs, as well as an Executive Summary summarizing the overall situation of the programme. He underlined that some TDs are running behind due to a combination of factors. However, there is no criticality questioning the delivery path. All projects are targeting finalization by end 2022, to allow the phasing-out of the current programme and the phasing in of the new programme. The Executive Director stated that by the end of 2019, the Programme reached a pivotal milestone in

terms of Programme implementation: more than 50% of the Programme has been delivered in view of the TRL6/7 operational demonstrations planned for conclusion in 2022.

Michael Meyer Zu Hörste, DLR representative (SmartRacon consortium) presented the status of the S2R KPI activities.

As regards the actions launched during the Governing Board meeting:

Accuracy level:

- Process of a four-level classification of the accuracy for the KPI model was developed by IMPACT-2 in consultation & agreement with all IP-SteCos
- Collection of the actual accuracy levels has started in parallel to improvement collection and will be part of release 3.0

Exchange between Scientific Committee and IMPACT-2 on the integrated assessment

- Approaches and models for KPI, customer experience (formerly attractiveness) and mode choice developed by IMPACT-2 were presented and discussed with the Scientific Committee
- Comments and recommendations from the Scientific Committee were received and are under evaluation by IMPACT-2

Mr Zu Hörste presented the KPI model status and the next steps:

- Release 3.0 for November - discussion with the IP SteCos on the completeness on the model is in progress.
- Improvement value collection / update has been launched during June's SteCos and to be complemented by September
- For IP2 the update of the modelling method for all KPI has been aligned and value collection is under preparation
- Update of the Customer Experience model will be done in parallel to KPI model with all IPs

He indicated that concerning dissemination activities, the following actions are foreseen:

- KPI publicly available web-tool under the “long term needs and socio-economic research” tender is under finalisation and can be found here: <http://kpi.abirun.com:8038/S2R/>
- IMPACT-2 working on the INNOTRANS CCA model demonstrator

The Chair thanked Mr Zu Hörste for his presentation.

She proposed a combined adoption of agenda items 5 on AAR and agenda item 6 on final annual accounts. The Spokesperson indicated his agreement.

Decision

The Governing Board adopted the Decision of the GB n° 05/2020 on the Annual Activity Report 2019

6. ADOPTION OF THE FINAL ANNUAL ACCOUNTS 2019

The Executive Director underlined a budget execution of 100% in Commitment (contracts) and of 89% in payment. Total contributions received at 31/12/2019 are of 187,1m€, with 221,8m€ cash contribution from the Union; 8,2m€ cash contribution from Members other than the Union; and 68,6m€ in-kind contribution from Members other than the Union. In addition, 74,6m€ of in-kind contributions are to be validated (40,7m€ covered with audit certificate). The Executive Director highlighted that no findings are expected from ECA, and no findings were reported by the External Auditor BakerTilly.

He indicated this should allow for a clear assessment of the situation on unspent money during the Governing Board meeting in November to determine whether a mini-call 2021 will be considered.

In response to a question from the industrial Spokesperson on the possibility of using unspent resources within H2020 for demonstrators, the Co-Chair indicated that the remaining flexibility of H2020 will be used to fund urgent calls in response to the Covid crisis and focus on the green deal call, which is under public consultation at the moment. Therefore, no foreseen top-up budgets are foreseen for partnerships.

The Chair congratulated the S2R JU on the adoption of the final annual accounts 2019.

Decision

The Governing Board adopted the Decision of the GB n° 06/2020 regarding the Governing Board's opinion on the Shift2Rail Joint Undertaking's final accounts, Financial year 2019

7. ADOPTION OF GB DECISION CONCERNING COMMISSION DECISION OF 16 MARCH 2020 ON LEAVE

The Executive Director stated that on 19 March 2020, the Commission informed the S2R JU that Decision C(2013) 9051 of 16 December 2013 on leave had been amended [C(2020) 1559 final]. This amendment takes into consideration developments in reproductive medicine, laws on procreation and parenthood and the societal context, in order to allow new forms of parenthood to also benefit from special leave rights. Therefore, it is necessary to adopt this Commission Decision by analogy in order to make it applicable to S2R JU.

Decision

The Governing Board adopted the Decision of the GB n°04/2020 on the application by analogy of Commission Decision C(2020) 1559 final of 16.3.2020 amending Decision C(2013) 9051 of 16 December 2013 on leave.

8. DECISION ON REPERCUSSIONS ON S2R JU MEMBERSHIP OF THE MERGER BETWEEN DIGINEXT AND CS SYSTEME D'INFORMATION - Presentation by Diginext

The Chair indicated that the S2R JU had been notified that as of 1 May 2020, DIGINEXT was merged into its sole shareholder company, CS Systèmes d'Information. On 1 May 2020, CS Systèmes d'Information was renamed CS GROUP- France. In this respect, this item is included as a point for decision on the agenda of the GB, in accordance with Art 4(7) of the S2R JU Statutes. She invited Mr Arnaud Salomon, Deputy General Manager of CS GROUP-France, to present the merger.

Mr Saolomon indicated that the merger took place in the context of an internal reorganization of corporate structure. In legal terms, the merger is considered as a universal transfer of the entire DIGINEXT undertaking under French law (Article 1844.5 of the French Code civil), with CS Systèmes d'Information taking over the entirety of the rights and obligations of DIGINEXT under the latter's contracts for services. In addition to contracts, the transfer of the undertaking will cover all assets and liabilities as well as the entire staff.

The merger is considered as a UTRO (universal transfer of rights and obligations) under the H2020 Regulation, since the old entity is legally dissolved (cessation of legal personality and striking off from the register of companies) and there is a transfer of all rights and obligations to new entity. UTROs do not call for amendments of the S2R Grant Agreements.

The Chair thanked Mr Salomon for his presentation and indicated that no comments were received from the Commission services. The industrial Spokesperson indicated there were no comments from the founding members. The Executive Director indicated the presentation would be distributed to the members of the Governing Board.

Decision

The Governing Board agreed to the signature of the updated Membership Agreement between the S2R JU and CS GROUP France, in accordance with the provisions of Article 4 of the S2R Council Regulation.

9. DECISION ON ED PROPOSAL ON THE EUROPEAN DIGITAL AUTOMATIC COUPLER (DAC) DELIVERY PROGRAMME

Please refer to the presentation of the Governing Board and the Commission Presentation (DG MOVE).

The Executive Director presented the ED proposal on the European DAC Programme asking to the Governing Board an endorsement of the proposed approach. He underlined the current IP5 innovation focus areas, indicating that S2R Freight will help reduce process times, making rail more competitive and rendering higher CAPEX capitalization. DAC is part of the overall concept of digital rail freight and a key element for better and optimized convoy formation, gateway for comprehensive automation and digitalization of rail freight transport. The system has been developed and manufactured and will be tested by the summer of 2020 during field tests. Moreover, there will be a second field test campaign to test winter operational conditions in Sweden.

He highlighted the key benefits of the European DAC Delivery Programme, *inter alia* increasing infrastructure capacity, increasing rail freight efficiency, and contributing to delivering the “Green Deal”, with a planned increase of 30% by 2030, and +50% by 2050.

The aim will be for the European DAC to be delivered via an integrated shared programme, building upon R&I results and pilots; and ensuring the necessary actions for a fast, technically and economically feasible European-wide roll-out. He stressed that the target will be for all freight wagons (600.000+) in Europe to be automatically coupled by 2030 at the latest:

- Selection of an open, fully functional, operationally tested, safe and sustainable European DAC open model ready for industrialization and deployment
- Deliver final open design of the selected model by the end of 2021 of which interoperability and safety requirements to be incorporated to TSI, Green Deal & Digitalization Package 2022
- Produce efficient and cross-countries compatible migration and business plans
- Identify possible European funding to support the migration plan

He emphasized that the key process is to have convergence of the market in functional testing solutions and to mobilize the convergence of the sector fully linked with the work carried out in IP5. Work is ongoing to reach type 5, i.e. full automation of the coupler including decoupling. Focus is currently on type 4, with the possibility to scale up to type 5.

The European DAC Delivery Programme would be materialized via a single system approach (harmonization through transparent selection process, DAC open “model”), broad sector discussions on impact, transition, migration, deployment and financial aspects, the alignment of all ongoing and planned DAC-initiatives in European Countries, an independent and balanced governing structure, as well as a collaborative approach with all relevant partners/players and organizations (the Commission, UIP, CER, UIC, RFF, UNIFE, ...).

The Executive Director put forward the idea for the EU DAC Governance, including a Supervisory Board, the Programme Board, a Programme Manager, and WP Managers. He emphasized the need to set up a specific governance, in light of the need requirements of the sector, linked to the EDPB and

with a direct connection to the Commission, promoting independence and transparency in the decision-making process.

He indicated that a first meeting took place informally last week with the sector.

The target date for the delivery of the DAC open model specifications for the TSI Digital Package is December 2021.

The Executive Director gave an overview of the foreseen funding. The S2R JU would fund the support structure, via a Specific Contract under the Framework Contract S2R.19.OP.01 “Railway Operators” – LOT 1 -awarded to NS – with an estimated budget for 12 months of EUR 0.2 million. Possible future funding could come from the S2R successor in the context of the Large Scale Operational Demonstrations (subject to relevant decisions).

The Executive Director emphasized the need to have the European solution to demonstrate not only the prototype, but also the interoperability aspects, as well as the will to bring S2R results from TRL 7 to TRL 9, accelerating the market uptake of solutions

The Chair indicated that the Commission is fully behind this single European standard and would like to build on the work of S2R. She invited Mr Keir Fitch (DG MOVE) to present the Commission’s presentation on “DAC- towards a European Solution”, highlighting the priority actions and timeline.

The Executive Director indicated the S2R JU was seeking the GB’s views and endorsement to move in this direction.

The SRG Vice-Chairperson underlined the full support from the Member States’ point of view, stating this is a significant topic from an R&I perspective. He however underscored the need for deeper transparent discussion before launching the future implementation plan.

Lars Dieterding, as Chairperson of the UNIFE freight committee, indicated his full support of the general direction, but highlighted some concerns with the ambitious time-schedule in taking into account the full scope of carefully defined specifications.

The DB representative indicated his support to mobilizing this opportunity, and stated he was optimistic there would be a demonstrator with palpable results next year.

The Spokesperson stated GB members are very supportive of this initiative, and asked the Executive Director for a formalized summary report for the next meeting.

The Trafikverket representative indicated he was looking forward to the DAC being real, but asked to spell out the relationship with IP5.

The Chair underlined the Executive Director suggested a very inclusive decision-making structure, but that the Commission does not prejudge further steps. Indeed, some elements are missing, such as the business case study, and timing is a key question.

The Executive Director clarified that the budget would be mobilized from an existing FWC S2R.19.OP.01 railway operators-LOT 1 and that the IP5 Programme Manager would be the liaison agent. S2R will be supporting the governance structure and ensuring the work of IP5 is a key element of input, not viceversa. He emphasized the desire to make sure the investment in IP5 is materialized in the market.

The Governing Board members put forward their agreement of principle to work in this direction, and requested a more detailed comprehensive description from the Executive Director during the Governing Board meeting of 17 July 2020.

Chair thanked the members of the Governing Board for their support.

ITEMS FOR DISCUSSION OF THE GOVERNING BOARD

10. EXCHANGE ON THE FUTURE S2R

The Co-Chair indicated the Impact Assessment had been discussed during the Regulatory Scrutiny Board hearing on 10 June 2020, and that the S2R proposal had received a positive opinion, subject to a certain amount of comments to be taken on board in the final version. The Commission proposal is expected in the autumn of 2020. A single basic act will cover all institutionalized partnerships. The Horizon Europe Regulation is still under discussion, namely in relation to the budget of the Multi-Annual Financial Framework. By July 2020, the European Council is expected to reach a political agreement on Multiannual Financial Framework and Own Resources Decision. Implementation of the Multiannual Financial Framework 2021-2027 should start in January 2021. He underscored that the target is to have the adoption of the single basic act by the Commission in autumn 2020, in order to go live with the new partnerships by mid-2021. The goal is to minimize the gap between S2R and the future Partnership. There is consensus for the continuation of the current Partnership to take place under the next Multi-Annual Financial Framework and discussions are on-going as regards governance, selection of the members, content, budget and structure. The Co-Chair also highlighted that the exploitation of synergies between Horizon Europe and other programmes, e.g. CEF, Invest EU, are still being explored in the legal text.

The indicative calendar for Rail R&I Beyond 2020 is as follows:

- 2nd quarter 2020:
 - IA report discussed with RSB on 10 June
- 3rd quarter 2020:
 - Finalisation of MOVE plug-in study
 - proposal for new rail iPPP Regulation
 - MS and EP
- 2nd quarter 2021:

- Council Regulation
- 1st July launch event

The Chair stated that the RSB had indicated that the current experience of S2R should be better developed, and had requested further substantiation as to why now is considered the right moment to substantially change the setting. The RSB underlined that future partnerships should look into systemic issues, i.e. how the whole system benefits from innovation. The Chair stated that DAC exemplifies this systemic view. Freight will also be an area of focus, as well as digitalisation and automation at large. Moreover, inclusive governance with broader representation will be pursued. With regard to the timing, the Commission envisages a smooth transition between the current S2R and the future partnership. She stated that the high level sector paper had been circulated by the Executive Director.

The industrial Spokesperson emphasized that all members are very interested in a future JU.

The Thales representative, speaking on behalf of the FM+, underscored the importance of an indicative share of funding and activities between members and non-members to be inserted in the single basic act. Furthermore, he expressed the view that the core members should be listed upfront in the S2R rail partnership annex of the single basic act. He reiterated his hope that a similar governance as the S2R JU governance can be promoted for the S2R successor, and asked the Commission to provide the GB members with some clarifications with respect to these two points. The Chair answered that at this preliminary stage, discussions on the basic act are still taking place internally. She stated that experiences of the current Joint Undertaking, as well as the necessary equilibrium between predictability for core members and agility and diversity for other members, will be put in balance, and the comment from Thales representative on behalf of the FM+ was duly noted. The Commission representative (DG MOVE) further specified that the current idea would be for all calls to be open, with provision of in-kind commitments from core members and the possibility for the call text to contain explicit requirements for specific expertise from core members. He indicated in this respect that certain expressed concerns about the S2R JU openness also need to be addressed.

The SRG Chairperson underlined that the last SRG meeting also revealed a desire, on behalf of the SRG representatives, for a fair and transparent process especially concerning the selection of members.

The Chair indicated all different functions (infrastructure managers, railway undertakings, suppliers) should also be present in the partnership governance. In terms of membership, the expectation is to reach a representation across a wider spectrum (e.g. geographical distribution, size of partners), with a more balanced group.

The Co-chair indicated there will be the opportunity, in the coming months, to deepen the joint discussion, trying to have a critical fresh look at the way JUs are operating, emphasizing a stronger

geographical representation, as well as synergies between funding programmes. He stated the Commission is keen to ensure the JU fits well with the different members.

The Executive Director stated that the concern of a closed club only emerged in relation to the barriers in the possibility of working with core members (CFM/OC). He emphasized that a programme designed in such detail from the onset can only lead to a loss of agility, in particular as regards open calls. It will also be necessary to answer the policy orientation of the Union, as we are reaching towards deployment at TRL 7-9. Synergies with CEF will be necessary to accelerate the R&I. recovery plan.

The Chair reiterated that the selection of members will be done in an open, inclusive and transparent way.

The Scientific Committee (SC) Chairperson indicated her desire for the role of the SC in the S2R successor - including on KPIs, to be discussed at the GB on 17 July.

11. UPDATE ON THE NEW INTERNAL CONTROL FRAMEWORK

The Chair invited the Executive Director to provide an update on the adoption of ED Decision 20-08 (repealing ED Decision 2016-001) on the Shift2Rail Joint Undertaking Internal Control Framework. The Executive Director presented the relevant upcoming activities, *inter alia*: i.) the staff survey that was carried out with the support of an external consultant and whose result will be used for the assessment of some IC principles; ii.) the risk assessment for 2020 planned for July; and iii.) the training of staff envisaged for Q3-4 2020. The AWP 2020 will measure the performance of S2R against the new ICF, which should provide the reassurance to the budgetary authorities on the way resources are managed..

The Chair required for specific COVID-related impacts on the ICF to be flagged. The Spokesperson: stated there are regular on-going discussions in the EDPB on Covid-19 related impacts.

12. ANY OTHER BUSINESS

CIRCABC

The Chair invited the S2R Head of Administration and Finance to present CIRCABC. He indicated CIRCABC is an open-source software of European Commission that allows the creation of collaborative spaces where users can share information over the web. It is suggested to use CIRCABC to avoid sending GB documents by emails in the future (no limitation of size). A document repository “read-only” with the last valid versions would be created for the GB Members. It is only accessible to “a group

of users” with an ECAS account (invitation to register). It will be tested for the 17 July meeting for the supporting documents.

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

The Chair indicated that the following list of documents would be adopted during the next 25th GB meeting on 17 July 2020:

- GB Decision on the award of the S2R JU call 2020 (disclosed a few days before in line with the GB Rules of Procedure)
- ED proposal for DAC programme

The presentation on the Scientific Committee suggestion for the KPIs of the S2R successor will also be included on the agenda.

DATES OF THE NEXT MEETINGS

The dates of the upcoming GB meetings for 2020 were agreed upon:

- 17 July 2020: extraordinary GB meeting for the award of the call
- 19 November 2020
- 23 March 2021 (tbc)
- 22 June 2021 (tbc)
- 25 November 2021 (tbc)

The Chair thanked the S2R JU for the efficient organisation and the structured interventions.

Done in Brussels on 22 June



Signed: 

Henrik HOLELEI

Chairman of the Governing Board