

Shift2Rail Joint Undertaking (S2R JU)

25th FORMAL MEETING OF THE S2R JU GOVERNING BOARD

17 July 2020, 10:00-12:00

Remote connection

PRESENT:

European Union, represented by the European Commission	Elisabeth WERNER, Director C, DG MOVE	Chair (Alternate)
	John CLEUREN, DG RTD	Observer
	Keir FITCH, DG MOVE	Observer
	Leonardo DONGIOVANNI, DG MOVE	Observer
	William BIRD, 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 PETRASCHKEK	Member
HACON	Lars DEITERDING	Alternate 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
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

CS GROUP FRANCE	Souheir MILI	Observer
FAIVELEY Transport	Roberto TIONE	Observer
TALGO	Daniel MOLINA	Observer

LIST OF DECISIONS:

The following decisions were taken by the Board:

- GB Decision n° 07/2020 approving the call ranked lists of actions selected for funding, reserve list and the list of rejected proposals under the Shift2Rail JU call for proposals H2020-S2RJU-2020
- Endorsement of the proposal of the note for the European DAC delivery programme ([available here](#))

OVERVIEW OF DISCUSSIONS:

INTRODUCTION

The Chair, Mrs Elisabeth Werner, welcomed the participants to the 25th 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 - <i>Declarations of conflict of interest based on the Agenda items, in particular in relation to point 4 of the present GB meeting</i>	10:00
2. ADOPTION OF THE MINUTES OF THE GB OF 22 JUNE 2020	10:10
ITEMS FOR DECISION OF THE GOVERNING BOARD	
3. DECISION APPROVING THE LIST OF ACTIONS SELECTED FOR FUNDING UNDER THE SHIFT2RAIL JU CALL FOR PROPOSALS H2020-S2R JU-2020 <i>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 report will be distributed two working days in advance in accordance with the same Rules.</i>	10:15
4. ENDORSEMENT OF THE ED PROPOSAL ON THE EUROPEAN DAC DELIVERY PROGRAMME	
ITEMS FOR DISCUSSIONS	
5. S2R SUCCESSOR <i>Follow up of the meeting of 22 June, further update by the Commission and exchange of views Presentation by the Chairperson of the S2R JU Scientific Committee on the approach to KPIs for the next Programme</i>	11:15
ANY OTHER BUSINESS	12:00
6. AOB - DATE OF THE NEXT MEETING: 19 NOVEMBER 2020	

The Chair asked all members of the Governing Board to 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, with particular attention to be paid to agenda item 3 under the provisions established in Article 13 – Confidentiality, and Article 14 – Conflict of Interest of the GB Rules of Procedures¹, as well as according to Governing Board n°07/2018 on the prevention and management of conflicts of interest

¹ S2R Governing Board Decision N 1/2014 of 30 July 2014.

applicable to the bodies of the S2R JU². 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. ADOPTION OF THE MINUTES OF THE GB OF 22 JUNE 2020

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

ITEMS FOR DECISION OF THE GOVERNING BOARD

3. DECISION APPROVING THE LIST OF ACTIONS SELECTED FOR FUNDING UNDER THE SHIFT2RAIL JU CALL FOR PROPOSALS H2020-S2RJU-2020

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.

For additional details, please refer to the presentation.

The Executive Director indicated that following the deadline for submission of proposals to the call H2020-S2RJU-2020 on 27 May 2020, 17:00 (Brussels time), a remote evaluation was carried out according to the rules on proposal submission and evaluation laid down in the S2R JU Annual Work Plan 2020. The evaluation of proposals was conducted with the assistance of 29 independent technical experts. One independent observer was also appointed in accordance with the procedures laid down in the Guide for proposal submission and evaluation of the H2020 grant manual. The European Commission/DG MOVE representatives, the European Agency for Railways representatives and the European GNSS Agency were invited to be present at the panels' meetings. In addition, the Chair of the Innovation Programme (IP) Steering Committees of the JU, attended some panels, with the exclusion of the one for CFM, as observers under specific NDAs, after having been informed of the implications of such participation.

The Executive Director indicated that 43 proposals were received in response to the call for proposals, for a total of €187.3m (€113.4m co-funding). 35 proposals were submitted for the open call, requesting almost three times the available budget. All open call topics were covered.

One proposal was found ineligible, confirmed as such in SEP and reflected in the panel report. As a result, 42 proposals were declared eligible.

² S2R Governing Board Decision n°07/2018 of 23 March 2018

All eligible and admissible proposals complying with the pre-announced minimum quality threshold by award criterion and overall (above threshold proposals) were prioritised by the evaluating experts into ranking lists per topic in order of overall score, as listed in each panel report.

Based on this ranking, the list of proposals to be invited to start the grant preparation is presented in the ranked list in Annex 1 to the GB Decision 07/2020. The recommendation from the Executive Director is therefore the following:

- CFM, 8 Projects, €127.2m (co-funded €55.4m)
- OC, 11 Projects, €22.0m (co-funded €19.9m)

The Executive Director provided details on the number of participations by country in proposals evaluated and considered for funding by type of action, as well as information of country share in the total S2R JU requested contributions in proposals evaluated and considered for funding. The Executive Director highlighted a much wider participation of countries from the EU-13, in particular in the open call. This reflects a positive trend going in the right direction. He underlined that the actions put in place helped to widen the participation, and should be followed up in the next period.

The Executive Director underlined that the AWP2020 targets were to reach TRL 7, and that this was mostly reached. He summarized the proposals received, underlining that the average score this year is higher than previous years. Furthermore, he emphasized the extremely positive feedback from the independent observer.

The Executive Director underlined that one proposal was found ineligible as it did not fulfil the specific S2R eligibility criteria as listed in section 2.3.4 of the S2R JU Annual Work Plan 2020³ pursuant to the statutes of the Joint Undertaking in Annex I of Council Regulation (EU) No 642/2014 of 16 June 2014 establishing the Shift2Rail Joint Undertaking. Furthermore, this ineligibility of one participant of the consortium brought the consortium composition down to only two Member States, which led to the non-compliance with the general eligibility conditions (H2020 2018-2020 WP General Annexes Part C) for Research and Innovation Actions (RIA)⁴. The detailed reason for ineligibility is provided in Annex 3 of the GB Decision 07/2020 (List of ineligible proposals).

³ Decision N°8/2019 of the Governing Board of the S2R JU on 14 November 2019 on the Annual Work Plan and budget for 2020

⁴ A proposal/application will only be considered eligible for RIA if it is composed of at least three legal entities, each established in a different EU Member State or H2020 associated country

The Executive Director indicated that the Grant Agreement Preparation phase will be launched officially beginning of September with the objective of signing the Grant Agreements end of October. He thanked the S2R Programme Office for the professionalism in running the overall process.

The Chair congratulated the Executive Director and his team for the extremely speedy processing of the call.

The Industrial spokesperson thanked the Executive Director for having accomplished a very thorough job in the call evaluation and award process, and strongly voiced his support of the Executive Director's exhortation for stronger CFM/OC alignment.

The Commission representative (DG RTD) also congratulated the Executive Director and the S2R staff for the smooth conduct of the evaluation.

Decision

The Governing Board adopted the Decision of the GB n° 07/2020 approving the call ranked lists of actions selected for funding, reserve list and the list of rejected proposals under the Shift2Rail JU call for proposals H2020-S2RJU-2020.

4. ENDORSEMENT OF THE ED PROPOSAL ON THE EUROPEAN DAC DELIVERY PROGRAMME

On 28 May 2020, the Executive Director presented the European DAC Delivery Programme - to be integrated within the activities of the S2R JU - to the ED Programme Board, after having informally explored the possible set up with the Commission, a large part of the IP5 community and the rail associations. At the 24th meeting of the Governing Board, the Executive Director presented the set-up of the European DAC Delivery Programme, clarifying the aspects related to possible budgetary impact for the JU, and asking for an overall endorsement of the approach by the GB. The Governing Board, while expressing a positive interest, requested the Executive Director to provide a summary paper on the topic before deciding such endorsement. The paper was sent to the Governing Board ahead of the 25th GB meeting. At the request of the Chair, the Executive Director presented the key aspects of the paper and concluded requesting the Governing Board to:

- take note of the European DAC Delivery Programme to complement the S2R R&I activities of IP5 and the freight R&I in a S2R successor;

- endorse the approach to ensure that the results of IP5, specifically S2R DAC, would be supported towards TRL 9 in order to pave the way to the future deployment;
- confirm the strategic role of IP5 and its Members in steering S2R Research and Innovation towards the achievement of the objectives defined in the Multi-Annual Action Plan May 2019 taking into consideration the feedback and interaction with the European DAC Delivery Programme; support an active role of IP5 in this Programme;
- take note of the impact on the S2R resources of the European DAC Delivery Programme.

The Chair indicated the Commission's desire to ensure all the necessary evidence and analysis are available before engaging in a project for a decade. From the Commission's point of view, the above-mentioned elements as put forward by the Executive Director for the Governing Board's endorsement are pertinent. She indicated that the Commission will launch a study to define migration scenarios and CBAs, carefully looking into the financial implications of deployment. The Chair further underlined that the full alignment of all stakeholders is needed, and that S2R is very well placed to achieve an inclusive process. ERA and national authorities also need to participate. It will be key to identify upstream who will be involved and regularly informed. Milestones will be needed in order to take stock of the progress at defined periods in time and to adjust the path when needed. The Chair highlighted that the timeline is very tight to integrate the legal provisions in the 2022 TSI package. She stated that the governance structure should be sufficiently agile. The Chair suggested that based on the commitment and requests of the Governing Board members, the Governing Board takes note of the DAC delivery programme as presented to complement IP5 and freight in the S2R successor programme, with IP5 supported towards TRL 9 to pave the way towards deployment, taking into account the feedback and interaction with the DAC delivery programme

The ERA observer emphasized ERA's support.

The industrial spokesperson highlighted that members are very supportive of this programme and that the submitted paper describes a very clear process towards achieving this. He stated that an interim Working Group should be set up, building upon the work of IP5, with the support of the Executive Director and the Head of R&I. A detailed action plan should also identify the available resources from various Infrastructure Managers from outside S2R, which will be ready to support.

The SRG Vice-Chairperson highlighted that DAC is very important, but the influence of TSIs should not be minimized, as should not TAF/TAP TSI and closer cooperation across the sector. The Executive Director should appoint an expert with sector knowledge to take on the work in the longer-term.

The DB representative indicated his support. He stated that involvement of interested Member States should be pursued early on in the process.

The Executive Director concurred that the involvement of infrastructure managers outside S2R and various Member States will be very important in rolling out a successful DAC.

The Hacon representative stated that UNIFE Freight Committee members fully support the programme, but stressed the further need for ensuring external independent expertise is complement in the decision-making process.

The Executive Director underscored that inclusive participation will be crucial in order not to miss certain activities and different types of input. The Director committed to regularly inform the Governing Board on the progress achieved and any additional action that would be needed.

The Vice-Chairperson of the SRG indicated that the implementation plan should include motivation for final-users. He highlighted that this is very important for Member States (railway undertakings and infrastructure managers).

The Chair reiterated the need to define clear milestones in this process, e.g. in 6-9 months, to inform all stakeholders groups. The European year of rail can also be an opportunity for broad awareness raising on this work, in order to address the concern of the Vice-Chairperson of the SRG.

The Executive Director further stated that the S2R innovation days on 22-23 October and InnoTrans in April 2021, will both represent opportunities to organise dedicated awareness-raising events. Moreover, the European year of rail can also include an event every six months to increase public awareness.

Decision

The Governing Board endorsed the proposal of the Executive Director on the European DAC Delivery Programme as presented ([available here](#)), federating the different interests, with IP5 in a central role steering the research and innovation activities, whilst ensuring inclusiveness and allowing for independent experts' involvement. More specifically, the Governing Board:

- took note of the European DAC Delivery Programme to complement the S2R R&I activities of IP5 and the freight R&I in a S2R successor;
- endorsed the approach to ensure that the results of IP5, specifically S2R DAC, would be supported towards TRL 9 in order to pave the way to the future deployment;
- confirmed the strategic role of IP5 and its Members in steering S2R Research and Innovation towards the achievement of the objectives defined in the Multi-Annual Action Plan May 2019

taking into consideration the feedback and interaction with the European DAC Delivery Programme; support an active role of IP5 in this Programme;

- and took note of the impact on the S2R resources of the European DAC Delivery Programme

Moreover, the Governing Board requested the Executive Director to ensure that an Interim Working Group is set up under the responsibility of the Head of Research and Innovation, together with the future DAC Programme Manager, as well as to duly integrate in the process independent expert views and the Member States.

The activities will start under Shift2Rail, which will provide some programme support within existing contracts and involve the key role of Innovation Programme 5, and are expected to expand substantially under its successor, if successful and approved.

ITEMS FOR DISCUSSION OF THE GOVERNING BOARD

5. S2R SUCCESSOR

Follow up of the meeting of 22 June, further update by the Commission and exchange of views

The Chair indicated that by July 2020, the European Council is expected to reach a political agreement on the Multiannual Financial Framework and Own Resources Decision. Implementation of the Multiannual Financial Framework 2021-2027 should start in January 2021. She highlighted that joint participation of DG MOVE and DG RTD in the Governing Board is quite unique in S2R, and that the Commission wants to build on this. She emphasized the current intensive exchanges on the progress on the legislative proposal for the future partnership, which is to be a single basic act for all institutionalized partnerships, with specific sections for each partnership. She highlighted the Commission's desire for a harmonized approach. Still under discussion are the possibilities of a back office, the construction of calls, and the means to foster transparency in the selection of members. According to the latest discussions, the core members would be listed in the Regulation and a process to determine them building upon the existing membership will be established. There will likely be the option for joint calls between different JUs. The Chair thanked the sector for the finalisation of the input that will be a key input for future cooperation under the new Partnership on the future of Europe's railway system. She recognized a considerable amount of work had gone into this.

The Horizon Europe Regulation is still under discussion, namely in relation to the budget of the Multi-Annual Financial Framework. She 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.

The Chairperson of the Scientific Committee shared the comments of the Scientific Committee on the high-level paper for the successor of S2R. She indicated that a simple way of measuring progress and KPIs would allow to measure the contribution of each sub-programme and accurately identify possible omissions and unintended side-effects. She indicated that the Scientific Committee proposes to set up a KPI framework, including societal impacts, fostering the delivery of a coherent integral programme for the S2R successor, and not the collection of various independent R&I projects. KPIs should include clear benchmarks to identify the contribution of the programme and the sub-programmes in delivering the overall goal.

The Thales representative provided a presentation conveying the key messages of the Shift2Rail Founding Members together with DB and SNCF (FMs+) for the preparation of the Shift2Rail Successor within Horizon Europe, namely:

- The need to ensure continuity between the two R&I Programmes, with no funding gaps
- The key long-term commitment for FMs+ ,together with the EU, requires:
 - A funding rate reaching on average at least the same level applicable to the current S2R membership, indicatively 50% of the Total Project Costs (use of Eligible Costs only would create distortions in and between members)
 - Clarity in the Regulation of the maximum funding expected to be received by the Core Members if R&I activities are delivered as planned
 - Core Members to be listed the S2R successor Regulation.
 - Sharing admin cost 50/50 as in the current S2R, no additional cash contributions
 - Clear rules for the interaction of System and Innovation pillars to the agreement of all the members

He highlighted that only with these guarantees can the FMs+ justify a high level of investment to deliver the ambition of the future Master Plan. The FMs+ believe it is most important to ensure internal processes for good collaboration between members of the partnership and they welcome the involvement of additional Core Members - to be matched by the necessary Union funding, in order to address identified gaps (stakeholders' balance, geographical balance, etc.)

Furthermore, the Thales representative highlighted their support for:

- the delivery of the Union policies' ambitions (European Green Deal, Digital Europe, Europe in the world, etc.);
- an agile programming to attract and include a large number of participants to bring in know how and demonstrate results;

- Sufficient funding to deliver all the phases of R&I – TRL 1 to 9 – built upon a Master Plan designed, in principle, on the priorities to be defined in the SRIA currently under development by ERRAC;
- Leverage effect for all partners;
- Simplification of the administration maintaining Lump Sum Grants

The Knorr-Bremse representative enquired about participation of Knorr-Bremse in the FM+ group. The Industrial Spokesperson indicated he would inform the Knorr-Bremse representative about this topic.

The Chair thanked the Thales representative for the clear messages delivered on behalf of the FMs+. She stated that if future potential members want to be associated with this message, the message will only be stronger. She reassured the FMs+ of the Commission's clear understanding of their wishes. The question of administrative costs is currently under discussion. She stated that the Commission is still discussing about pillars' final set up. Maximum funding of core members is closely linked to open calls and the obligations of core membership. The funding rate is still under discussion. Nonetheless, she reiterated the Commission's full understanding of the crucial aspect of the funding rate for companies when engaging in a partnership. She stated the Commission is looking at having a larger core membership to include wider geographical and stakeholder representation. She informed the GB that the Commission was preparing an invitation to private and public entities to express interest in becoming a founding member in the future European Partnership, on the basis of a number of identified criteria.

The SRG Vice-Chairperson emphasized the need for clarity on the number of core members, the definition of core members and the categories of other members, the impact on financial aspects, etc, in order to avoid misunderstandings in membership and rules.

The SmartRacon representative put forward the possibility of membership from the research community. The Chair answered that this is food for thought.

The Chair concluded by stating 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, are key considerations for the future, and the messages from Thales representative on behalf of the FM+ was duly noted. 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. There will be the opportunity, in the coming months, to deepen the joint discussion, emphasizing a stronger geographical representation, as well as synergies between funding programmes..

6. ANY OTHER BUSINESS

The Executive Director stated that a Submember of VVAC + consortium, Voestalpine VAE GmbH, has changed its name to Voestalpine Railway Systems GmbH. Therefore, he informed the Governing Board that the VVAC+ Membership Agreement will have to be amended.

DATES OF THE NEXT MEETINGS

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

- 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 17 July.

Signed: 
Henrik HOLMEL
Chairman of the Governing Board