

Shift2Rail Joint Undertaking (S2R JU)

23rd FORMAL MEETING OF THE S2R JU GOVERNING BOARD

26 March 2020, 10:00-13:00

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
ALSTOM	Sophie PERROCHEAU	Alternate 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
HITACHI RAIL STS	Antonella TROMBETTA	Member
INDRA	Javier RIVILA LIZANO	Member
KNORR - BREMSE	Jasmine BRACKOVIC	Member
NETWORK RAIL (Industrial Spokesperson)	Andy DOHERTY	Member
SIEMENS	Jürgen SCHLAHT	Alternate Member
SIEMENS	Roland EDEL	Member
SMART DEMAIN CONSORTIUM	Karin HAAKSMAN	Alternate Member
SMARTRACON CONSORTIUM	Michael MOYER ZU HÖRSTE	Alternate Member
SNCF	Christophe CHERON	Alternate Member
THALES	Alberto PARRONDO	Member
THALES	Yves PERREAL	Alternate Member

TRAFIKVERKET	Christer LOFVING	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
CFW	Ambra BOGGIONE	Observer
FAIVELEY Transport	Roberto TIONE	Observer
KNORR BREMSE	Martin ERTL	Observer
KONTRON	Eder BERND	Observer
SWI-TRACKEN	Eric TREGOAT	Observer
TALGO	Daniel MOLINA	Observer

LIST OF DECISIONS:

The following decisions were taken by the Board:

- GB Decision n° 01/2020 laying down internal rules concerning restrictions of certain rights of data subjects in relation to processing of personal data in the framework of the functioning of the Shift2Rail Joint Undertaking
- GB Decision 02/2020 on the non-application of the Commission Decision on the maximum duration for the recourse to non-permanent staff in the Commission services
- GB Decision 03/2020 laying down the rules on the use of “non-blue book” academic or professional trainees in the Shift2Rail Joint Undertaking.

OVERVIEW OF DISCUSSIONS:

INTRODUCTION

The Chair, Mrs Elisabeth Werner, welcomed the participants to the 23rd Governing Board meeting. She indicated that due to the current COVID-19 pandemic and in line with the recommendations issued by the European Commission and the European Centre for Disease Prevention and Control, the Governing Board meeting had to be held remotely via WEBEX.

She warmly welcomed the new representative from DG RTD, Deputy Director General Patrick Child, acting Director, Directorate “Clean Planet”, as Co-Chair of the S2R JU Governing Board. The Co-Chair thanked the Chair and underlined that this is a useful moment for an exchange of views on the listed agenda items as well as for the preparations for the future landscape of Partnerships under Horizon Europe. He underscored the challenges identified in the European Green Deal, with the goal of reaching full decarbonisation by 2050. Counting on contributions from the transport sector, far-reaching transformations are expected on the way the system operates. He further expressed hopes for a significant contribution towards decarbonisation and electrification of the transport sector, aiming for a zero emission future. Moreover, he stated that the Horizon Europe legal framework will set the guiding principles for Partnerships with a high level of ambition. Discussions are currently on-going on the new governance set-up and the financial commitments, types of technologies and technology readiness levels. The Co-Chair highlighted the importance of the upcoming strategy of the Green Deal on smart and integrated mobility. He indicated his interest in working with the S2R JU and on harnessing the valuable expertise of the sector to achieve meaningful objectives.

The Industrial Chairperson asked the Co-Chair for his views on the structure of the future proposed Partnerships and how they will be supposed to work. The Co-chair stated that the new legislative proposals will be submitted to the Regulatory Scrutiny Board, and that one possibility currently under discussion is that of having a common legal basis with horizontal provisions applying to all Institutionalised Partnerships, complemented by specific provisions for each Partnership. This should ensure closer synergies for example in form of a common back office. The transition to Horizon Europe provides the opportunity to discuss revamped membership structures, in-kind contributions and funding. He indicated that the range of actors in a successful rail Partnership needs to reflect the reality of the industry. The Co-Chair indicated that S2R has achieved quite a lot, and he hoped for an even closer alignment of the Annual Work Plans with the identified political priorities.

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 Welcome of new representative from DG RTD, Deputy Director General Patrick Child, acting Director, Directorate "Clean Planet" Declarations of conflict of interest based on the Agenda items (Please note request for prior submission of Annex 2 annual declaration on conflict of interests if there is a change from the situation mentioned in the 2019 declaration).	10:00
2. INFORMATION FROM THE COMMISSION <ul style="list-style-type: none"> ▪ Transforming Europe Rail System – comments of the Commission on the paper sent by the Association on the new Rail R&I European Institutional Partnership ▪ Update on Brexit repercussions and transition period 	
3. REPORT OF THE EXECUTIVE DIRECTOR ON S2R JU ACTIVITIES	
4. ADOPTION OF THE MINUTES OF THE GB OF 14 NOVEMBER 2019	11:00
ITEMS FOR DECISION OF THE GOVERNING BOARD	
5. ADOPTION OF INTERNAL RULES ON DATA SUBJECT RESTRICTIONS	11:05
6. DECISION ON THE NON-APPLICATION OF THE COMMISSION DECISION ON THE MAXIMUM DURATION FOR THE RECOURSE TO NON-PERMANENT STAFF IN THE COMMISSION SERVICES	11:10
7. DECISION ON RULES FOR THE USE OF ACADEMIC AND PROFESSIONAL "NON-BLUE BOOK" TRAINEES	11:15
ITEMS FOR DISCUSSION OF THE GOVERNING BOARD	
8. PRESENTATION OF THE DRAFT ANNUAL ACTIVITY REPORT (AAR) 2019 AND THE PROVISIONAL ANNUAL ACCOUNTS - sent to the GB on 2nd March 2020	11:30
9. CHANGE OF MEMBERS' LEGAL STATUS – members' presentation	12:00
10. COVID-19 OUTBREAK – STATE OF PLAY AND IMPACT ON 2020 CALL	12:30
ANY OTHER BUSINESS	
<ul style="list-style-type: none"> ▪ AOE ▪ INDICATIVE LIST OF DOCUMENTS TO BE ADOPTED BY WRITTEN PROCEDURE OR AT THE NEXT BOARD MEETING: <ul style="list-style-type: none"> ○ Annual accounts 2019 ○ AAR 2019 ○ Award Call 2020 ○ Amended AWP and budget 2020 ▪ DATES OF THE NEXT MEETINGS: <ul style="list-style-type: none"> ▪ 22 June 2020 ▪ 19 November 2020 	13:00

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. REPORT OF THE EXECUTIVE DIRECTOR ON S2R JU ACTIVITIES

For additional details, please refer to the presentation.

The S2R JU Executive Director provided an update on programme activities. He indicated that the S2R JU call for proposals H2020-S2R JU-2020 was published on 7 January 2020, with an initial deadline foreseen on 21 April 2020. He stressed that the deadline is likely to be postponed due to the recent escalation of restrictions related to the COVID-19 outbreak, which may hamper applicants' ability to prepare and finalise high-quality proposals. This point will be discussed under agenda item n°10.

The Executive Director highlighted the importance of delivering the final part of the programme end 2022-beginning 2023. With the aim of maximizing the use of resources, a mini-call might be proposed end 2020-early 2021. He highlighted that the preparation of the budget 2021 started, with a focus on the implementation of activities.

He indicated that 20 reviews/checks are currently on-going (2 CFM 2015-2016 + 7 CFM 2017 + 1 OC 2017 + 7 CFM 2018 + 3 OC 2018 Projects), also highlighting that due to the measures related to the COVID-19 outbreak and non-standard remote operation, the presented milestones may be shifted.

He highlighted the importance of the upcoming 24th GB meeting on 22 June 2020, with the adoption of the final annual accounts 2019, the AAR 2019 and the enhanced clarity that should be gained by then on the S2R2 negotiations, following the Regulatory Scrutiny Board meeting of June. In July and August, the reviews will continue, including the first reviews of the lump sum projects, which should provide valuable input to lessons learned on lump sum grant pilot implementation

The Executive Director presented the on-going cooperation with regions and international organisations, providing participants with an update on the signature of the MoU with ETSI, the MoU region of the Basque Country (ES) on ESIF synergies, the MoU with CUTRIC, with FERRMED, and with CEN/CENELEC. A MoU with the Transport Community (Balkan countries) could also be signed, as well as with the region Île-de-France and with certain Dutch regions.

The Executive Director then provided the GB members with a summary of the ED PB discussions, namely the following points:

1) Linx4Rail first Change Management requests:

- modular on-board CCS architecture and S2R IP1/IP2/ OCORA alignment: Approved and deadline for next ED PB
 - Smart Wayside Object Controller /RCA/EULYNX alignment: Approved and deadline for next ED PB
- 2) The agreement to address all new architecture developments only in Linx4Rail (IPx series), in order to promote a more coherent approach on functional system architecture.
- 3) Digital TSI package, input to ERA WGs: efforts will be undertaken by the S2R JU together with the members to ensure a coherent input to the TSIs WG and necessary feedback approach.
- 4) Other operational concerns addressed included:
- IN2TRACK2 / FR8HUB / PIVOT2 / CARBODIN and other project reviews discussed
 - Output from CCA CBM to be discussed with IPs to input standardization

The Industrial Spokesperson stressed the need to ensure S2R and ERA redrafting of TSI is aligned with CEN/CENELEC standards. The Executive Director acknowledged the need to ensure R&I is increasingly linked to deployment, through the TSI process and/or standardisation process. He underlined the wish to test this process in the digital TSI context, which should cover all TSIs to which the S2R JU is contributing.

The Chair highlighted that this would represent a crucial system contribution of S2R. What is developed in S2R should have direct impact on TSI, and the TSI package should be the basis for future automation.

The DB representative asked for more detailed information on how S2R will contribute to TSI progress. The Executive Director agreed to provide it, as soon as possible, after the meeting.

The Executive Director then informed participants of the nomination of a new S2R staff committee in accordance with the staff regulations. He also took the opportunity to commend the S2R JU staff for their operational efficiency in the past two weeks, indicating that despite the disruption caused by the COVID-19 pandemic, S2R is fully operational.

He then presented the revised S2R Internal Control Framework. The efficiency and effectiveness of Internal Controls are to be assessed against the new framework starting from the AAR 2020, i.e. in the beginning of 2021. The new ICF Purpose is to *“better reflect today’s ever-changing environment and to provide its services the necessary flexibility allowing them to adapt to their specific characteristics while ensuring a robust internal control with a consistent assessment”*. The COSO 2013 Internal Control-Integrated Framework will be used as a basis to develop the ICF, which should provide the

assurance that objectives of the S2R JU are achieved. An ED Decision is currently under preparation, repealing ED Decision 2016-001. Indicators have been defined taking into the account the specific context, features and operations of S2R JU on the basis of a summary of control systems, and are currently under internal consultation and review. A risk assessment is foreseen for 2020 as part of the new ICF.

Furthermore, the Executive Director provided participants with an update on S2R participation in events. He informed the GB members of the official Commission proposal on 4 March to make 2021 the European Year of Rail, to support the delivery of its European Green Deal objectives in the transport field. A series of events, campaigns and initiatives across Europe in 2021 will promote rail as a sustainable, innovative and safe mode of transport. It will highlight its benefits for people, the economy and the climate and focus on the remaining challenges to create a true Single European Rail Area without borders.

He indicated that following the COVID-19 outbreak, most events to be participated by the JU have either been cancelled or rescheduled.

Therefore, focus will be set on Innotrans 2020 in September, if it will be kept. A series of demonstrators are eligible but will also be reassessed given the COVID-19 pandemic. He shared the initial calendar of Commissioner Valean for the opening day, advising members to mobilize their CEOs presence at that time.

Furthermore, he underlined a webinar will be organized early April to share the high-level paper sent by the sector to the Commission, and followed by a Q&A session.

The Executive Director provided GB members with the state of play on the States Representatives Group (SRG) Workshop on S2R2 held on 3 March 2020. An exchange of views took place on the paper “Transforming Europe’s Rail System”, as well as on the role the SRG in the future Partnership - more specifically, on which level (e.g. strategic, thematic, instrumental or operational), and in which role, the SRG wishes to act in a future Partnership. Member States highlighted the importance of fostering an enhanced connection between future S2R activities and national programmes, and to ensure that Member States can intervene in shaping the content of the future R&I. He underlined that Member States were strongly supportive of S2R2, and are looking for accelerated innovation, and the alignment of the deployment of solutions at a faster pace. He conveyed their desire to maintain the SRG, providing it with a more pro-active and strategic role within a future Partnership that is well aligned with Horizon Europe objectives, promoting an inclusive Partnership and strong governance.

He conveyed the summary of the SRG roles in relation to policy goals:

Research, Technology and Innovation (RTI) policy view

- Linking national RTI programmes (call topics & results, related events) with S2R2 and vice versa for a coordinated approach
- Promoting S2R calls on national and regional level for a wide participation of national research organisation and companies

Economic Policy View:

- Ensuring relevance of S2R activities for national rail industry for a wide national participation
- Linking national rail industry with S2R activities for fast implementation (demonstrations, tests)

Transport Policy View:

- Learning more about achieved results to inform relevant stakeholders within the country
- Linking S2R activities with national and regional railway undertakings, infrastructure managers and urban transport operators for fast implementation and fast environmental benefits
- Linking S2R activities with national railway authorities for fast implementation and fast environmental benefits

The SRG Chairperson stressed the SRG wish for more a strategic role in the S2R decision-making process. The SRG needs to be strengthened and empowered to become more than an advisory body, e. g. to define priorities and better align national R&D and promote calls and results.

The Executive Director underlined that the upcoming SRG meeting would take place in the margins of Innotrans on Monday 21 September (*tbc*), with a presentation provided by the S2R JU programme managers and IP coordinators on the status of the IPs and projects.

The Chair asked for contributions from DG RTD representatives on how the Member States' role is discussed in other candidate Partnerships. She underlined a clarification is indeed needed concerning the SRG role, which is currently ancillary.

The Executive Director then reported on the Scientific Committee Workshop held on 6 March on S2R2. He indicated that the recent amendment to the SC Rules of Procedure to contract the SC members in the review of S2R projects provides the opportunity to mobilize SC members' knowledge more effectively, but that S2R still does not have the full strategic value of the SC. The SC members expressed their desire for a more pro-active role, rather than a purely advisory role in the next iPPP, and for an involvement at an earlier stage of the process. The Executive Director underlined in this respect the need to make the

best use of SC resources, taking into account SC members' expertise and their concrete participation at national levels.

The Industrial Spokesperson highlighted that due to conflict of interest rules, there is currently a gap between the useful advice of the SC on the one hand, and the universities working on S2R JU projects on the other hand. The Executive Director stated that the Conflict of Interest impediments are rather limited. He stressed that a common agreed process on SC rules on conflict of interest and rules for participation should be clear in all JUs.

The Executive Director then provided participants with an overview of the SC Workshop on KPIs held on 5 March. The KPI model was deemed robust but relatively conservative by the SC members, as it does not necessarily take into account the impact of S2R technologies on possible future business models, with the correlated risk of an underestimation of S2R activities by the KPI model.

In view of S2R2, the SC members recommended the following for the KPI model:

- simplify the method: define a specific set of high level targets that S2R2 as a programme should achieve;
- ensure a well-defined dictionary of key data to be used and agree on a sound and manageable collection method;
- test the usability and reliability of performance indicators under different present and future scenarios;
- use advanced mode choice methods (stated choice) and agent based modelling to assess mode and load shifts;
- changing mode split should be included in the KPIs from the beginning;
- significant resources need to be devoted to forecasting mode split
- To monitor the progress of future projects, KPIs should be included in the technical objectives of each TD in the MAAP.

The Executive Director indicated the feedback is quite positive and shows that the investment on the KPI model is bringing positive results and a clear representation on the progress of S2R activities.

The Chair stated that in her opinion KPIs are essential in the process of preparing the future rail Partnership and the KPIs should be in the basic act. The KPIs should be more operational than what we have today. She underlined that further SC input is welcome by this summer.

The Executive Director presented the CO2 plan– first output of S2R organization impact, indicating that the idea is to continue contributing to climate neutrality beyond the future normalization of the COVID-19 situation.

He then provided the GB members with an update on the rules on conflict of interest for S2R JU bodies. While the main objective of S2R JU revised financial rules (GB Decision n°11/2019) is the alignment with the General EU Financial Regulation 2018, additional changes have been introduced aiming at strengthening the governance for public-private Partnership bodies (PPP). As regards conflicts of interest rules, the novelties are the extension of the rules for S2R financial actors to GB members. Declarations of interest of GB members shall be available for public scrutiny, with the annual publication on the S2R JU website of the GB members' declarations of interest

3. INFORMATION FROM THE COMMISSION

The Chair highlighted that the overall timing for the future Partnerships will depend on the on-going negotiations on the Multi-Annual Financial Framework (MFF) proposal, and that so far there has been no agreement on the MFF. The Impact Assessment will be submitted to the Regulatory Scrutiny Board by 8 May, in time for the hearing on 10 June 2020. The Commission proposal is expected in the autumn of 2020. The Chair stressed that the goal is to minimize the gap between S2R and the future Partnership, which should normally kick-in by 2021.

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

- 1st quarter 2020: IA preparation
- 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

Looking at the content of the programme, the vision of the Commission is that S2R2 should focus on e.g. automation, digitalisation, delivering on the Green Deal objectives, attractiveness and transformative research. She highlighted the high ambition to shift 75% of freight carried by road to rail and inland waterways. The data package is also relevant.

The Chair emphasized the official Commission proposal on 4 March to make 2021 the European Year of Rail, to support the delivery of its European Green Deal objectives in the transport field and promote rail as a sustainable and attractive mode of transport. She stated she has high expectations of working with the S2R JU members to mobilize the enthusiasm of customers and of the general population at large vis-à-vis rail.

The study commissioned by DG MOVE and entitled “*Supporting analysis for defining the future rail R&I Partnership under the next MFF*” (ref. DG MOVE/C4/2018-368) has a two-fold objective: feed into the impact assessment and feed into the future technical programme (Master Plan) of the Partnership. It will also provide insight on best practices regarding organisational design, how the decision-making processes could be better organized, the membership structure, etc. The study was launched in December 2019, with an interim report scheduled mid-March 2020, a draft final report for mid-May 2020 and finalization in August 2020 in order to feed into the Impact Assessment Study and the Masterplan.

The Chair highlighted that the process has been very inclusive, and she thanked the sector for their continuous coordinated input.

The Industrial Spokesperson indicated his interest in seeing how membership, budget control, call set-up and governance will evolve. He underlined that in S2R JU state organizations like railways are involved as well, so this may differ from other Partnerships.

The Chair answered that 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. She indicated this is considered as an asset, and that a different nature of members exists in other Partnerships. An essential element of the future proposal will be a tendency towards more open calls. She emphasized that the expectation is also to reach high levels of readiness closer to deployment and market uptake. The link between research and deployment is cardinal.

4. ADOPTION OF THE MINUTES OF THE GB OF 11 NOVEMBER 2019

The Chair invited the participants to comment on the minutes of the twenty second 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 INTERNAL RULES ON DATA SUBJECT RESTRICTIONS

The S2R JU legal officer presented the internal rules on data subject restrictions. He indicated that the new EU Data Protection Regulation (EU) 2018/1725 (EUDPR) - entered into force in December 2018 and applicable to EU institutions and bodies (EUIs)- states that data subjects' rights could be restricted by EUIs in some *exceptional circumstances and with the safeguards laid down in the new Regulation*. The S2R JU should adopt such restrictions only where strictly necessary and always based on a legal act, or, in absence of such legal act, on internal rules adopted by the highest level of management (i.e. the GB). As stated in the EUDPR, before formal GB adoption, the S2R JU submitted a joint JU consultation to the European Data Protection Supervisor (EDPS). EDPS comments and recommendations have been included in the final version. After adoption, the internal rules must be published in the Official Journal of the European Union

Decision

The Governing Board adopted the Decision of the GB n° 01/2020 laying down internal rules concerning restrictions of certain rights of data subjects in relation to processing of personal data in the framework of the functioning of the Shift2Rail Joint Undertaking, including the final administrative adjustments requested by the Commission services.

6. DECISION ON THE NON-APPLICATION OF THE COMMISSION DECISION ON THE MAXIMUM DURATION FOR THE RECOURSE TO NON-PERMANENT STAFF IN THE COMMISSION SERVICES

The Chair indicated that on 1 October 2019, the Commission informed the S2R JU that the Commission Decision on the maximum duration for the recourse to non-permanent staff in the Commission services had been amended [C(2019)2548]. This amendment limits the scope of the Decision by excluding time served as seconded national experts from the calculation of the seven-year maximum duration spent working in the Commission services. In the S2R JU, all temporary staff are those referred to in Article 2(f) of the CEOS and all contract staff are referred to in Article 3(a) of the CEOS and therefore not falling in the scope of the Commission decision. In addition, the maximum duration for recourse to seconded national experts is regulated in the Governing Board's decision on seconded national experts.

Therefore, Commission Decision C(2019)2548 is not applicable to the S2R JU.

Decision

The Governing Board adopted the Decision of the GB N° 2/2020 on the non-application of the Commission Decision on the maximum duration for the recourse to non-permanent staff in the Commission services

7. ADOPTION OF GB DECISION ON RULES FOR THE USE OF ACADEMIC AND PROFESSIONAL “NON-BLUE BOOK” TRAINEES

The Chair highlighted the growing demand for traineeships outside of the normal Commission blue-book traineeships.

The Executive Director indicated that on 25 October 2016, the S2R JU adopted a decision applying by analogy the Commission Decision laying down the rules governing the official traineeships scheme of the European Commission (commonly known as "Blue Book Traineeship"). The S2R JU is facing a growing demand for the recruitment of "non-blue book" academic or professional trainees not covered by the rules governing the official traineeships scheme of the European Commission. Therefore, the S2R JU should adopt a decision to complement its first decision on the use of trainees in order to allow the admission of "non-blue book trainees". The Executive Director stated that the S2R JU already received one request from Trafikverket, and that the opportunity is open for other members, offering ample opportunities for the next programming period to foster further connections. He underlined that the risk of conflict of interest will be diligently assessed.

The Chair indicated it will be important to further leverage this opportunity, especially in light of the upcoming European year of rail in 2021.

The Industrial spokesperson underlined the members' support.

Decision

The Governing Board adopted the Decision of the GB N° 03/2020 laying down the rules on the use of "non-blue book" academic or professional trainees in the Shift2Rail Joint Undertaking.

ITEMS FOR DISCUSSION OF THE GOVERNING BOARD

8. PRESENTATION OF THE DRAFT ANNUAL ACTIVITY REPORT (AAR) 2019 AND THE PROVISIONAL ANNUAL ACCOUNTS - sent to the GB on 2nd March 2020

The Chair underlined that AAR 2019 was sent out on 2nd March 2020 to the GB, SRG and SC. The AAR 2019 and the provisional annual accounts should be adopted by 1st July. Comments are expected by **end**

of April. She conveyed her appreciation for the comprehensive overview provided by the executive summary.

The Executive Director thanked all GB members for the input provided. 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.

He underlined that as regards in-kind contributions for additional activities, the target was 120 million Euros, and the level of 180 million Euros has already been reached. He emphasized that this shows the commitment of members as well as the leverage effect fostered by the S2R JU.

He also indicated that this document will be subject to key updates in the next months and before the submission to the GB for approval at its meeting of 22 June 2020, due to the following elements:

- The updated declarations of the Members with regard to IKOP and IKAA, following the ongoing certification process till end of April 2020;
- The submission by the Members of the 2019 cost statements related to the ongoing projects;
- The results of the audits of the European Court of Auditors and the External Auditor;
- The Final Accounts to be provided by the Accounting Officer – the European Commission Accounting Officer – indicatively mid-May 2020;
- Any other information that will become available in the next months.

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.

The Chair underlined the need to better explain the objectives of the work on Functional System Architecture under IPx, as well as the link between the current programme and the future one; she noted that it would be worth mentioning whether any of the points of the AWP 2019 were not fully implemented and the reason for this. She expressed her appreciation for the quality of the Executive Summary.

She indicated the document should be adopted during the next GB meeting on 22 June.

The Industrial Spokesperson committed to providing the members' comments by end of April.

9. CHANGE OF MEMBERS' LEGAL STATUS

The Chair invited the Thales and SNCF representatives to respectively present the on-going changes as regards their companies' legal status.

The Thales representative presented the situation regarding the Thales UK Novation. There are two Thales companies registered in the UK that work in the Transport arena: Ground Transportation Systems UK Ltd (S2R grant agreements are signed with TGTSL) and Thales Transport and Security Ltd. Thales is currently merging them into a single legal entity. Accordingly, all trade, assets and liabilities of Thales Ground Transportation Systems UK Limited will be transferred to Thales Transport and Security Limited. Thales Transport and Security Limited will be renamed "Thales Ground Transportation Systems Limited". This is viewed as a "partial merger" under EC regulations, and as a partial take-over under H2029. A new PIC number has been registered.

The SNCF representative indicated that France's New Railway Pact called for a unified, publicly owned rail transport and mobility group to be created on 1 January 2020, bringing three EPICs (Établissement Public Industriel et Commercial)—SNCF, SNCF Mobilités and Réseau—and their subsidiaries together. On the 1st of January 2020, three state-owned entities and their subsidiaries became one publicly owned group consisting of a parent company plus four subsidiaries, Keolis and Geodis. The three state-owned enterprises have become five companies within a single group: SNCF (our parent company), SNCF Réseau, SNCF Gares & Connexions, Fret SNCF and SNCF Voyageurs. SNCF is owned by the French State, which may not sell its shares in the company. SNCF owns all of the other companies in the Group, directly or indirectly, and may not sell its shares in SNCF Réseau and SNCF Voyageurs. Geodis and Keolis, formerly subsidiaries of SNCF Mobilités EPIC, are now linked to SNCF, the parent company.

The Chair thanked the representatives for their presentations.

The Executive Director indicated that discussions are also on-going between two major suppliers in the sector, but at this stage the negotiations are under scrutiny by the European and national competition authorities. He stated that GB members will be kept informed of any further changes and indicated that the situation is being closely monitored.

The Chair said that the Commission services will assess whether these changes of legal status could affect the proper functioning of the S2R JU.

10. COVID-19 OUTBREAK – STATE OF PLAY AND IMPACT ON 2020 CALL

The Chair highlighted that fourteen Member States have reintroduced border controls for health checks, which affects transports. She stressed that supply chains should continue to function to mitigate the impact, and that the Commission is currently analyzing where financial relief and liquidity could become an issue, and where rules should be relaxed and be made more generous. She asked GB members to send their feedback on how the current COVID-19 related restrictions affect their companies and to put forward recommendations to the EU in order to alleviate the situation.

The Industrial Spokesperson stated that the members are working with the S2R JU to analyse the impact on each project and on the call, on a case-by-case basis. He underlined that the issue should be included in ED PB discussions.

The Executive Director highlighted that the main impact of the COVID-19 restrictions would be on demonstration activities and indicated that the S2R JU is currently investigating the possibility of launching fast-track lump sum amendments. He shared the analysis conducted at projects level (46 are now in final REPA or closed, out of 80) considering TD/demos impact, with Members and other beneficiaries.

As regards the S2R JU call for proposals H2020-S2RJU-2020, the Executive Director emphasized that the recent escalation of restrictions related to the COVID-19 outbreak may hamper applicants' ability to prepare and finalise high-quality proposals. For this reason, after an initial exchange with the ED PB, feedback from the Scientific Committee, and the approach followed by RTD and other agencies/bodies, he put forward two options to extend the deadline for the S2R JU call for proposals 2020, initially foreseen on 21 April 2020: i.) either until 27 May 2020 17:00 (Brussels Local Time); or ii.) until 9 June 17:00 (Brussels Local Time).

The Chair highlighted that the interest is to keep delays to the minimum, sharing the Commission's preference for the extended deadline of 27 May 2020. The Industrial Spokesperson also agreed to the 27 May deadline.

The Executive Director indicated an ad hoc ED PB will be convened next week to analyse the impact, and that the evolution of the situation will be continuously monitored. He stated that potential applicants are advised to prepare themselves as necessary, especially by establishing effective communication links for remote collaborative work. The consensus week will be held remotely, the extraordinary GB for the award of the call will be held by webex on 17 July, and Grant Agreements can indicate an early start date of 28 May 2020 or a start date of 1 November 2020.

11. ANY OTHER BUSINESS

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 24th GB meeting on 22 June 2020:

- Annual accounts 2019
- AAR 2019
- Amended AWP and budget 2020, should there be a need to adjust the budget taking into consideration the impact of COVID

DATES OF THE NEXT MEETINGS

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

- 22 June 2020
- 17 July 2020: extraordinary GB meeting for the award of the call
- 19 November 2020

Done in Brussels on 26 March.



Signed:

Henrik HOLELEI

Chairman of the Governing Board