

# Procedure file

Basic information		
NLE - Non-legislative enactments	<a href="#">2013/0445(NLE)</a>	Procedure completed
Shift2Rail Joint Undertaking		
Subject		
3.20.02 Rail transport: passengers and freight		
3.20.11 Trans-European transport networks		
3.50.04 Innovation		
3.50.20 Scientific and technological cooperation and agreements		

Key players				
European Parliament	Committee responsible	Rapporteur	Appointed	
	<b>ITRE</b> Industry, Research and Energy		15/01/2014	
		S&D <a href="#">ANDRÉS BAREA Josefa</a>		
		Shadow rapporteur		
		PPE <a href="#">AUDY Jean-Pierre</a>		
		ALDE <a href="#">ROHDE Jens</a>		
		ECR <a href="#">TOŠENOVSKÝ Evžen</a>		
	Committee for opinion	Rapporteur for opinion	Appointed	
	<b>BUDG</b> Budgets	The committee decided not to give an opinion.		
	<b>TRAN</b> Transport and Tourism	The committee decided not to give an opinion.		
	<b>REGI</b> Regional Development	The committee decided not to give an opinion.		
Council of the European Union	Council configuration	Meeting	Date	
	<a href="#">Agriculture and Fisheries</a>	<a href="#">3322</a>	16/06/2014	
	<a href="#">Transport, Telecommunications and Energy</a>	<a href="#">3303</a>	14/03/2014	
European Commission	Commission DG	Commissioner		
	<a href="#">Mobility and Transport</a>	KALLAS Siim		

Key events			
16/12/2013	Legislative proposal published	COM(2013)0922	Summary
25/02/2014	Committee referral announced in Parliament		
18/03/2014	Vote in committee		
01/04/2014	Committee report tabled for plenary, 1st reading/single reading	<a href="#">A7-0259/2014</a>	Summary

15/04/2014	Results of vote in Parliament		
15/04/2014	Decision by Parliament	<a href="#">T7-0347/2014</a>	Summary
16/06/2014	Act adopted by Council after consultation of Parliament		
16/06/2014	End of procedure in Parliament		
17/06/2014	Final act published in Official Journal		

#### Technical information

Procedure reference	2013/0445(NLE)
Procedure type	NLE - Non-legislative enactments
Procedure subtype	Consultation of Parliament
Legal basis	Treaty on the Functioning of the EU TFEU 188 -a1; Treaty on the Functioning of the EU TFEU 187
Other legal basis	Rules of Procedure EP 159
Stage reached in procedure	Procedure completed
Committee dossier	ITRE/7/14835

#### Documentation gateway

Legislative proposal	<a href="#">COM(2013)0922</a>	16/12/2013	EC	Summary
Document attached to the procedure	<a href="#">SWD(2013)0534</a>	16/12/2013	EC	
Document attached to the procedure	<a href="#">SWD(2013)0535</a>	16/12/2013	EC	
Committee draft report	<a href="#">PE528.040</a>	31/01/2014	EP	
Amendments tabled in committee	<a href="#">PE529.819</a>	21/02/2014	EP	
Economic and Social Committee: opinion, report	<a href="#">CES0553/2014</a>	25/03/2014	ESC	
Committee report tabled for plenary, 1st reading/single reading	<a href="#">A7-0259/2014</a>	01/04/2014	EP	Summary
Text adopted by Parliament, 1st reading/single reading	<a href="#">T7-0347/2014</a>	15/04/2014	EP	Summary
Commission response to text adopted in plenary	<a href="#">SP(2014)471</a>	09/07/2014	EC	
For information	<a href="#">SWD(2017)0338</a>	06/10/2017	EC	
For information	<a href="#">SWD(2017)0339</a>	06/10/2017	EC	

#### Additional information

European Commission	<a href="#">EUR-Lex</a>
---------------------	-------------------------

#### Final act

[Regulation 2014/642](#)  
[OJ L 177 17.06.2014, p. 0009](#) Summary

**PURPOSE:** to establish the Shift2Rail Joint Undertaking (S2R Joint Undertaking) in order to coordinate and manage Union research and innovation investments in the European rail sector.

**PROPOSED ACT:** Council Regulation.

**ROLE OF THE EUROPEAN PARLIAMENT:** the Council adopts the act after consulting the European Parliament but without being obliged to follow its opinion.

**BACKGROUND:** in its 2011 White Paper on a [Roadmap to a Single European Transport Area](#), the Commission underlines the importance of creating a Single European Railway Area in order to achieve a more competitive and resource-efficient European transport system.

One of the main aims of [Horizon 2020](#), the Framework Programme for Research and Innovation covering the period 2014-2020, is to strengthen European industry through actions supporting research and innovation across a range of key industrial sectors. In particular, it provides for the creation of public-private partnerships (PPPs) to support these sectors and help to tackle some of the key challenges Europe is facing.

New technologies can do much to help modernise Europe's railways, while also reducing operational and infrastructure costs and creating new business opportunities for the European rail supply industry. However, rail research and innovation suffers from important market and systemic failures that justify public intervention.

Set against these challenges, a coordinated EU approach to research and innovation in the rail sector via the establishment of a joint undertaking is proposed to support the completion of the Single European Railway Area and to increase the competitiveness of the EU rail sector vis-à-vis the other transport modes and vis-à-vis foreign competition.

The main benefits of the joint undertaking are that the coordination, programming and execution of rail research and innovation activities would be the responsibility of a single, dedicated administrative structure, ensuring more continuity and less fragmentation of research and innovation efforts.

**IMPACT ASSESSMENT:** taking into account the lessons learned from existing joint undertakings, the Impact Assessment concluded that that, despite the longer set-up time, the establishment of a joint undertaking, taking into account the lessons learned from existing joint undertakings, provides the most appropriate governance structure for implementing future rail research and innovation activities.

**CONTENT:** this proposal concerns setting-up the Shift2Rail Joint Undertaking (S2R Joint Undertaking) under Article 187 of the Treaty on the Functioning of the European Union (TFEU).

The S2R Joint Undertaking should be a public-private partnership which aims to stimulate and better coordinate Union research and innovation investments in the European rail sector.

The S2R Joint Undertaking should be established for a period ending on 31 December 2024. It will be founded by the Union, represented by the European Commission, and by the Founding Members other than the Union, listed in Annex II to this Regulation. The activities of the S2R Joint Undertaking will be jointly funded by the Union and the members of the S2R

Joint Undertaking other than the Union.

The general objectives of the proposed Joint Rail Undertaking are to:

- facilitate joint vision development and strategic agenda setting;
- develop a programming approach in European research and innovation so as to realise a broad-based focus embracing all potential partners;
- build critical mass to ensure the scale and scope required;
- ensure an efficient use of public and private resources.

More specifically, by developing, integrating, demonstrating and validating innovative technologies and solutions for rolling stock, infrastructure and traffic management systems, the joint undertaking will serve to accelerate and facilitate the market uptake of technological breakthroughs that can be measured against the following quantifiable performance indicators, inter alia:

- a 50% reduction of the life-cycle cost of the railway transport system, through a reduction of the costs of developing, maintaining, operating and renewing infrastructure and rolling stock, as well as through increased energy efficiency;
- a 100% increase in the capacity of the railway transport system, to meet increased demand for passenger and freight railway services;
- a 50% increase in the reliability and punctuality of rail services;
- the removal of remaining technical obstacles holding back the rail sector in terms of interoperability and efficiency.

**BUDGETARY IMPLICATION:** the maximum Union financial contribution to the Shift2Rail initiative shall be EUR 450 million for the period 2014-2020, including EFTA contributions, paid from the appropriations in the general budget of the Union allocated to the Horizon 2020 Specific Programme implementing the Horizon 2020 Framework Programme.

This amount includes:

- a maximum contribution of EUR 398 million to cover administrative costs and operational costs;
- an additional amount of maximum EUR 52 million, earmarked under the H2020 Transport Work Programme 2014-2015.

The administrative costs of the S2R Joint Undertaking shall not exceed EUR 27 million for the duration of the S2R Joint Undertaking. These costs will be covered through financial contributions in equal parts by the Union and the S2R Joint Undertaking members other than the Union.

## Shift2Rail Joint Undertaking

---

The Committee on Industry, Research and Energy adopted the report by Josefa ANDRÉS BAREA (S&D, ES) on the proposal for a Council regulation establishing the Shift2Rail Joint Undertaking

The committee approved the Commission proposal subject to the following amendments:

Shift2Rail Joint Undertaking: in order to coordinate and manage Union research and innovation investments in the European rail sector, the Shift2Rail Joint Undertaking was established until 31 December 2024. To take account of the duration of the [Horizon 2020](#) Framework Programme for Research and Innovation (2014-2020), all calls for proposals should be launched by 31 December 2020. In duly justified cases calls for proposals may be launched until 31 December 2021.

Objectives: the Shift2Rail Joint Undertaking should have the following objectives:

- contribute to the achievement of the Single European Railway Area with a user-friendly (including for persons with reduced mobility), competitive, efficient and sustainable European rail system,
- play a central role in rail-related research and innovation actions funded at Union level, ensuring coordination among projects and providing all stakeholders with relevant information;
- implement measures that promote the participation of SMEs, universities and Research Centres;
- seek complementarity and close synergies with the European Structural and Investment Funds ("ESIF") in order to help close the research and innovation divide in Europe.

Financial contribution: the maximum Union contribution, including contributions from countries of the European Free Trade Association (EFTA), to the Joint Undertaking to cover administrative costs and operational costs should be EUR 450 million (as stated in the Commission proposal).

Members stipulated that the delegation agreement shall address the following elements inter alia:

- the arrangements regarding the provision of data necessary to ensure that the Commission is able to meet its dissemination and reporting obligations; including on the single portal for participants as well as through other Horizon 2020 electronic means of dissemination managed by the Commission;
- provisions for the publication of calls for proposals of the S2R Joint Undertaking also on the single portal for participants as well as through other Horizon 2020 electronic means of dissemination managed by the Commission.

Evaluation: by 30 June 2017 the Commission shall organise an independent interim evaluation of the Shift2Rail Joint Undertaking, including an assessment of the involvement and openness to small and medium enterprises, as well as the administrative functioning of the S2R Joint Undertaking with a special focus on addressing any administrative challenges or burdens. The Commission should send that report to the European Parliament and to the Council by 31 December 2017.

The results of the independent interim evaluation of the Joint Undertaking should be taken into account in the interim evaluation of Horizon 2020.

Duty to divulge information: the report contains a new provision stating that the staff of the Joint Undertaking, the Executive Director and the members of the Governing Board should without delay notify OLAF of any instances of fraud which have come to their attention in the fulfilment of their duties or remit, without in any way being made accountable for them as a result.

Rules for participation and dissemination: with a view to the overall aim of the Horizon 2020 Framework Programme of achieving greater simplification and harmonisation of the European research and innovation funding landscape, Joint Undertakings should avoid sets of rules that are different from those of the Horizon 2020 Framework Programme.

## Shift2Rail Joint Undertaking

---

The European Parliament adopted by 638 votes to 29, with 7 abstentions, a legislative resolution on the proposal for a Council regulation establishing the Shift2Rail Joint Undertaking.

Parliament made the following amendments to the Commission proposal :

Shift2Rail Joint Undertaking: the JU was created in order to coordinate and manage Union research and innovation investments in the European rail sector, and established until 31 December 2024.

To take account of the duration of the [Horizon 2020](#) Framework Programme for Research and Innovation (2014-2020), Parliament proposed that all calls for proposals should be launched by 31 December 2020. In duly justified cases calls for proposals may be launched until 31 December 2021.

Objectives: the Shift2Rail Joint Undertaking should have the following objectives:

- contribute to the achievement of the Single European Railway Area with a user-friendly (including for persons with reduced mobility), competitive, efficient and sustainable European rail system,
- play a central role in rail-related research and innovation actions funded at Union level, ensuring coordination among projects and providing all stakeholders with relevant information;
- implement measures that promote the participation of SMEs, universities and Research Centres;
- seek complementarity and close synergies with the European Structural and Investment Funds ("ESIF") in order to help close the research and innovation divide in Europe.

The S2R Master plan must include the creation of Innovation Programmes in areas such as ; (i) cost-efficient and Reliable Trains, including High Capacity Trains and High Speed Trains ; (b) cost-efficient, sustainable and Reliable High Capacity Infrastructure.

Financial contribution: the maximum Union contribution, including contributions from countries of the European Free Trade Association (EFTA), to the Joint Undertaking to cover administrative costs and operational costs should be EUR 450 million (as stated in the Commission proposal).

Members stipulated that the delegation agreement shall address the following elements inter alia:

- the arrangements regarding the provision of data necessary to ensure that the Commission is able to meet its dissemination and reporting obligations; including on the single portal for participants as well as through other Horizon 2020 electronic means of dissemination managed by the Commission;
- provisions for the publication of calls for proposals of the S2R Joint Undertaking also on the single portal for participants as well as through other Horizon 2020 electronic means of dissemination managed by the Commission.

Rules for participation and dissemination: with a view to the overall aim of the Horizon 2020 Framework Programme of achieving greater simplification and harmonisation of the European research and innovation funding landscape, Joint Undertakings should avoid sets of rules that are different from those of the Horizon 2020 Framework Programme.

Duty to divulge information: the amended text contains a new provision stating that the staff of the Joint Undertaking, the Executive Director and the members of the Governing Board should without delay notify OLAF of any instances of fraud which have come to their attention in the fulfilment of their duties or remit, without in any way being made accountable for them as a result.

The Executive Director should be appointed by the Governing Board on the grounds of merit, from a list of candidates proposed by the Commission, after an open and transparent competition. The European Parliament shall be entitled to object.

Before being appointed, the candidate selected by the Governing Board shall answer the questions put by the members of the Committee on Industry, Research and Energy and the Committee on Budgetary Control of the European Parliament. On management of the budget, the Executive Director shall submit to the European Parliament, at the latter's request any information required for the smooth application of the discharge procedure

Evaluation: by 30 June 2017 the Commission shall organise an independent interim evaluation of the Shift2Rail Joint Undertaking, including an assessment of the involvement and openness to small and medium enterprises, as well as the administrative functioning of the S2R Joint Undertaking with a special focus on addressing any administrative challenges or burdens. The Commission should send that report to the European Parliament and to the Council by 31 December 2017.

The results of the independent interim evaluation of the Joint Undertaking should be taken into account in the interim evaluation of Horizon 2020.

## Shift2Rail Joint Undertaking

---

**PURPOSE** : establish a public-private partnership called Shift2Rail JU in order to strengthen industrial research and innovation in the railway sector.

**NON-LEGISLATIVE ACT** : Council Regulation (EU) n° 642/2014 establishing the Shift2Rail Joint Undertaking.

**CONTENT** : the Framework Programme for Research and Innovation, [Horizon 2020](#), supports public-private partnerships in research and innovation in order that the Union might tackle certain key challenges.

In order to coordinate and manage Union research and innovation investments in the European rail sector, this Regulation aims to establish a new Joint Undertaking (Shift2Rail or S2R Joint Undertaking), for a period up to 31 December 2024.

S2R JU is a body entrusted with the implementation of a public-private partnership. Its seat will be located in Brussels, Belgium. The founding Members are the Union and eight other Members, these being Alstom, Ansaldo, Bombardier, Construcciones y auxiliar de ferrocarriles, Network rail, Siemens, Thales and Trafikverket. The associated members of the S2R Joint Undertaking shall be selected through an open call.

In order to take into account the duration of [Horizon 2020](#), calls for proposals under the Joint Undertaking must be launched at the latest by 31 December 2020 (in duly justified cases, by 31 December 2021). Calls for proposals will be published on the single portal for participants as well as through other Horizon 2020 electronic means of dissemination managed by the Commission.

The rules for participation and dissemination of the Horizon 2020 programme will apply to the JU.

Objectives of the JU: the new JU will deal with all rail research and innovation activities cofinanced by the EU in accordance with the following general objectives:

- contribute to the implementation of Horizon 2020 and in particular part of the Smart, Green and Integrated Transport Challenge;
- contribute to the achievement of the Single European Railway Area, to a faster and less costly transition to a more attractive, user-friendly (including for persons with reduced mobility), competitive, efficient and sustainable European rail system, and to the development of a strong and globally competitive European rail industry;
- play a major role in rail-related research and innovation, and manage all rail-focused research and innovation actions co-funded by the Union;
- establish and ensure the effective implementation of a strategic Master Plan;
- actively promote the participation of all relevant stakeholders, particularly: manufacturers of railway equipment, infrastructure managers, railway undertakings, metro, tram and light rail operators, notified and designated conformity assessment bodies, professional staff associations, user associations, as well as the relevant scientific institutions. The involvement of small and medium sized enterprises (SMEs) must be ensured;
- develop demonstration projects in interested Member States.

Shift2Rail aims to double the capacity of the railway transport system, and for a 50 % reduction of the life-cycle cost and a 50 % decrease in unreliability and late arrivals.

Funding: the Union financial contribution to the JU shall come from Horizon 2020 and amount up to EUR 450 million for the period from 2014 to 2020, of which: (i) a maximum contribution to the S2R Joint Undertaking, to cover administrative costs and operational costs, of EUR 398 million; (ii) a maximum additional amount of EUR 52 000 000, earmarked under the Horizon 2020 Transport Work Programme 2014-2015.

Additional funds may be allocated from other Union instruments to support actions for the deployment of innovative solutions of the S2R Joint Undertaking. The total contribution from all members other than the Union shall be of at least EUR 470 million.

The Regulation contains provisions that aim to ensure the protection of the financial interests of the Members.

The discharge for the implementation of the budget of the JU shall be given by the European Parliament, upon recommendation of the Council in accordance with the procedure provided for in the financial rules of the S2R JU.

Evaluation: by 30 June 2017 the Commission shall carry out, with the assistance of independent experts, an interim evaluation of the JU. It shall send that report to the European Parliament and to the Council by 31 December 2017. The results of the interim evaluation shall be taken into account in the interim evaluation of Horizon 2020.

S2R JUs mandate will end on 31 December 2024 and the JU will be wound up.

ENTRY INTO FORCE : 07.07.2014.