

# Annual Activity Report 2016

*Adopted version*

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## Analysis and Assessment by the Agency's Management Board

### Background

Article 54(4), e) of ERA Regulation (EU) n°2016/796 and Article 47 of the Financial Regulation, applicable to the budget of the Agency, requires the Executive Director to present the Annual Activity Report for the previous year for assessment and adoption by the Management Board by 30 June each year. The report describes the performance of the Agency, together with financial and management information for the previous financial year.

The Financial Regulation (Article 47) and the ERA Regulation (Article 51(1), a)) also require the Management Board to adopt the Annual Activity Report and forward it by 1 July to the European Parliament, the Council, the Commission and the Court of Auditors, and to make it public.

### Assessment and analysis

The Agency's Management Board has assessed the Executive Director's report on the achievements and results for 2016. The Board acknowledges the Agency's performance, and notes in particular that:

#### ***General observations***

The Management Board acknowledges the magnitude and quality of the work done at the Agency in 2016.

The Board notes that the Annual Activity Report is not appealing to the general reader. One reason for this is the way the objectives are defined and the way expected outcomes are noted. Without substantial knowledge of the work undertaken by the Agency the results for 2016 are hard to grasp.

Having said this, the Board fully acknowledges the strict way the Agency explains how it intends to meet the expectations as set out in the Strategic Programming document for 2016. The compliance with the KPI's defined for the Agency shows a positive trend.

The Management Board acknowledges as key development throughout 2016 the publication of the technical pillar of the 4 Railway Package (4RP) and the newly adopted Agency Regulation, which entered into force on 15 June 2016. This expected strategic change will transform by the end of the transitional period (16 June 2019) the Agency from a mere policy preparation and dissemination role into an authority working directly for the industry as regards authorisations for safety certifications and rolling stock. This transition is expected to deliver huge benefits in terms of reduced costs and lead times for these processes.

#### ***Observations on strategic priorities and governance***

The Management Board acknowledges in positive way the great efforts by the Agency's management and staff to engage in the preparation of the new role pro-actively; nominate dedicated program management, work with national safety authorities, prepare Boards decisions on i.e. monitoring national safety authorities and notified bodies and preparing its own organisation in terms of human resources and structure. Specifically:

- Series of workshops with stakeholders were organised in order to prepare for practical arrangements for SSC, VA and ERTMS Approval,
- Internal focus on Competence Management,
- The Agency prepared and presented to the Management Board and the sector a mock-up of the One-Stop-Shop (OSS).

The 4RP technical pillar also brought about important changes in governance structure of the Agency. The Management Board and Executive Board are introduced. The Management Board has extended competences - it decides not only on the “classical” tasks on programming document, budgeting and annual reporting but is also must decide on important implementing decisions for the implementation of the 4th railway package technical pillar, such as monitoring of NSA’s, auditing and inspecting notified bodies, fees and charges, setting up of Board of Appeal. The Executive Board is there to prepare the Management Board meetings and to support the ERA director in its tasks.

Within the framework of preparation of technical pillar of 4RP, ERA also started adjusting its internal organisation. All rule-making tasks have been concentrated in the interoperability unit, while authorisation (both Single Safety Certification and Vehicle Authorisation) and monitoring activities have been concentrated in the safety unit. A horizontal unit for resources, strategies, dissemination and innovation has been set up.

The ERA management adopted a revised strategic vision.

The ERA management developed a strategy for international relations (GCC, Iran, Innotrans, Platform of Rail Agencies), which was endorsed by the Management Board. The strategic interest for the EU is to engage with the EU approach on railways beyond EU in order to influence the global standards development in railways and facilitate Europe’s industrial interests.

The concept of Common Positions in railway safety was adopted.

Based on the adopted Communication Strategy the Agency worked to increase its cooperation with external stakeholders in key industrial conferences (Innotrans, Digital Railways conference, Human Factors conference). These efforts are highly appreciated by the external stakeholders and the Management Board. It will strengthen the strategic position of the Agency.

The Agency management conducted efforts to implementation of an Integrated Management Systems The Management Board appreciates the high level of financial commitments (99%) and payments (92%) done from its 2016 budget, and notes that the commitments and payment targets per title set by the European Commission in its yearly budget circular have all been achieved.

The Management Board notes with appreciation the continued progress towards complying with ERA Management Standards, the positive results on the Internal Audit Service and the report from the European Court of Auditors.

## Conclusions and recommendations

The information provided in the Annual Activity Report 2016 gives the Management Board sufficient assurance that the resources assigned have been used for its purpose in accordance with principles of sound financial management. In addition, the control procedures put in place give the necessary guarantees concerning the legality and regularity of the transaction underlying the accounts.

The Management Board notes that the Agency provides intended qualitative outcomes for each objective formulated in the Strategic Programming Document. This is an improvement compared to the Annual Activity Report 2015. The Management Board notes that these outcomes are hard to measure. The Management Board recommends the following to be added in future annual activities reports:

- Key quantitative data on high aggregated level on outcomes. E.g. numbers of safety levels / incidents / number occurrence reports plus level of interoperability (i.e. number of track-km of ERTMS, number of ERTMS on board units, level costs reduction for railway sector). Data can partly be taken from existing safety and interoperability reports;
- Use periodic stakeholder satisfaction survey among i.e. NSA’s, members of Group of Representative Bodies, applicants OSS.

The Management Board recommends the Agency management to continue its focus on the preparation of the new tasks under the 4RP technical pillar to be fully ready by 16 June 2019. Needed Implementing the decisions of the Management Board, supporting the development of implementing acts to be adopted by the Commission, creating sound procedures and IT systems for the OSS are key for the work done.

The Management Board notes that the Agency is reorganising with view of the new tasks and recommends a strong and recognisable position for the OSS. The Management Board notes the Agency's efforts to better estimate the number of cases to be expected to be handled during the first years of the OSS. The Management Board recommends to intensify those efforts and to share the estimates with stakeholders. The strategic interest for the Agency is to prepare for the appropriate level of staffing, working with the intended pool of experts and adapt its organisation accordingly. The Management Board notes that presently understandably only limited resources are available for the operation of the new tasks.

The Management Board will continue to monitor the execution of the budget, the progress on compliance with the Management Standards and the follow-up actions taken in response to IAS recommendations. As regards the Management Standards, the Management Board acknowledges ERA's progress made and encourages the management to continue its efforts and further work towards full compliance with all Management Standards.

The Board adopted the Annual Activity Report on 27 June 2017. In light of the above analysis and assessment, the Board requests to forward the Report, together with this assessment, to the European Commission, the European Parliament, the Council, and the Court of Auditors.

Mats Andersson

Chair of the Management Board

## Executive Summary

It is with great pleasure that I am presenting the European Union Agency for Railways' annual activity report for 2016, a significant year for the Agency, which, on 15 June, marked the entry-into-force of the Technical Pillar of the Fourth Railway Package and of the new Regulation for the Agency contained therein.

The key activity in 2016 was, consequently, the preparation of the Agency and its stakeholders for the new tasks under the Fourth Railway Package, with a series of workshops held with the stakeholders in order to prepare the Practical Arrangements for Single Safety Certificates, Vehicle Authorisations, and ERTMS Approval. Internally in the Agency, the focus has been on Competence Management, in order to have the required skills available when needed, after the transition period in 2019. The programme which was rolled out in 2015, has been further implemented in 2016 with a highlight represented by the mock-up of the One-Stop-Shop that the Agency has to implement in order to support the processes mentioned, and with the internal call for interest and the gap analysis launched in 2016.

In light of the new Agency Regulation, the **governance structure** of the Agency has been adjusted, notably, the Administrative Board has been replaced by the Management Board, and the former Sub-Committee by the new Executive Board.

In 2016, the Agency has achieved significant progress in all areas of the work programme, in particular in Safety with the work on Safety Occurrence Reporting, in Interoperability with the Rules Reduction programme and in ERTMS with the adoption of the revised TSI Control Command/Signalling (CCS) and conclusion of the Memorandum of Understanding between the European Commission, the Agency and the sector organisations.

The Agency looks back at a successful year with many achievements. A **revised strategic vision** of the Agency was published. Key elements of this strategic vision were presented in at several international conferences for debate and discussion.

The Agency has, in cooperation with DG MOVE, prepared a **strategy for international relations**, and the first meeting of the Platform of Railway Agencies", took place Innotrans in Berlin. The Agency also signed an agreement with DG NEAR on EUMedRail in relation to the dissemination of the European railway framework to a number of countries in Eastern Europe, North Africa and the Middle East.

In order to improve the strategic guidance for the Agency activities and in order to facilitate decision-making under the One-Agency approach, the concept of **Common Positions** was introduced and applied to the key concepts stemming from the work on the Single Safety Certificates and Vehicle Authorisations for the Fourth Railway Package.

In addition to the regular meetings with the National Safety Authorities (NSAs), the National Investigation Bodies (NIBs) and the Representative Bodies, the Agency increased its **cooperation with external stakeholders** through, for instance, participation in Innotrans in Berlin, the Digital Railways conference and the Human Factors conference (both organised by the Agency).

Following its adoption by the Board in 2015, the **communications strategy** has been implemented both internally and externally, with the main highlight of the re-vamping of the Agency's website which should go live in the first half of 2017.

The ERA **Integrated Management System** (IMS) has been further developed with an updated IMS process architecture and the implementation of a set of key procedures. ISO 9001 certification is foreseen for the first half of 2017.

In order to prepare for the Fourth Railway Package and to streamline the organisation, I initiated an **adjustment of the Agency's-organisation** whereby all the rule-making activities (both TSIs and national rules) have been concentrated in the Interoperability Unit and all the future activities on

Single Safety Certification and Vehicle Authorisation have been allocated to the Safety Unit. A separate new organisational entity has been created to deal with strategy, international relations, research and innovation.

Of all **the outputs** identified in the Work Programme 2016, 75% were fully achieved (80% in 2015, 79% in 2014), 15% partially (15% in 2015, 16% in 2014), 10% not (5% in 2015 and 2014) and 4% were not applicable (5% in 2015, 7% in 2014). As for the 12 organisational KPIs, 75% were fully achieved (73% in 2015) and 25% partially (18% in 2015).

In terms of the **resource management**, the Agency conducts its operations in compliance with the applicable laws and regulations, working in an open and transparent manner and meeting the expected high level of professional and ethical standards. The Agency implemented 98.5% of its establishment plan (97.8% in 2015, 96% in 2014) and continues to improve its efficiency and financial performance. This is reflected throughout this report, not least in the continuing high budget commitment and payment rates.

As for **internal control effectiveness**, the Agency has assessed the effectiveness of its key Internal Control Systems during the reporting year 2016. The 16 Internal Control Standards were integrated into the Agency's Integrated Management System and were assessed as being effectively implemented. Furthermore, the Agency has taken measures to further improve the efficiency of its Internal Controls in the areas of objectives and performance indicators, internal audit and quality capability, as reported in part III. In addition, the Agency has systematically examined the available control results and indicators as well as the observations and recommendations issued by European Commission's Internal Audit Service and the European Court of Auditors. These elements have been assessed to determine their impact on the management's assurance about the achievement of control objectives. Please refer to Part II for further details.

In conclusion, the management has reasonable assurance that, overall, suitable controls are in place and working as intended; risks are being appropriately monitored and mitigated; and necessary improvements and reinforcements are being implemented. The Executive Director, in his capacity as Authorising Officer (by delegation), has signed the Declaration of Assurance.

The challenge ahead of us is not only to find a way to maintain what we have achieved in the last decade but also to maintain the momentum for the future by executing the multi-annual programming document - during a period of budgetary pressure and unforeseen external events, while having to continue the transformation of the Agency in view of the Fourth Railway Package, encompassing a considerable demand both in financial and in human resources which had not been taken into account in the Commission Communication of 2013.

Josef Doppelbauer

Executive Director

## Introduction

The Agency works in a wider framework of the European Commission White Paper on transport and its policy objectives for railways:

- Improving competitiveness of rail with other modes in order to increase the market share of the most environment-friendly mode of transport
- Spending public money more efficiently on public rail transport services
- Opening domestic rail passenger transport to competition
- Encouraging market entry by reducing administrative and technical barriers and ensuring non – discrimination through a better governance of the infrastructure

A subset of these objectives is the creation of a “Single European railway area” through improved technical interoperability and a common approach to safety on the EU railway system (as laid down in the ERA founding regulation). In the mid-term, this has led the Agency to the definition of four strategic operational -activities for improved functioning of the railway system, complemented by a horizontal activity:

- (1) A Harmonised Approach to Safety
- (2) Removing technical barriers
- (3) A single European train control and communication system (ERTMS)
- (4) A simplified access for customers
- (5) Evaluation, management and resources

Railway actors will benefit in the first place from the Agency’s work on harmonized conditions for the development of a Single European railway area: through easier operation, simplified vehicle and network subsystem authorisation, opening of the market for railway products and services, harmonised control/command systems and easier access to and exchange of information. The harmonisation of environmental management – such as noise – contributes, both in a positive effect for the EU Citizens, and in the removal of unequal operating boundary conditions in EU Member States. All these harmonised conditions aim to improve the competitive position of the railway sector.

This harmonised framework strongly supports an easier market entry for railway undertakings (both new to the sector and/or new to a particular Member State) and enhanced competition between them. Additionally, through the competition between manufacturers, an easier access to rolling stock for these railway undertakings is possible and the market for the supply of railway products and services is opened to the benefit of all actors. Such enhanced competition leads finally, as demonstrated by the positive examples in the different EU Member States that have made good progress in the implementation of the framework, to the benefits of an open, shared system for the end EU railway customers: more transport choices, better quality of services, easier cross-border services, enhanced travel information, simplified system access, reduced prices.

As a logical next step, complementing the Agency’s current and future work, the European Commission has proposed in the Fourth Railway Package to entrust the Agency with the tasks of issuing European-wide Safety Certificates for Railway Undertakings, and Authorisations for vehicles and ERTMS subsystem. This would further lower the administrative barriers that will remain after the 2<sup>nd</sup> and 3<sup>rd</sup> railway packages have been fully and properly implemented.

In 2015, the Agency started a prototype prioritisation scheme, based on an early assessment, which was deployed in 2016 for all projects in order to be able to prioritise and plan the workload and the resources, and to set deadlines. Based on these assessments, the Agency will be able to make proposals for the (re-) prioritisation and (re)scheduling of projects, which, after agreement, become part of the ongoing change management process of the work programme.

## Achievement of the Agency's KPIs 2016

|    | <b>Key Performance Indicators 2016</b>                                                                                                                                                                                             | <b>Activity</b>                                  | <b>Achievement</b>                                                                                        |
|----|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------|-----------------------------------------------------------------------------------------------------------|
| 1  | 90% achievement of all outputs using financial and human resource planning 2016                                                                                                                                                    | ERA                                              | Partially - 75% vs 80% in 2015 and 74% in 2014                                                            |
| 2  | 95% timely delivery of issuing reports, advice and opinions                                                                                                                                                                        | ERA                                              | Yes – globally met requirements agreed with the customers                                                 |
| 3  | Successful implementation of the initial activities after entry-into-force of the Fourth Railway Package, delivery of the first mock-up version of the Information and Communication System implementing the One-Stop Shop         | ERA                                              | Yes                                                                                                       |
| 4  | 95% implementation of the establishment plan                                                                                                                                                                                       | Evaluations, Management and Resources            | Yes                                                                                                       |
| 5  | 100% delivery of the priority countries programme to key milestones 2016 and to programme 2017 to contribute to the improved safety performance of those countries                                                                 | Harmonised Approach to Safety                    | Partially – Slovakia delayed at their own request                                                         |
| 6  | 100% delivery of an information system to facilitate exchange of safety defects/issues between RUs/IMS/ECMs and Manufacturers                                                                                                      | Harmonised Approach to Safety                    | Yes                                                                                                       |
| 7  | Regular progress monitoring of the implementation of the plan (Concrete Actions) for the Agency to assist MS to fully “clean up” and formally notify in NOTIF-IT their National Technical Rules to reflect the scope extended TSIs | Removing Technical Barriers                      | Yes                                                                                                       |
| 8  | Creation and operation of the ERTMS Stakeholder Platform                                                                                                                                                                           | A Single European Train Control and Comms System | Yes                                                                                                       |
| 9  | More than 80% of Railway Indicators measured                                                                                                                                                                                       | Evaluations, Management and Resources            | Yes                                                                                                       |
| 10 | Documenting processes and procedures, and internal audit reports 100% in line with the roadmaps, programmes and timetables                                                                                                         | Evaluations, Management and Resources            | Partially - according to IMS Review, 34% of actions are delayed due to changed priorities during the year |
| 11 | 90% execution of payment vs. committed appropriations (average all types of appropriations)                                                                                                                                        | Evaluations, Management and Resources            | Yes                                                                                                       |
| 12 | No financial loss, business disruption, or reputational risk                                                                                                                                                                       | Evaluations, Management and Resources            | Yes                                                                                                       |

## Part I - Key Achievements of 2016 per Activity

The Agency's activities aim to achieve the following 4 strategic priorities for the railway system:

- *A Harmonised Safety Framework*
- *Removing Technical Barriers*
- *A Single EU Train Control and Communication System*
- *A Simplified Access for Customers*

Shifting traffic from other modes of transport to rail requires, among other measures, a much more competitive EU railway system, enabling rail finally to deploy its advantages in environmental protection and energy efficiency.

In the past 10 years, the Agency has consistently worked towards this goal, characterised by

- complementing further the work done up to now ("make it work")
- in parallel, preparing the Agency and the railway stakeholder environment for the Agency's new functions of EU wide safety certification and vehicle and type authorisation, foreseen in the Technical Pillar of the Fourth Railway Package.
- supporting the Commission vision of a European railway system that is a world leader in railway safety

Regarding its different activities, the Agency therefore needed

- to further develop a common approach to Safety in the EU railway system, based on a common Safety Culture with a focus on learning, improvement and prevention, as an essential base for the successful EU wide introduction of the Safety Management System regime and hence for the efficient harmonised processes leading to Safety Certification. The Agency will work in partnership with all stakeholders to promote and establish an environment where the actors have trust in the functioning of the system, backed by an enhanced monitoring of the real underlying problems and barriers and by a focused approach on where to act in light of the evidence gathered.

This work all feeds into the preparation together with the stakeholders, essentially the NSAs, in view of delivering a Single Safety Certificate in cooperation between the Agency, NSAs and actors from the entry into force of the Fourth Railway Package onwards. This cooperation will be tested in a shadow running even before taking over the new functions.

- to continue to support the removal of technical barriers, to help the actors implement and apply the scope extended TSIs and to complete the cleaning up of National Rules and the harmonisation of the vehicle authorisation processes in the different EU Member States taking account of the changes to the process foreseen in the Fourth Railway Package. The Agency will learn from the return of experience of the application of TSIs and use this learning, combined with a holistic and systematic economic scrutiny as part of the revision of the TSI system, to ensure maximum added value.
- to complete the implementation of the railway registers and their rationalisation to reduce administrative burdens and undue costs for the Member States and stakeholders.
- to develop tools necessary to improve further quality and trust among the actors, such as an accreditation and recognition scheme for Notified Bodies.
- to prepare for the functions of the Fourth Railway Package, in cooperation with all stakeholders participating in learning cases, assisting the commission in the developments of

a the common processes and documentation for the new regime and to prepare the “One Stop Shop” database, including all supporting aids, complemented by shadow running as for the Safety Certificates.

- to secure the success of ERTMS by applying strong ERTMS version management and a strengthened system authority role to prevent any diversification of the Single EU Train Control and Command system. In addition, the Agency will increase its role in the checking of European ERTMS infrastructure projects compliance with the specifications, and to also establish, in collaboration with all stakeholders and concerned actors, an optimised coordination of ERTMS development and deployment to ensure a single transparent, stable, affordable, and interoperable ERTMS system throughout Europe. The Agency will be the natural place to bring forward, together with all actors, the ERTMS breakthrough programme, facilitating a platform for the relevant stakeholders.
- to continue, in the field of simplified access for customers, the development and change management of the different Telematics TSIs, of the TSI for accessibility for persons with reduced mobility and of the registers and inventory of assets foreseen to provide information for customers to ease their access to the railway system.

All these activities are accompanied by an enhanced monitoring to identify where the Agency is to act specifically to improve its actions, and by a continued full focus on dissemination, training and communication among the stakeholders to explain and fully implement EU framework for the railway system.

In parallel and in all our activities we have been seeking to further improve the relations with our stakeholders to enhance the atmosphere of mutual trust and develop even more fruitful cooperation, establishing the Agency as the heart of the Single European Railway Area and as the natural partner for all railway actors to work together to improve the shared railway system.

The Agency also continued to establish its role in the world with respect to similar entities drafting technical and safety regulation, setting guidelines for standards and research with the objective of seeking the best way of cooperating with other world regions and bodies involved in railway technical and safety regulation to help improve the competitive position of the rail sector.

Internally, the Agency gained further efficiency through the full implementation of the Integrated Management System with the necessary IT support in the processes to be able to focus more on our core business and output for the sector. As a continuation from 2015, the Agency developed further internal processes necessary as a prerequisite for implementing the Fourth Railway Package such as management and traceability of working documents, competency profiles, prioritisation of ERA projects and activities, establishing a scheme for managing fees and charges, and establishing the required governance (e. g. appeal boards) etc.

## *1.1 A Harmonised Approach to Safety*

### *1.1.1 Overview Harmonised Approach to Safety - overview*

The Agency regulation identifies the need for a harmonised approach to safety that, supports the Commission vision of a European railway system that leads the world on safety performance. Over recent years the legislative framework to support safety has been progressively developed and the Fourth Railway Package will adapt the framework to further support the development of a single safety area. The legislative framework is an essential element but is not enough. Safety has to be delivered on the ground in a harmonised way and that can only be achieved if there is a shared vision of safety, and common safety culture. Underpinning this safety culture there need to be processes for monitoring safety performance and safety maturity. Without prejudice to the rules of confidentiality relating to investigations, there will need to be greater transparency in the sharing of information so that lessons learnt can be shared and each actor can take the responsibility for the part of safety that is theirs. Railway safety is not isolated from other parts of the system or from society and the factors that act as barriers to safety harmonisation and safety improvements need to be understood. The Agency is part of a team of National Safety Authorities (NSAs), National Investigation Bodies (NIBs), Railway companies, and Ministries that need to work collaboratively to deliver safety.

The Commission proposals in the Fourth Railway Package already showed the need for cooperation agreements in the fields of safety certification and authorisation for placing in service but in fact all of the safety initiatives have been necessarily delivered through partnership and collaboration.

In addition to working closely with its stakeholders and other actors of the railway sector, the Agency in 2016 also continued developing and implementing the Single Safety Certificate programme, broadened the scope of the Monitoring Matrix, and supported the improvements of the Train Drivers' Directive (TDD).

## 1.1.2 Activity 1 - Harmonised Approach to Safety - Achievements

| <b>Objective 1 - Preparation of the Single Safety Certificate</b>                                                                          |                                          |                                                                         |                                                                                                                   |                                                              |                                                                                                                                                                    |
|--------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|-------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Main outputs/actions/deliverables</b>                                                                                                   | <b>Indicator</b>                         | <b>Achieved in 2015</b>                                                 | <b>Target in 2016</b>                                                                                             | <b>Expected outcome</b>                                      | <b>Achieved in 2016</b>                                                                                                                                            |
| Delivery of the part of the 4RP program related to the Single Safety Certificate<br>As presented to the Board and to the EC TF for the 4RP | Milestones from the 4RP program achieved | Revision of the plan to take into account the last version of 4RP text. | Cooperation arrangement framework between NSAs and ERA for delivering Single Safety Certificate (target mid 2017) | Simpler, harmonised system for railway safety certification. | Yes                                                                                                                                                                |
|                                                                                                                                            |                                          |                                                                         | Single Safety Certificate delivery process                                                                        |                                                              | Yes                                                                                                                                                                |
|                                                                                                                                            |                                          |                                                                         | Business needs for the One Stop Shop development (Single Safety Certificate part)                                 |                                                              | Yes                                                                                                                                                                |
|                                                                                                                                            |                                          |                                                                         | ERA Application guide for Single Safety Certificate (target may 2017)                                             |                                                              | Yes                                                                                                                                                                |
|                                                                                                                                            |                                          |                                                                         | Learning cases on Safety Certification with selected NSAs                                                         |                                                              | No - The team members of the SSC project are fully occupied by the development of the SSC PA and application guide.<br><br>When the call for interest process will |

|                                                                                                                         |                           |                                                                       |                                                      |                                                                                                                  |                                                                                                                                                                                                                                                                                                                          |
|-------------------------------------------------------------------------------------------------------------------------|---------------------------|-----------------------------------------------------------------------|------------------------------------------------------|------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                                                         |                           |                                                                       |                                                      |                                                                                                                  | <p>be finalised, it should be possible to allocate some resources to the learning cases</p> <p>MT has decided to also reinforce the TF by nominating a Programme Manager (PM) for learning cases who will also be in charge, in addition to the organisation of these cases, to develop the internal process for PM.</p> |
| Revision of the Common Safety methods on Conformity Assessment (Commission Regulations n°1158/2010/EU and 1169/2010/EU) | CSM recommendation issued | 4 Working Party meetings                                              | Prepare final recommendation to EC (target May 2017) | Common approach to assessment of safety certificate applications.                                                | Yes                                                                                                                                                                                                                                                                                                                      |
|                                                                                                                         |                           | Delivery of the final Working papers and guidance before consultation |                                                      |                                                                                                                  | Yes                                                                                                                                                                                                                                                                                                                      |
| Revision of the Common Safety method on Supervision (Commission Regulation n°1077/2012/EU)                              | CSM recommendation issued | 4 Working Party meetings                                              | Prepare final recommendation to EC (target May 2017) | Common approach to supervision by NSAs and cooperation between NSAs and ERA, consistency for sector. Convergence | Yes                                                                                                                                                                                                                                                                                                                      |
|                                                                                                                         |                           | Delivery of the final Working papers and                              |                                                      |                                                                                                                  | Yes                                                                                                                                                                                                                                                                                                                      |

|                                                                                                                   |                             |                                               |                                                                                                                               |                                                                                                                                                                                                 |                         |
|-------------------------------------------------------------------------------------------------------------------|-----------------------------|-----------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|
|                                                                                                                   |                             | guidance before consultation                  |                                                                                                                               | of NSA maturity levels                                                                                                                                                                          |                         |
| Development of a framework for a pool of NSA experts in line with the implementation of the 4RP.                  | Pool is created and active. | Participation to NSA Sub-group on cooperation | Contract framework between ERA and NSA's for delivering expertise in the field of Safety Certification (target December 2017) | Common approach to assessment of safety certificate applications. Ability to deliver in time and quality the Single Safety Certificates from 2018 and onwards. Closer Agency/NSA collaboration. | Yes                     |
| Revision of Commission Regulation (EC) No 653/2007 for the development and adoption of common templates and forms | Recommendation issued       | Delivery of a Working paper to EC             | Proposal to EC on the Practical arrangements for delivery of the Single Safety certificate (EC Implementing Act)              | Clearer, simpler process for safety certification                                                                                                                                               | Yes                     |
| <b>Objective 2 - Learning for better Safety</b>                                                                   |                             |                                               |                                                                                                                               |                                                                                                                                                                                                 |                         |
| <b>Main outputs/actions/deliverables</b>                                                                          | <b>Indicator</b>            | <b>Achieved in 2015</b>                       | <b>Target in 2016</b>                                                                                                         | <b>Expected outcome</b>                                                                                                                                                                         | <b>Achieved in 2016</b> |

|                                                                                                                                                                      |                                                       |                                                                                                                                                              |                                                                                                                                                                 |                                                                |                                                                                                                                                  |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------|
| Support the development of a system for NIB peer review                                                                                                              | Support provided                                      | NIB's establish a peer review system.                                                                                                                        | Provide support to the NIB network for developing the processes, requirements and assessment criteria for peer review                                           | Harmonisation of NIB performance and approach.                 | N/A - This is an obligation on the NIBs. The Agency provided the requested support – but the NIBs have not yet established a peer review system. |
| Support for the NSA/NIB/Human Factors Networks, the ECM certification bodies, CSM RA recognised assessment bodies, Freight Focus group and Joint Network Secretariat | Network Engagement survey - closure of issues raised. | 3 NSA network meeting + 3 NIB network meeting + 3 meetings of Freight focus Group + 3 meetings of cooperation of ECM certification bodies+ 3 meetings of JNS | 3 NSA network meeting + 3 NIB network meeting + 3 meetings of cooperation of ECM certification bodies+ 3 meetings of JNS and 3 meetings of Freight focus Group; | Greater consistency of approach by National bodies and sector. | Yes                                                                                                                                              |
|                                                                                                                                                                      | JNS issues raised and closed                          |                                                                                                                                                              |                                                                                                                                                                 |                                                                | Yes                                                                                                                                              |
|                                                                                                                                                                      | Reviewed procedures                                   |                                                                                                                                                              | Fusion of JNS and Freight Focus Group including revision of procedures.                                                                                         |                                                                | Yes                                                                                                                                              |

| Definition and evaluation of a system allowing sharing of data and information on reported occurrences in Member States. Including the sharing of safety alerts. The Agency will take into account the SIS system and the need to ensure coherence and efficiency. | Commitment of stakeholders to use the COR. Number of Reported Occurrences shared in the system. | Study on national reporting systems and analysis of results, including an impact assessment. Study on safety alerts. Study on existing risk models. | System and regime development, to ensure practical tool, which is targeted to users who are ready and willing to use it, that is coherent and efficient across both reporting purposes. Scope and procure build of system, including complementary risk model, through 2016 and 2017. Recommendation on need for additional legislation. | NSAs, RUs, IMs and NIBs can consult occurrence reports submitted by other actors, to enhance risk management and risk analyses, in the context of the development of a common occurrence reporting scheme | Partially - Safety alerts tool launched October 2016. Consultations held on a long term COR – Legal issues, Phasing, Taxonomy. Mandate for any legislation planned for 2018 (if needed) |
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| <b>Objective 3 - Monitoring Safety performance</b>                                                                                                                                                                                                                 |                                                                                                 |                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                           |                                                                                                                                                                                         |
| Main outputs/actions/deliverables                                                                                                                                                                                                                                  | Indicator                                                                                       | Achieved in 2015                                                                                                                                    | Target in 2016                                                                                                                                                                                                                                                                                                                           | Expected outcome                                                                                                                                                                                          | Achieved in 2016                                                                                                                                                                        |
| NSA Cross-audits                                                                                                                                                                                                                                                   | Final audit reports to programme deadlines.                                                     | Completion: Romania, Austria, Norway, Denmark, Italy & Croatia                                                                                      | Completion: Lithuania, Slovak Republic, Latvia & France                                                                                                                                                                                                                                                                                  | Harmonisation of NSA performance and approach. Cross-audit program improvement for better efficiency.                                                                                                     | Partially - Slovakia delayed at request of Slovakia (resourcing issue)                                                                                                                  |
|                                                                                                                                                                                                                                                                    |                                                                                                 | Start: Lithuania, Slovak Republic, Latvia & France                                                                                                  |                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                           |                                                                                                                                                                                         |
| NIB Assessments                                                                                                                                                                                                                                                    | Assessment reports to                                                                           | Assessments of Spain, Croatia, Romania & Estonia                                                                                                    | Assessments of NIBs Lithuania, Latvia & Slovak Republic.                                                                                                                                                                                                                                                                                 | Harmonisation of NIB performance and approach.                                                                                                                                                            | Partially - Slovakia delayed at request of                                                                                                                                              |

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|                                                                                                                                                                                                      | programme deadlines.                                                      |                                                                                             |                                                                                                                           |                                                                                    | Slovakia (resourcing issue)                                            |
| Matrix evaluations & revision of matrix tool                                                                                                                                                         | New version delivered.                                                    | Completion: Croatia, Estonia, Romania                                                       | Complete: France, Lithuania, Latvia, Slovak Republic                                                                      | Harmonisation of regulatory structures and performance at Member State level.      | Partially – Slovakia delayed at request of Slovakia (resourcing issue) |
|                                                                                                                                                                                                      | Matrix evaluations completed against plan.                                | In Progress: France, Lithuania, Latvia, Slovak Republic                                     |                                                                                                                           |                                                                                    |                                                                        |
| Safety overview, Safety Performance Report, Sheets, Thematic reports                                                                                                                                 | Report accuracy                                                           | Gathered and analysed Common Safety Indicators data, including safety overview publication. | Agency report.                                                                                                            | Consistent, reliable safety performance data drives better policy decision-making. | Yes                                                                    |
| Annual assessment of achievements of Safety Targets.                                                                                                                                                 | Annual Assessment accuracy                                                | Recommendation on revision of CSM/ CSTs delivered to EC.                                    | Delivered annual assessments.                                                                                             | Consistent, reliable safety performance data drives better policy decision-making. | Yes                                                                    |
| Alignment of general statistics EU legislation with CSI/CST legislation (Regulation (EC) No 91/2003 of the European Parliament and of the Council of 16 December 2002 on rail transport statistics). | Absence of double reporting and of the use of non-harmonized definitions. | Support to European Commission and European Parliament in legislative processes.            | More coherent and higher quality of rail safety data                                                                      | Eurostat/EC and Agency published data are consistent and robust.                   | Yes (ongoing)                                                          |
| Coordination with EC, Eurostat, PRIME (Platform for Railway Infrastructure Managers in Europe), RMMS                                                                                                 |                                                                           |                                                                                             | More coherent and higher quality of rail safety data. Achieving a better understanding of criteria definition application |                                                                                    | Yes (ongoing)                                                          |

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| Methods and approaches for assessing safety performance, including safety maturity.                          | Produced methodologies, catalogues of indicators and their use. | First methodological drafts.                                                         | PRIME KPIs, aligned with Agency indicators, that drive decision-making and performance consistent with European Commission rail policy objectives                                                                        | Policy coherence                                        | Yes (ongoing)                                            |
| Advice to the Commission on Railway Safety for 6 Priority Countries. Monitoring of any National Action Plans | Advice delivered to timescales, support provided                | Countries in Progress: Croatia, Romania, Slovak Republic, Lithuania, Latvia, Estonia | Countries in Progress: Croatia, Romania, Slovak Republic, Lithuania, Latvia, Estonia,                                                                                                                                    | Rate of convergence of safety performance is increased. | Yes                                                      |
|                                                                                                              |                                                                 |                                                                                      | Issue the advice to the Commission for Croatia, Estonia and Romania.                                                                                                                                                     |                                                         | Yes                                                      |
|                                                                                                              |                                                                 |                                                                                      | Program management: Review the evaluation processes for developing the advice after the three first priority countries and develop the processes for follow-up support (working with Priority Countries on improvements) |                                                         | No – further discussion with European Commission needed. |
| Functioning system for registration of safety certificates, licenses and ECM data                            | Number of valid and accessible records in the database          | New functionality for assessment bodies and ECM Certification Bodies                 | Specify functionality for safety certificates in accordance with CSM revision. Ongoing                                                                                                                                   | Published and accurate information supports an open     | Partially - Safety Certificate data remains problematic. |

|                                                                                                                                                                                                                          |                                                                     |                                                                                                        |                                                                                                                                                                                                                                                                                    |                                                                                               |                                                        |
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|                                                                                                                                                                                                                          |                                                                     | recommendations.<br>Ongoing maintenance, support and improvement.                                      | maintenance, support and improvement.                                                                                                                                                                                                                                              | European rail sector, including NSA cross border supervision and assessment                   |                                                        |
| To prepare 4RP on "Monitoring of the performance and decision-making of national safety authorities" (NSA audit according to ERA Reg. Art. 31)<br>To support the audit programme<br>To facilitate peer to peer coaching. | Management board approves the proposed approach to auditing of NSAs | Prepare the evolution from current Cross-audit program to "Art. 31 audit" program                      | Review Pilot and address identified issues. Implement revised concept.<br>Policy, working methods, procedures and practical arrangements approved by the Management board.<br>Audit protocols and program established.<br>Training program set up.<br>Pool of experts established. | Closer Agency/NSA collaboration.<br>Enhanced Audits.                                          | No - planned for Board decision in June 2017           |
| <b>Objective 4 - Improving Safety performance</b>                                                                                                                                                                        |                                                                     |                                                                                                        |                                                                                                                                                                                                                                                                                    |                                                                                               |                                                        |
| <b>Main outputs/actions/deliverables</b>                                                                                                                                                                                 | <b>Indicator</b>                                                    | <b>Achieved in 2015</b>                                                                                | <b>Target in 2016</b>                                                                                                                                                                                                                                                              | <b>Expected outcome</b>                                                                       | <b>Achieved in 2016</b>                                |
| Promoting a positive safety culture to ensure a high level of safety without increasing the regulatory burden on the sector.                                                                                             | Targeted dissemination                                              | Scope and methodology established. Initiated. Dissemination programme established. Delivery initiated. | Delivery of the report by June 2016                                                                                                                                                                                                                                                | Harmonised approach to safety increasingly mature understanding of Safety Management Systems. | Yes                                                    |
| Deliver a programme of activities to raise awareness of the benefits and promotion of safety culture                                                                                                                     |                                                                     |                                                                                                        | Implementation of the programme.                                                                                                                                                                                                                                                   |                                                                                               | No - implementation delayed (recruitment delay impact) |

|                                                                                                                                                            |                     |                                                                                                                               |                                                                                                                               |                                                                                                                                    |     |
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| amongst European authorities and organisations                                                                                                             |                     |                                                                                                                               |                                                                                                                               |                                                                                                                                    |     |
| Targeted dissemination on SMS issues identified by the Matrix results and Sector feedback.                                                                 |                     |                                                                                                                               | Follow up Matrix assessments for Pilot Countries.                                                                             |                                                                                                                                    | No  |
| Organising/Attending workshops. Support to the Commission on railway matters in relation with third party organisations (OTIF, UNECE) and Dangerous Goods. | Support provided    | Participation to meetings organised by commission or OTIF. Around 10/year and                                                 | Participation to meetings organised by commission or OTIF. Around 10/year and                                                 | Greater harmonisation across Member States, beyond EU borders. Greater harmonisation of approach across modes for dangerous goods. | Yes |
|                                                                                                                                                            |                     | 3 workshops organised on Transport of dangerous goods management - Establishment of ERA Transport of Dangerous Goods extranet | 3 workshops organised on Transport of dangerous goods management -                                                            |                                                                                                                                    | Yes |
| Support for implementation of CSM Risk Assessment and CSM on monitoring. Provision of training, guidance and establishing a peer review process            | % of bodies trained | CSM Risk Assessment (assessment bodies art 14(2) of 402/2013): 1 session training for accreditation and recognition bodies.   | CSM Risk Assessment (assessment bodies, art 14(2) of 402/2013): 2 sessions training for accreditation and recognition bodies. | Clearer, more robust application of CSM Risk Assessment and CSM on monitoring.                                                     | Yes |
|                                                                                                                                                            |                     | CSM Risk Assessment: Recommendation on revision of Regulation 402/2013 addressed to COM (Design Targets). Revised             |                                                                                                                               |                                                                                                                                    |     |

|  |                       |                                                                                                                    |                                                                                                                                                              |  |                                                         |
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|  |                       | Regulation on CSM RA (2015/1136) adopted                                                                           |                                                                                                                                                              |  |                                                         |
|  | Provision of guidance | CSM Risk Assessment: Guidance: Development of a guideline to support CSM RA (design targets and assessment bodies) | CSM Risk Assessment: Guidance: Publication of a guideline to support CSM RA (design targets and assessment bodies)                                           |  | Yes                                                     |
|  | Provision of a scheme |                                                                                                                    | Development of scheme for peer review of assessment bodies including procedures, requirements and assessment criteria (article 14(1) of Regulation 402/2013) |  | No                                                      |
|  | Provision of report   |                                                                                                                    | Establishment of system of monitoring of implementation of CSM on monitoring.                                                                                |  | Partially – internal review pending                     |
|  |                       |                                                                                                                    | Issue report on implementation of CSM on monitoring (Article 5 of Regulation 1078/2012)                                                                      |  | Partially - Draft report done – internal review pending |

|                                                                                                                                                                                                |                                                                                                                                           |                                                                                                              |                                                                                                                                                                       |                                                                                                                        |                         |
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| Integrating human factors into railway operations. Focus on developing a mature approach to the way the human contribution to safe technical and operational systems are designed and managed. | Spread of good practice to senior rail industry leaders, together with usable and practical measures for effective and wider application. | Delivery of agreed work programme, leading to Workshop to disseminate results.                               | 1 seminar network meeting 4th quarter 2016 followed by implementation of measures to support industry.                                                                | Better integration of human factors into railway operations.                                                           | Yes                     |
| Implementation of new IPA program                                                                                                                                                              | Support provided                                                                                                                          | New contract signed.                                                                                         | Provide dissemination activities to neighbouring countries                                                                                                            | Better and quicker implementation of the EU railway approach and legislation within countries on the way to accession. | Yes                     |
| <b>Objective 5 - Managing Maintenance risks</b>                                                                                                                                                |                                                                                                                                           |                                                                                                              |                                                                                                                                                                       |                                                                                                                        |                         |
| <b>Main outputs/actions/deliverables</b>                                                                                                                                                       | <b>Indicator</b>                                                                                                                          | <b>Achieved in 2015</b>                                                                                      | <b>Target in 2016</b>                                                                                                                                                 | <b>Expected outcome</b>                                                                                                | <b>Achieved in 2016</b> |
| Extension of ECM Scheme to all Rolling Stock and certification of maintenance workshops.                                                                                                       | ECM regulation amended                                                                                                                    | Implementation report addressed to EU commission in March 2015 and Mandate for extension agreed in June 2015 | Obtain revised mandate for an extension of scope of ECM certification and certification of maintenance workshops based on the requirements in the revised legal text. | Greater Harmonisation of Rolling Stock Maintenance                                                                     | Yes                     |

|                                                                                                            |                 |  |                                                                                                               |                                                    |                                                |
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| Safety Critical components (4RP - article 17 of Agency Regulation - article 28 of Recast Safety Directive) | Report provided |  | Agency report on requirements to define the safety critical components, traceability, marking and maintenance | Greater Harmonisation of Rolling Stock Maintenance | Partially – Initial feedback provided to RISC. |
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## 1.2 Removing Technical Barriers

### 1.2.1 Overview of Activity 2 - Removing Technical Barriers - Overview

Since the responsibilities for managing the system were separated out to railway undertakings, infrastructure managers and government, the European railway system has been a system shared by many actors. In many cases the tools necessary to manage the shared system, as prescribed in the directives, are not fully in place. Instead, old tools appropriate only for vertically integrated single actor systems (e.g. homologation) continue to be used for a purpose they were not intended. This is one of the reasons why the process of vehicle authorisation appears to be rather difficult and expensive in some Member States; many diverging designs continue to be produced and authorised specifically for individual RUs rather than vehicle types being placed on the market already authorised for several Member States. The Agency has been working hard to help the Member States move to a more satisfactory situation and in 2016 the implementation of the scope extended TSIs will continued.

The application of the scope extended TSIs has removed the need to apply national rules in the authorisation process for new vehicles for all parameters except those related to legacy interfaces, specific cases not described in the TSI and TSI open points. The Agency, as part of a rules strategy, continued in 2016 with the structured approach to facilitate and monitor the Member States' "cleaning up" of their national rules in order to remove redundant national rules and to reflect the scope extended TSIs. The target for the Member States has been to have completed the cleaning up and notification of their national rules by end of 2016. The Agency complemented this with the reporting and tracking facility introduced in 2015 to allow the sector to address "questionable" rules to the Agency in order that it may follow them up with the NSAs/Member States and where necessary the Commission. It followed on the prioritisation of the "Top 10 barriers" and their economic effect highlighted by the sector representative bodies.

In 2016 the Agency has continued facilitating and monitoring the implementation of the scope extended TSIs. The Agency also endeavoured to close some of the remaining open points, to specify conditions for mutual recognition of the first authorisation of the rolling stock sub-system and to deal with issues arising from the implementation in field of the TSIs (recommendation for limited revision of the TSIs "freight wagons" and "Locomotives and passenger rolling stock").

Many of the problems relating to vehicle authorisation derive from a lack of a common understanding of the European process, rules, roles and responsibilities. During previous years, the Agency developed and published a common template flow chart of the European authorisation process so that Member State could document and publish their National Legal Frameworks (NLF) that implement the EU process for authorisation. This has been updated to reflect the clarifications of Recommendation 2014/897/EC ("DV29bis"). With the implementation of the Fourth Railway Package leading to both ERA and NSAs issuing authorisations, it is essential that all actors migrate fully to the common process. A priority for the Agency in 2016 was the development of a proposal for the Implementing Act and associated guidance that describes the practical arrangements for authorisation. This specifies how the requirements for the vehicle authorisation shall be fulfilled by the applicant and lists the documents required, the details and stages of the process and how the requirements laid down shall be complied with by the Agency and the national safety authority through the different stages of the application and authorisation process.

The Agency has been working with the Member States to facilitate the migration of their National Legal Frameworks to the European Legal Framework envisaged in the Fourth Railway Package and reported the Member States progress to the Commission. We have also started the preparation for the publication of the Members States frameworks for authorisation of fixed equipment as envisaged by the Fourth Railway Package.

Additionally, the Agency built on the experience of the Real Authorisation Cases work in 2014 and 2015 to participate in “Learning Cases” of vehicle authorisation, understanding existing practices from both the applicants and NA view, give advice on the EU framework and identify and follow-up problems discovered with the framework.

As part of the rules strategy, the Agency introduced and continued to help the Member States populate the Reference Document Database (RDD) containing all the national rules for vehicle authorisation and their cross-acceptance equivalence classifications in form of National Reference Documents (NRD). The Agency also assisted the Member States to formally notify their national rules in the NOTIF-IT database set up by the Commission.

In 2016 to complement the Implementing Act on Vehicle authorisation, building upon the work done on cross acceptance and the existing EC Decision on the Management and Maintenance of the Reference Document Database, the Agency developed working documents for the implementing act on mutual recognition / cross acceptance envisaged by the Fourth Railway Package.

In 2016 the Agency initiated the development of the “Single Rules Database” envisaged by the Fourth Railway Package to replace the current TRIS, NOTIF-IT and RDD databases. To promote and facilitate the common approach in the “real world”, the Agency carried out a considerably higher number of training and dissemination activities in a structured manner.

The business needs for the vehicle authorisation part of the One Stop Shop Database has been developed with particular attention on the requirement to include an “early warning” system to identify at an early stage the needs for coordination between decisions to be taken by national safety authorities and the Agency in the case of different applications requesting similar authorisations.

A key element in the cost of vehicles and their authorisation and leading to the poor competitive position of rail is the diversity of networks both between Member States and, in some cases, within Member States, which according to an assessment by the Agency accounts for about 50 % of the cost of vehicle authorisation. The Agency increased its efforts to avoid further increase of network diversity and to promote harmonisation, in particular by supporting Member States in the cleaning-up of national rules for fixed installations.

In order to increase the trust in the work performed by NoBos and subsequently to allow NSAs to grant authorizations for placing in service (APIS) without any further technical checks, the Agency proposed the EC a harmonised sectorial accreditation scheme for the notified bodies. In 2016 the Agency supported the EC in the technical debate for the endorsement of the proposed accreditation scheme, and established a practical procedure with European Cooperation for Accreditation (EA) to support national accreditation bodies and national recognition bodies in applying the sectorial scheme. In parallel the Agency has been, as a first phase design, a system to support EC in monitoring the notified bodies.

Following the creation of an ISO (International standards organisation) committee on railway standards, railway specifications are becoming global documents in increasing number. To take account of this and to reflect the status of ERA and of the TSIs, CSMs and other Agency outputs, the Agency further developed its international relations with its equivalents around the world.

The Agency also strengthened its international relations strategy by promoting the use of TSIs, CSMS and other Agency outputs as global reference standards through appropriate partnership agreements with relevant organisations (e.g. OTIF, ISO). International relations and stakeholder management is further covered under Activity 5 “Evaluation, Management and Resources”.

## 1.2.2 Activity 2 - Removing Technical Barriers - Achievements

| <b>Objective 6 - Developing and reviewing TSIs</b>                                            |                                     |                                                     |                                                |                                                                                               |                                                                                                                   |
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| <b>Main outputs/actions/deliverables</b>                                                      | <b>Indicator</b>                    | <b>Achieved in 2015</b>                             | <b>Target in 2016</b>                          | <b>Expected outcome</b>                                                                       | <b>Achieved in 2016</b>                                                                                           |
| Closure of open points in INF TSI, and provisions applicable in case of upgrading and renewal | Number of open points closed        | 2 open points closed in 2015                        | Close 5 additional open points                 | Substitution of national rules by TSI requirements for vehicles covered by application of TSI | Partially - 4 open points ready to be closed, as soon as DA is issued the Agency will issue formal recommendation |
| Closure of open points in ENE TSI, and provisions applicable in case of upgrading and renewal | Number of open points closed        | progress in activity towards closing the open point | Open point closed                              | Substitution of national rules by TSI requirements for vehicles covered by application of TSI | Yes                                                                                                               |
| Revision of OPE TSI (taking also into account RFC feedback) mainly :                          | Number of National Rules harmonised | N/A                                                 | Draft recommendation of OPE TSI revision with: | Substitution of national rules by TSI requirements                                            | Yes                                                                                                               |

|                                                                                                                                 |                       |                      |                         |                                                                                               |     |
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| -the harmonisation of relevant National rules to be included in Appendix B<br>- Updating the Appendix C                         |                       |                      | 50 % Appendix B revised | for operation (2017)                                                                          | Yes |
|                                                                                                                                 |                       |                      | 50% Appendix C revised  |                                                                                               | Yes |
| TSI LOC&PAS 'Unique Authorisation' and closure of open points, and additional EC verification in case of modification to a type | Recommendation issued | Draft recommendation | Final recommendation    | Substitution of national rules by TSI requirements for vehicles covered by application of TSI | Yes |
|                                                                                                                                 |                       |                      |                         | Simplified process for rolling stock authorisation                                            | Yes |
| TSI WAG closure of open points, and additional EC verification in case of modification to a type                                | Recommendation issued | Draft recommendation | Final recommendation    | Substitution of national rules by TSI requirements for vehicles covered by application of TSI | Yes |
|                                                                                                                                 |                       |                      |                         | Simplified process for                                                                        | Yes |

|                                                                                                 |                         |                                       |                                                                                 |                                                                  |                                                                                                        |
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|                                                                                                 |                         |                                       |                                                                                 | rolling stock<br>authorisation                                   |                                                                                                        |
| TSI Noise follow-up – Program of revision taking into account EC communication on Noise of 2015 | Revision program issued | N/A                                   | Program of NOI TSI revision. ERA advice on NOI TSI to submit to the Commission. | Simplified requirements for vehicles authorisation and operation | Yes                                                                                                    |
| TSI SRT follow-up – Program of revision                                                         | Revision program issued |                                       | Program of revision                                                             | Updating of the evacuation procedures                            | Partially - Programme of revision will be issued after adoption of the delegated act on TSIs under 4RP |
| Revision of CCS TSI and closing open points                                                     | Recommendation issued   | Recommendation on revision of TSI CCS | Agreed solution to close Reliability Open point;                                | Avoidance of national rules                                      | Yes                                                                                                    |
|                                                                                                 |                         |                                       | proposal on the inclusion of mandatory and voluntary standards in the TSI       |                                                                  | Yes                                                                                                    |

|                                                                                                    |                                               |                                                                 |                                           |                                                                                               |                         |
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| Follow-up of deficiencies in TSIs                                                                  | Number of deficiencies detected and corrected |                                                                 | Relevant Recommendations/Opinions/Advices | Improve TSIs                                                                                  | Yes                     |
| <b>Objective 7 - Support the implementation of TSIs</b>                                            |                                               |                                                                 |                                           |                                                                                               |                         |
| <b>Main outputs/actions/deliverables</b>                                                           | <b>Indicator</b>                              | <b>Achieved in 2015</b>                                         | <b>Target in 2016</b>                     | <b>Expected outcome</b>                                                                       | <b>Achieved in 2016</b> |
| Update of TSIs application guides, including guidelines for EC verification procedure              | Number of guides updated                      | Possibly 10, but will depend on the number of requests received |                                           | Correct implementation of TSIs                                                                | N/A                     |
| <b>Objective 8 - Supporting the development of EU standards and international rules/agreements</b> |                                               |                                                                 |                                           |                                                                                               |                         |
| <b>Main outputs/actions/deliverables</b>                                                           | <b>Indicator</b>                              | <b>Achieved in 2015</b>                                         | <b>Target in 2016</b>                     | <b>Expected outcome</b>                                                                       | <b>Achieved in 2016</b> |
| Cooperation with CEN/CENELEC in the development of EN standards                                    | Number of standards reviewed                  | 6 standards reviewed                                            | 6 standards reviewed                      | Fostering interoperability and the single railway area and the single market of rail products | Yes                     |
|                                                                                                    | Number of request for standards               | 2 requests for standard                                         | 2 requests for standard                   |                                                                                               | Yes                     |

|                                                                                                                                             |                                                                     |                                                                          |                                                              |                                                                       |                                                                                                            |
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| Information exchange and participation in activities of mutual interest aiming at equivalent technical specifications at EU- and OTIF level |                                                                     | UTPs aligned with TSIs with extended scope                               | Further alignment of UTPs with the ongoing progress of TSIs  | Harmonisation between EU and OTIF railway legislation                 | Yes                                                                                                        |
| Cooperation with OSJD aimed at facilitation of the TSI revision progress                                                                    | Drafting ERA-OSJD working documents according to ERA-OSJD work plan | 3 ERA-OSJD working documents                                             | 2 ERA-OSJD working documents                                 | Facilitation of TSI revisions                                         | Yes                                                                                                        |
| Cooperation with ISO aimed at observing risks due to diverging standards between CEN and ISO                                                | ERA/ISO cooperation                                                 | First contacts with ISO aimed at an ERA/ISO cooperation (e.g. Liaison A) | Roadmap for an ERA/ISO cooperation established               | Higher level of harmonisation between EU and non-EU railway standards | Partially – now needs to be integrated into the strategy and to take account of the emerging role of RASCO |
| Support to the Commission in works on application of non-EU standardisation                                                                 | Exchange of information, participation in dedicated meetings        | Exchange of information, participation in dedicated meetings             | Exchange of information, participation in dedicated meetings | Fostering the single market of rail products                          | Yes                                                                                                        |

|                                                                                                          |                                    |                                                                 |                                                                 |                                                                                                 |                         |
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| Support to the Commission to set up international agreements to facilitate rail transport at EC borders. | Participation in relevant meetings | Participation in relevant meetings                              | Participation in relevant meetings                              | Higher level of harmonisation between EU and non-EU railway legislation                         | N/A                     |
| <b>Objective 9 - Supporting the implementation of EU legislation</b>                                     |                                    |                                                                 |                                                                 |                                                                                                 |                         |
| <b>Main outputs/actions/deliverables</b>                                                                 | <b>Indicator</b>                   | <b>Achieved in 2015</b>                                         | <b>Target in 2016</b>                                           | <b>Expected outcome</b>                                                                         | <b>Achieved in 2016</b> |
| Participation in NB-rail subgroup, strategy and plenary meetings                                         | Number of meetings                 | ERA in all NBrail meetings represented                          | ERA in all NBrail meetings represented                          | Increase competitiveness of railways by facilitating the authorisation for placing into service | Yes                     |
| Issuing technical opinions and advices on various subjects (TSIs, RfU, Q&C, derogations, projects, etc.) | Number of TO/ADV                   | Possibly 10, but will depend on the number of requests received | Possibly 10, but will depend on the number of requests received | Fostering the single railway area and the single market of rail products                        | Yes                     |
| Actions for dissemination of TSIs (workshops, conferences, publications )                                | Number of actions                  | 10 actions completed                                            | 10 actions completed                                            | Better application of the EU legal framework                                                    | Yes                     |

|                                                                                                                                                                                                                        |                                                                                   |                                              |                                                                                                                                           |                                                                                            |                                                                                         |
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| Improvement of the sectorial accreditation and recognition scheme for NoBos                                                                                                                                            | Support EC in the debate for the endorsement of the proposed accreditation scheme | ERA advice submitted to EC                   | Accreditation scheme agreed with EC and MSs                                                                                               | Increase trust in the work performed by in NoBos                                           | Yes                                                                                     |
| Monitoring the quality of work performed by accredited/recognised NoBos                                                                                                                                                | Design of a target system to support EC in monitoring the notified bodies         | Analysis of the existing monitoring of NoBos | Draft scheme for NoBos audits and inspections<br><br>Target system to support EC in monitoring the notified bodies agreed with EC and MSs | Increase trust in the work performed by in NoBos                                           | Yes                                                                                     |
| <b>Objective 10 - Implementation of a Rules Strategy and action plan</b>                                                                                                                                               |                                                                                   |                                              |                                                                                                                                           |                                                                                            |                                                                                         |
| <b>Main outputs/actions/deliverables</b>                                                                                                                                                                               | <b>Indicator</b>                                                                  | <b>Achieved in 2015</b>                      | <b>Target in 2016</b>                                                                                                                     | <b>Expected outcome</b>                                                                    | <b>Achieved in 2016</b>                                                                 |
| Regular progress monitoring of the implementation of the action plan for the Agency to assist MS to fully “clean up” and formally notify in NOTIF-IT their National Technical Rules to reflect the scope extended TSIs | Regular reporting on progress in MS                                               | -                                            | Report to each RISC on progress in each MS                                                                                                | Technical rules applied in MS for legacy system will be consistent with EU legal framework | Yes                                                                                     |
| Collection and publication of National Technical Rules applicable in complement to TSIs with extended scope (i.e. open points, specific cases, legacy systems)                                                         | Strategy for a structured approach to cleaning up the                             | Strategy applied                             | Member States fully cleaned up achieved by end of 2016                                                                                    | Technical rules applied in MS for legacy system will be                                    | Partially - For vehicles, delay in some MSs to identify rules in addition to the latest |

|                                                                                                       |                                                                                                             |                                                                                                     |                                                                   |                                                                                                         |                                                                                                                                                                                                                       |
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|                                                                                                       | rules (incl. evaluation of rules comparison with TSIs etc.)                                                 |                                                                                                     |                                                                   | consistent with EU legal framework<br>Technical rules covering same requirements as TSI will be removed | TSIs in force; new deadline June 2017 given in RISC 78<br><br>MSs did not clean-up the rules for fixed installations; the relevant project aiming at assistance to the MSs is being launched at the beginning of 2017 |
| Portal for following up "questionable" rules                                                          | Number of rules investigated and resolved                                                                   | Portal set up                                                                                       | All rules submitted investigated                                  | Unnecessary or redundant rules will be removed                                                          | Yes                                                                                                                                                                                                                   |
| Pre-evaluation of National Technical Rules submitted to EC for notification                           | % of National Technical Rules submitted by MS to EC for notification evaluated                              | All of National Technical Rules submitted to ERA evaluated                                          | 100 % of National Technical Rules submitted by MS to EC evaluated | Notified National Technical Rules                                                                       | Partially - For vehicles, delay in some MSs to identify rules in addition to the latest TSIs in force; new deadline June 2017 given in RISC 78                                                                        |
| Classification of equivalences of National Technical Rules applied in conjunction with Authorisations | Organisation & participation in XYZ meetings with NSAs to classify equivalences of National Technical Rules | Agreements of NORDIC and CE-S Group on equivalence of rules agreed, signed and publically available | TBA - derives from the strategic plan                             | Increase of A classified rules, reduction of proofs to be submitted in case of authorisation            | Partially - For vehicles, delay in some MSs to identify rules in addition to the latest TSIs in force; new deadline June 2017 given in RISC 78                                                                        |

|                                                                                                                              |                                                                                          |                                                                                                  |                                                                                                           |                                                                                                 |                                                                                                                                                                                                                                                    |
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|                                                                                                                              |                                                                                          |                                                                                                  |                                                                                                           | for vehicle in more than 1 MS                                                                   |                                                                                                                                                                                                                                                    |
| Publishing the National Technical Rules via the Reference Document Database in the Notif-IT / single national rules database | National Technical Rules published via the Reference Document Database                   | National Technical Rules for XX MS published in the Reference Document Database                  | National Technical Rules for remaining MS published in the Reference Document Database                    | Improving public access to NTRs applied in conjunction with vehicle authorisation               | Partially - For vehicles, delay in some MSs to identify rules in addition to the latest TSIs in force; new deadline June 2017 given in RISC 78                                                                                                     |
| Support to MS and monitoring of progress with the cleaning up and notification of operational rules                          |                                                                                          | National rules required to ensure safe operation in MS notified by MS to EC                      | National rules required to ensure safe operation in MS notified by MS to EC                               | Reduction of operational barriers                                                               | Yes                                                                                                                                                                                                                                                |
| Publishing equivalence of National Technical Rules via the Reference Document Database                                       | Classification of National Technical Rules published via the Reference Document Database | Classification of National Technical Rules for 3 MS published in the Reference Document Database | Classification of National Technical Rules for further 10 MS published in the Reference Document Database | Reduction of proofs of compliance to NTRs for vehicle requiring authorisation in more than 1 MS | No - For vehicles, delay in some MSs to identify rules in addition to the latest TSIs in force; new deadline June 2017 given in RISC 78.<br><br>Under 4RP, a new implementing act on classification of national rules has to be adopted (by 2018). |

| <b>Objective 11 - Developing and implementing the framework for Vehicle Authorisation</b>                         |                  |                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                     |                         |                                                                      |
|-------------------------------------------------------------------------------------------------------------------|------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------|-------------------------|----------------------------------------------------------------------|
| <b>Main outputs/actions/deliverables</b>                                                                          | <b>Indicator</b> | <b>Achieved in 2015</b>                                                                                                                                                                                                                                                                                                                                                                                                       | <b>Target in 2016</b>                               | <b>Expected outcome</b> | <b>Achieved in 2016</b>                                              |
| Preparation of proposal for an implementing act on vehicle and vehicle type authorisation and associated guidance | Proposal made    | Contents of IA and Guidance established to cover i)how the requirements for the vehicle authorisation shall be fulfilled by the applicant and listing the documents required ii)the details of the authorisation process, such as procedural stages iii)how the requirements shall be complied with by the Agency and the national safety authority through the different stages of the application and authorisation process | Proposal made to the Commission in agreed timescale | Proposal adopted        | Partially – although the proposal to the Commission has been delayed |

|                                                                                                                                                                                               |                                                |                                                  |                                                                                                        |                                                                                                                                                                           |                                                                                                                     |
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| Publication of the Member States existing National Legal Frameworks for vehicle authorisation and preparation for publication of Member States framework for authorisation of fixed equipment | Number of MS NLF published in RDD              | X MS published in RDD                            | All MS NLF published in RDD                                                                            | Transparency of authorisation process in each MS                                                                                                                          | Partially – 10 done, resources re-allocated to 4RP VA work                                                          |
| Facilitating and monitoring MS migration to the EU legal framework                                                                                                                            | Level of MS conformity with EU legal framework | Pilots with one or two MS                        | Development and implementing a procedure and plan to facilitate MS migration to the EU legal framework | Facilitation of MS to apply the harmonised European legal Framework, Reduction of administrative burdens for applicants requiring authorisations for placing into service | Partially – procedure developed but not implemented - resources re-allocated to 4RP VA work                         |
| Development of proposals for an Implementing Act on Mutual Recognition/cross acceptance                                                                                                       | Proposals ready                                | Table of contents of IA and guidance established | Proposal submitted to EC in time                                                                       | Common understanding and application of Mutual Recognition under the 4RP                                                                                                  | Partially – working paper submitted in time, working ongoing to take into account the cleaning-up of national rules |
| Learning cases                                                                                                                                                                                | Target number of learning cases carried out    | Report on real authorisation cases.              | i) Understanding existing practices                                                                    | Reduction of administrative burdens for applicants requiring                                                                                                              | No - The team members of the VA project are fully occupied by the development of the                                |

|                                                                               |  |                                              |                                                                    |                                         |                                                                                                                                                                                                                                                                                                                                                                                  |
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|                                                                               |  | Terms of Reference for Learning Cases Agreed |                                                                    | authorisations for placing into service | <p>VA PA and application guide.</p> <p>When the call for interest process will be finalised, it should be possible to allocate some resources to the learning cases</p> <p>MT has decided to also reinforce the TF by nominating a PM for learning cases who will also be in charge, in addition to the organisation of these cases, to develop the internal process for PM.</p> |
|                                                                               |  |                                              | ii) Giving advice on the EU framework                              |                                         | N/A                                                                                                                                                                                                                                                                                                                                                                              |
|                                                                               |  |                                              | iii) identifying and resolving issues /problems with the framework |                                         | N/A                                                                                                                                                                                                                                                                                                                                                                              |
| <b>Objective 12 - Simplification of the Authorisation of Railway Vehicles</b> |  |                                              |                                                                    |                                         |                                                                                                                                                                                                                                                                                                                                                                                  |

| Main outputs/actions/deliverables                                                                                                                     | Indicator                                                  | Achieved in 2015                                                                                                                        | Target in 2016                                                                                                                                                                            | Expected outcome                                                                                                                                    | Achieved in 2016 |
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| Development of commons structure and templates for documentation supporting the application and granting of authorisations in preparation for the 4RP | Templates developed and published for existing framework   | Harmonised European templates for applying for authorisation agreed and published                                                       | Structure of supporting documentation for application for authorisation (content of “application file”) elaborated and published for existing framework and proposals for 4rth RP drafted | Reduction of administrative burden, reduction of cost for required translations, reduction of costs for elaboration of documentation to be supplied | Yes              |
|                                                                                                                                                       | Templates for new framework prepared for Implementing Acts |                                                                                                                                         |                                                                                                                                                                                           |                                                                                                                                                     | Yes              |
| Objective 13 - Facilitating the Authorisation of Railway Vehicles                                                                                     |                                                            |                                                                                                                                         |                                                                                                                                                                                           |                                                                                                                                                     |                  |
|                                                                                                                                                       |                                                            |                                                                                                                                         |                                                                                                                                                                                           |                                                                                                                                                     |                  |
| Main outputs/actions/deliverables                                                                                                                     | Indicator                                                  | Achieved in 2015                                                                                                                        | Target in 2016                                                                                                                                                                            | Expected outcome                                                                                                                                    | Achieved in 2016 |
| Development of a the specification for the vehicle authorisation part of the One Stop Shop and Early Warning System                                   | Specification in place                                     | First outline of scope of table of contents and functionality based on first draft of contents table of IAs on VA and XA and flow chart | Specification complete                                                                                                                                                                    | Tool that implements a common approach to the processing of authorisations                                                                          | Yes              |

| <b>Objective 14 - Provision of tools &amp; IT services related to Authorisation of Railway Vehicles</b>                |                                                  |                                                                                                        |                                                     |                                                                                                                                    |                                     |
|------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------|--------------------------------------------------------------------------------------------------------|-----------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|
| <b>Main outputs/actions/deliverables</b>                                                                               | <b>Indicator</b>                                 | <b>Achieved in 2015</b>                                                                                | <b>Target in 2016</b>                               | <b>Expected outcome</b>                                                                                                            | <b>Achieved in 2016</b>             |
| Operation of Reference Document Database                                                                               | Satisfaction of RDD users                        | Inclusion of registered requests in RDD functionality,                                                 | RDD in full operation                               | Facilitation of access to National Technical rules and processes                                                                   | Yes                                 |
|                                                                                                                        |                                                  | Inclusion of different catalogues (List of parameters) for the publication of National Technical Rules |                                                     |                                                                                                                                    |                                     |
| Merging different EU and ERA databases for National Rules into the single rules database required by the 4RP           | Single Rules Database developed and in operation | Specification of a single rules database in elaboration                                                | Specification for a single rules database developed | Reduction of time and costs for the publication of National Rules, Facilitation of access to National Rules for interested parties | Partially – WG and project launched |
| <b>Objective 15 - Dissemination (incl. training) and communication of information related to Vehicle Authorisation</b> |                                                  |                                                                                                        |                                                     |                                                                                                                                    |                                     |
| <b>Main outputs/actions/deliverables</b>                                                                               | <b>Indicator</b>                                 | <b>Achieved in 2015</b>                                                                                | <b>Target in 2016</b>                               | <b>Expected outcome</b>                                                                                                            | <b>Achieved in 2016</b>             |

|                                                                                                                                    |                                                                                                    |                                                                                                                           |                                                                                                                                                                                        |                                                                                                                 |                  |
|------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|------------------|
| Information on rules and processes applied to get a vehicle or structural subsystem authorised                                     | Participation in conferences and seminars, organisation of E-Learning courses and presence courses | Structured dissemination program published                                                                                | Participation in conferences in MS                                                                                                                                                     | Improvement of understanding of the European Way to Authorisation of railway vehicles and structural subsystems | Yes              |
|                                                                                                                                    |                                                                                                    |                                                                                                                           | Realisation of Training courses in ERA and MS                                                                                                                                          |                                                                                                                 | N/A              |
| Objective 16 - Dissemination (incl. training) and communication of information related to Network and Infrastructure Authorisation |                                                                                                    |                                                                                                                           |                                                                                                                                                                                        |                                                                                                                 |                  |
|                                                                                                                                    |                                                                                                    |                                                                                                                           |                                                                                                                                                                                        |                                                                                                                 |                  |
| Main outputs/actions/deliverables                                                                                                  | Indicator                                                                                          | Achieved in 2015                                                                                                          | Target in 2016                                                                                                                                                                         | Expected outcome                                                                                                | Achieved in 2016 |
| Clarification of National legal framework for Network and Infrastructure components not covered by TSIs                            | National legal framework for Network and Infrastructure components not covered by TSIs published   | Analysis of advantages to publish national legal frameworks for network and Infrastructure components not covered by TSIs | Assuming a positive reply and support by EC and railway sector for the activity publication of National legal frameworks for Network and Infrastructure components not covered by TSIs | Reducing the time and efforts required for the authorisation of Network components                              | N/A              |

|                                                                                                                                        |                                                                                                    |                                                                                                                             |                                                                                                                                                                                          |                                                                                    |                  |
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| Clarification of advantages of mutual recognition of authorisations issued by MS authorities for Network and Infrastructure components | Cross acceptance authorisations issued by MS authorities for Network and Infrastructure components | Analysis of advantage on cross acceptance authorisations issued by MS authorities for Network and Infrastructure components | Assuming a positive reply and support by EC and railway sector starting cross acceptance procedure for authorisations issued by MS authorities for Network and Infrastructure components | Reducing the time and efforts required for the authorisation of Network components | N/A              |
| Objective 17 - Supporting the deployment of the Single Railway Area                                                                    |                                                                                                    |                                                                                                                             |                                                                                                                                                                                          |                                                                                    |                  |
| Main outputs/actions/deliverables                                                                                                      | Indicator                                                                                          | Achieved in 2015                                                                                                            | Target in 2016                                                                                                                                                                           | Expected outcome                                                                   | Achieved in 2016 |
| Assistance in the formulation, evaluation and implementation of INEA calls                                                             | Number of calls prepared/proposals evaluated/projects followed                                     | 5 proposals evaluated                                                                                                       | 10 proposals evaluated                                                                                                                                                                   | EU funds better spent                                                              | Yes              |
|                                                                                                                                        |                                                                                                    |                                                                                                                             | Participation in one project                                                                                                                                                             |                                                                                    | Yes              |
| Objective 18 - Supporting the implementation of TSIs                                                                                   |                                                                                                    |                                                                                                                             |                                                                                                                                                                                          |                                                                                    |                  |
| Main outputs/actions/deliverables                                                                                                      | Indicator                                                                                          | Achieved in 2015                                                                                                            | Target in 2016                                                                                                                                                                           | Expected outcome                                                                   | Achieved in 2016 |

|                                   |                                        |                                            |                                                            |                                                   |     |
|-----------------------------------|----------------------------------------|--------------------------------------------|------------------------------------------------------------|---------------------------------------------------|-----|
| Update of TSIs application guides | Updated TSIs application guides issued | Almost all TSIs application guides updated | Further updating of the TSIs application guides, as needed | Correct implementation of the scope extended TSIs | Yes |
|-----------------------------------|----------------------------------------|--------------------------------------------|------------------------------------------------------------|---------------------------------------------------|-----|

### *1.3 A Single EU Train Control and Communication System*

#### *1.3.1 Overview of Activity 3 - A Single EU Train Control and Communication System*

The European Railway Traffic Management System (ERTMS) is an important industrial project for Europe and a major step for an interoperable railway system and the progressive establishment of an open market in the sector. ERTMS is a cornerstone of a more efficient and performant railway system. The Agency is the system authority for the ERTMS specifications.

The Agency developed in 2015 the framework for the long term, regular management of the specifications, with a comprehensive timetable to deliver the contents, which was implemented in the course of 2016. The project management implemented the delivery of the next maintenance release, with clear estimation of resources and milestones; the Agency provided the project management function for all involved partners. When requested by the European Commission, the Agency provided its technical advice and opinions in the field of ERTMS. As the harmonised specifications alone are not delivering the full set of benefits expected from ERTMS, it is necessary to ensure their coordinated applications, equally by promoting best practices and proven approaches with engineering rules and operational concepts, and achieving cost effective verification and authorisation.

The establishment of the ERTMS Stakeholders Platform was a key step to ensure a European approach to addressing ERTMS issues. The Agency increased direct contact with projects on implementations, also with the help of the recognised organisations and experts to capture feedback from ERTMS operations. The Agency cooperated with DG MOVE, leveraging on the added value of the ERTMS Deployment Manager, in particular focusing on the compliance of trackside ERTMS implementations, and providing support to the INEA Executive Agency regarding projects for which an application for Community financial aid has been submitted.

The Agency supported the Commission related to economic assistance and financial plan for ERTMS. When requested by the European Commission, the Agency provided its technical opinions on derogations as well as technical support to the ERTMS Coordinator in its work and initiatives.

### 5.3.2 Activity 3 - A Single EU Train Control and Communication System - Achievements

| Objective 19 - Maintain the harmonized specifications for ETCS and GSM-R, Applying the change control management process |                                                                             |                                                                      |                                                                                            |                                                                                              |                  |
|--------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------|----------------------------------------------------------------------|--------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|------------------|
| Main outputs/actions/deliverables                                                                                        | Indicator                                                                   | Achieved in 2015                                                     | Target in 2016                                                                             | Expected outcome                                                                             | Achieved in 2016 |
| Efficient processing of CRs; Recommendation on maintenance release;                                                      | Number of CR processed per year; Timely delivery of new maintenance release | 40 CR processed;                                                     | 50 CR processed to implement the agreed objectives of the longer term perspective document | Deployment of ERTMS                                                                          | Yes              |
| Long term strategy for system upgrades                                                                                   |                                                                             | Recommendation on ETCS Baseline 3 2015 release.                      |                                                                                            |                                                                                              | Yes              |
| Objective 20 - Future of railway communication system                                                                    |                                                                             |                                                                      |                                                                                            |                                                                                              |                  |
| Main outputs/actions/deliverables                                                                                        | Indicator                                                                   | Achieved in 2015                                                     | Target in 2016                                                                             | Expected outcome                                                                             | Achieved in 2016 |
| Define the roadmap for the evolution, migration and coexistence of the system after the expected end of life of GSM-R    | Degree of definition and acceptance of roadmap                              | Result of study released and comments from sector taken into account | Roadmap agreed with the sector                                                             | Maintain interoperability allowing smooth transition to future telecom systems(s) after 2025 | Yes              |
| Objective 21 - Promote best practices for engineering and operations with ERTMS                                          |                                                                             |                                                                      |                                                                                            |                                                                                              |                  |

| Main outputs/actions/deliverables                                                                                                                                                                                                                                             | Indicator                                                       | Achieved in 2015                                          | Target in 2016                                                                  | Expected outcome                                                                               | Achieved in 2016 |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------|-----------------------------------------------------------|---------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------|------------------|
| Guidance on GSM-R interference.                                                                                                                                                                                                                                               |                                                                 | Frequently Asked Question (FAQ) on Website                | Update Application Guide, Engineering Guidelines                                | Reduce cost and complexity of deployment                                                       | Yes              |
| Updated application guide and related documents for ERTMS                                                                                                                                                                                                                     |                                                                 |                                                           |                                                                                 |                                                                                                | Yes              |
| Objective 22 - Support to ERTMS deployment program and the evaluation of ERTMS projects                                                                                                                                                                                       |                                                                 |                                                           |                                                                                 |                                                                                                |                  |
|                                                                                                                                                                                                                                                                               |                                                                 |                                                           |                                                                                 |                                                                                                |                  |
| Main outputs/actions/deliverables                                                                                                                                                                                                                                             | Indicator                                                       | Achieved in 2015                                          | Target in 2016                                                                  | Expected outcome                                                                               | Achieved in 2016 |
| Provide technical input to the call definition, funding decision drafting and action evaluation to verify the compliance of projects with Interop Directive and ERTMS standard<br><br>Preparation of internal process and guidance on examination of ERTMS trackside projects | Number of funded projects evaluated by ERA on technical matters | 30 projects evaluated with the use of external contractor | 30 projects evaluated using the ERTMS Deployment Manager Team set up by DG MOVE | ensure that EU money is invested in projects delivering interoperability and market objectives | Yes              |
| Objective 23 - Support and facilitate implementation, testing and certification for ERTMS Support NSAs and NoBos with answers and advices to promote uniform and correct application of the TSI CCS                                                                           |                                                                 |                                                           |                                                                                 |                                                                                                |                  |
|                                                                                                                                                                                                                                                                               |                                                                 |                                                           |                                                                                 |                                                                                                |                  |
| Main outputs/actions/deliverables                                                                                                                                                                                                                                             | Indicator                                                       | Achieved in 2015                                          | Target in 2016                                                                  | Expected outcome                                                                               | Achieved in 2016 |

|                                                                                                                                                                                                                                                                                                |                    |                                                                     |                                                             |                                                                                   |                                                                                                                                                                  |
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| Formalized requirement apportionment<br>Guidance on tracing of software/hardware versions                                                                                                                                                                                                      | Documents produced | result of initial study on formalized apportionment of requirements | Promote use of template and apportioned requirements in SRS | reduce cost and complexity of conformity demonstration, testing and certification | Yes                                                                                                                                                              |
| Template for operational scenarios                                                                                                                                                                                                                                                             | Templates          |                                                                     |                                                             |                                                                                   | Partially – the development and validation of templates has been defined as part of the learning cases for the 4RP ERTMS trackside.                              |
| <b>Objective 24 - Launch preparatory work to clarify scope of study/investigation on how to reconcile security and interoperability in the specific ERTMS field</b>                                                                                                                            |                    |                                                                     |                                                             |                                                                                   |                                                                                                                                                                  |
| <b>Main outputs/actions/deliverables</b>                                                                                                                                                                                                                                                       | <b>Indicator</b>   | <b>Achieved in 2015</b>                                             | <b>Target in 2016</b>                                       | <b>Expected outcome</b>                                                           | <b>Achieved in 2016</b>                                                                                                                                          |
| Preserve interoperability and single market vis a vis growing security concerns                                                                                                                                                                                                                |                    |                                                                     | Terms of reference for study                                |                                                                                   | Partially – strategic approach defined internally, decision on the use of the terms of reference for an actual study on hold, to be validated with sector needs. |
| <b>Objective 25 - To develop and deliver officially the Baseline Compatibility Analysis for B3R2. ERA will collect the findings of the BCA analysis from the Sector, and publish and update the agreed harmonised mitigation measures so that 2.3.0.d infrastructure will be interoperable</b> |                    |                                                                     |                                                             |                                                                                   |                                                                                                                                                                  |

| Main outputs/actions/deliverables                                                                                                                                                           | Indicator | Achieved in 2015     | Target in 2016                                                                                         | Expected outcome                                                     | Achieved in 2016 |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|----------------------|--------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------|------------------|
| Baseline Compatibility Assessment – document detailing the examination for each single CR                                                                                                   |           | BCA for B3 Release 2 | Update BCA with findings and harmonized mitigation measures                                            |                                                                      | Yes              |
| <b>Objective 26 - ERA organization involving the appropriate organisations and experts should be in place to capture feedback from ERTMS operation and continue operation harmonisation</b> |           |                      |                                                                                                        |                                                                      |                  |
| Main outputs/actions/deliverables                                                                                                                                                           | Indicator | Achieved in 2015     | Target in 2016                                                                                         | Expected outcome                                                     | Achieved in 2016 |
| Operational Harmonisation WG work plan                                                                                                                                                      |           |                      | Work plan of the group to take account of feedback from actual implementation of Appendix A of TSI OPE | Progressive harmonization of operations on pure ERTMS lines/networks | Yes              |

## 1.4 A Simplified access for customers

### 1.4.1 Overview of Activity 4 - A simplified access for customers

Accessibility by all stakeholders/customers of the system itself and of information related to its operation is an area where significant progress is expected, which will result in enhanced efficiency and image of the railway system as a whole. The deployment of a harmonised protocols and processes for exchanging information between railway actors will enable RUs to permanently locate freight trains and exchange documents related to the carried goods. The deployment of similar harmonised protocols and processes will allow the issue by travel agents of seamless tickets covering several RUs in several countries and the exchange of additional traveling information between stakeholders / customers according to the European Rail Passengers' Rights Regulation.

In addition to deployment of these, harmonised protocols and processes will be done in a multimodal environment where special attention will be paid to aspects such as information exchange towards emergency systems in freight or connection to other modes of transport in passenger transport. Furthermore, RUs need to check the compatibility of their trains with the different networks and the administrative status of the used vehicles. The following interoperability registers facilitate this task by making the relevant infrastructure- and vehicle-related data available:

- *Register of Infrastructure (RINF, expected to be completed by 2019)*
- *European Centralised Virtual Vehicle Register (ECVVR)*
- *European Register of Authorised Types of Vehicles (ERATV)*
- *Vehicle Keeper Marking Register (VKMR)*

In 2016, the Agency performed the maintenance of the tools, their continuous improvement and supported the Member States and stakeholders in their implementation and use. Beyond this, the Agency in close collaboration with the stakeholders has been working on the consolidation of the registers into an integrated system also taking into account the provisions of the Fourth Railway Package.

From another perspective, society is also strongly demanding an improved access of stations and trains for Persons with Reduced Mobility (PRM), ranging from disabled or impaired people to prams and heavy luggage carriers. All improvements in this matter would benefit not only the PRMs, but also all passengers and the system itself by improving passengers' flow and increase in global efficiency. This latter aspect is enhanced by the European Act implementing the Convention on the Rights of Persons with Disabilities of the United Nations (UNCPRD), which quotes the TSI PRM as a tool for its implementation.

Furthermore, at the demand of the Commission, and subject to priorities and available resources, the Agency has been involved in the Digital Transport and Logistics Forum.

Moreover, in order to ensure the TSI compliant deployment of the Telematics Subsystems, the Agency checked upon request the level of compliance of the developed IT applications against:

- the interfaces as described in the Technical Documents listed in the Appendices of the TAP and TAF TSIs ;
- the processes as described in chapter 4 of the TAP and TAF TSIs.

## 5.4.2 Activity 4 - A simplified access for customers - Achievements

| Objective 27 - Complete the implementation of RINF                                           |                                                          |                                                                                   |                                                                                  |                                                                                             |                  |
|----------------------------------------------------------------------------------------------|----------------------------------------------------------|-----------------------------------------------------------------------------------|----------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------|------------------|
| Main outputs/actions/deliverables                                                            | Indicator                                                | Achieved in 2015                                                                  | Target in 2016                                                                   | Expected outcome                                                                            | Achieved in 2016 |
| European Railway Infrastructure Register fully in operating state                            | % of RINF database completed                             | Common User Interface (CUI) available to stakeholders                             | 30% of RINF database completed                                                   | Facilitating interoperability and the opening of the rail market for passengers and freight | Yes              |
|                                                                                              |                                                          | 15% of RINF database completed                                                    |                                                                                  |                                                                                             | Yes              |
| Objective 28 - Consolidate and integrate registers, simplify their use, improve data quality |                                                          |                                                                                   |                                                                                  |                                                                                             |                  |
| Main outputs/actions/deliverables                                                            | Indicator                                                | Achieved in 2015                                                                  | Target in 2016                                                                   | Expected outcome                                                                            | Achieved in 2016 |
| Vehicle-related registers (ECVVR, ERATV...) fully rationalised                               | Compliance with the time schedule agreed with EC and MSs | Intermediate report issued. Set of rationalisation actions agreed with EC and MSs | Draft recommendation for amendments of registers specifications submitted to EC. | Facilitating interoperability and the opening of the rail market for passengers and freight | Yes              |
| Objective 29 - Provide operating tools for the implementation of PRM TSI                     |                                                          |                                                                                   |                                                                                  |                                                                                             |                  |

| Main outputs/actions/deliverables                               | Indicator                                                                         | Achieved in 2015                               | Target in 2016                          | Expected outcome                                                                                                                | Achieved in 2016                                                                                                                               |
|-----------------------------------------------------------------|-----------------------------------------------------------------------------------|------------------------------------------------|-----------------------------------------|---------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------|
| PRM inventory of assets (IoA): specification and IT development | Specification issued                                                              | Recommendation to DG-Move on IoA specification | Detailed specification; advisory board; | Legal provision from DG-Move on IoA (mid-2016), giving visibility and common objectives to the whole sector                     | Yes                                                                                                                                            |
|                                                                 |                                                                                   |                                                | IT development 1 <sup>st</sup> phase    |                                                                                                                                 | Partially - The study subcontracted by the Commission to an external contractor (launched with a delay) will be completed by end of March 2017 |
| Objective 30 - Supporting the implementation of TAP/TAF TSIs    |                                                                                   |                                                |                                         |                                                                                                                                 |                                                                                                                                                |
|                                                                 |                                                                                   |                                                |                                         |                                                                                                                                 |                                                                                                                                                |
| Main outputs/actions/deliverables                               | Indicator                                                                         | Achieved in 2015                               | Target in 2016                          | Expected outcome                                                                                                                | Achieved in 2016                                                                                                                               |
| Monitoring deployment of TAP and TAF TSIs: WG and tool          | Number of reports sent to EC (and documented in dedicated monitoring database(s)) | 2 for TAF TSI                                  | 2 for TAF and 1 for TAP TSI             | EC and National Contact Points (NCPs) will be aware about the real implementation degree and coverage of TAF and TAP functions. | Yes                                                                                                                                            |

|                                                                            |                                                                                                         |                             |                             |                                                                                                                             |     |
|----------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------|-----------------------------|-----------------------------|-----------------------------------------------------------------------------------------------------------------------------|-----|
| Support the European Commission in TAP and TAF Steering Committees (SteCo) | Number of meetings attended of TAF SteCo, TAP SteCo (or later TAP TSGB)                                 | 5                           | 5                           | The outcome of TAF SteCo, TAP SteCo (or later TAP TSGB) facilitates the real implementation of TAF and TAP TSIs.            | Yes |
| Report on the implementation of TAP and TAF TSIs                           | Number of TAF and TAP dissemination campaigns held (and documented in dedicated dissemination database) | 8 (432 pers. Reached).      | 10                          | At the end of the disseminations it will be documented how many, stakeholders have been reached with which TSI content.     | Yes |
|                                                                            |                                                                                                         | 400 pers. TAF               |                             |                                                                                                                             | Yes |
|                                                                            |                                                                                                         | 380 pers. TAP               |                             |                                                                                                                             | Yes |
| TAP and TAF CCM baselines                                                  | Baseline delivered to EC                                                                                | 1 for TAF and 1 for TAP TSI | 1 for TAF and 1 for TAP TSI | Technical documents of TAF and TAP TSIs will be updated and published in OJ and ERA website and be ready for implementation | Yes |

|                                                             |                                                                                                         |                                                |                                                |                                                                                                                                                                 |                                                                                                                                                                                          |
|-------------------------------------------------------------|---------------------------------------------------------------------------------------------------------|------------------------------------------------|------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Support to small RUs, ticket vendors and customers.         | Number of TAF and TAP dissemination campaigns held (and documented in dedicated dissemination database) | 4                                              | 4                                              | At the end of the disseminations it will be documented how many, smaller/new stakeholders have been reached with which TSI content.                             | Partially - Dissemination started later as TAP Implementation Cooperation WG has started later than scheduled. Reason is the delayed sector implementation of the TAP Governance Entity. |
| TAP/TAF reference files                                     | Files updated and available                                                                             | Files updated and available on the ERA website | Files updated and available on the ERA website | The reference files' data will be available to the public so that TAF and TAP TSIs can be implemented and operated                                              | Yes                                                                                                                                                                                      |
| Amending chapter 4 of the TAP TSI according CEN deliverable | Number of ERA WPs held and recommendation sent to EC                                                    | 2                                              | 7                                              | Open points for i) electronic ticketing, ii) connection to other modes of transport and iii) tariff data for domestic sales in TAP TSI chapter 4 can be closed. | Partially - TAP revision WP will start in 2017. Reason is the elaboration of the TAP TSI vision in spring 2016 and the MM approval of the project in September 2016.                     |

|                                                                                                                    |                             |                             |                             |                                                                                                                                 |                                                                                                                                |
|--------------------------------------------------------------------------------------------------------------------|-----------------------------|-----------------------------|-----------------------------|---------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|
| Assess conformity of IT solutions developed for TAF and TAP implementation                                         | Number of assessments done  | 1 for TAF and 1 for TAP TSI | 1 for TAF and 1 for TAP TSI | Developed IT solutions will be assessed so that it will be documented that they support the implementation of TAF and TAP TSIs. | Yes                                                                                                                            |
| Published reports on quality level of actors for TAP and Passenger Rights' Regulation 1371/2007 Article 28         | Number of reports published | 70                          | 80                          | Quality performance of the passenger service will be transparently documented                                                   | Yes                                                                                                                            |
| <b>Objective 31 - Report on the implementation of conditions of carriages (PRM; bikes; car; luggage) submitted</b> |                             |                             |                             |                                                                                                                                 |                                                                                                                                |
| <b>Main outputs/actions/deliverables</b>                                                                           | <b>Indicator</b>            | <b>Achieved in 2015</b>     | <b>Target in 2016</b>       | <b>Expected outcome</b>                                                                                                         | <b>Achieved in 2016</b>                                                                                                        |
| Report sent to Commission                                                                                          | RUs per report              | 30 RUs reported             | 60 RUs reported             | Implementation level of those conditions will be transparently documented to the Commission                                     | Partially - TAP Implementation Cooperation WG has started later than scheduled. Reason is the delayed sector implementation of |

|                                                                                       |                              |                         |                       |                                                                                    |                            |
|---------------------------------------------------------------------------------------|------------------------------|-------------------------|-----------------------|------------------------------------------------------------------------------------|----------------------------|
|                                                                                       |                              |                         |                       |                                                                                    | the TAP Governance Entity. |
| <b>Objective 32 - Full functioning network of National Contact Point (NCP)</b>        |                              |                         |                       |                                                                                    |                            |
| <b>Main outputs/actions/deliverables</b>                                              | <b>Indicator</b>             | <b>Achieved in 2015</b> | <b>Target in 2016</b> | <b>Expected outcome</b>                                                            | <b>Achieved in 2016</b>    |
| Participation of NCPs. To TAF Implementation Monitoring Cooperation Group (TAF IMCG). | Number of NCPs participation | N/A                     | 2 TAF IMCG            | Improve NCP functioning and insure commitment of > 80% NCPs for TAF implementation | Yes                        |
| 2 Multi Regional NCPs workshop                                                        |                              |                         | 2 Multi Regional WS.  |                                                                                    | Yes                        |

## *1.5 Evaluation, Management and Resources*

### *1.5.1 Overview of Activity 5 - Evaluation, Management and Resources*

The horizontal activities supporting the Executive Director and the Agency are strategy and business planning and reporting, the Integrated Management System (IMS), deployment of the communications strategy, and providing legal advice. This activity also covers areas such as human resources, procurement, finance, accounting, ICT and facilities. In addition, there are the transversal tasks of economic evaluations (including early assessments and impact assessment, monitoring of railway indicators and comprehensive policy evaluations), international relations management, railway research coordination (in particular the provision of support for Shift<sup>2</sup>Rail), stakeholder management and the preparation of the implementation of the Fourth Railway Package. As far as the transition towards the Fourth Railway Package is concerned, the Agency has continued to develop and implement all the ERA tasks identified within its work programme plan “Preparation and implementation of the Fourth Railway Package at ERA” and has been monitoring all the interfaces with external stakeholders in order to allow the Agency to effectively deliver its new tasks 3 years after the entry into force of the Fourth Railway Package.

### 1.5.2 Activity 5 - Evaluation, Management and Resources - Achievements

| Objective 33 - Support innovation in the Single Railway Area                                                          |                                  |                           |                           |                                                                                                    |                  |
|-----------------------------------------------------------------------------------------------------------------------|----------------------------------|---------------------------|---------------------------|----------------------------------------------------------------------------------------------------|------------------|
| Main outputs/actions/deliverables                                                                                     | Indicator                        | Achieved in 2015          | Target in 2016            | Expected outcome                                                                                   | Achieved in 2016 |
| Contribution to the coordination of the Agency's needs on research and support to the EC services for R&D             | Number of R&D projects supported | Support to 4 R&D projects | Support to 4 R&D projects | Promote the competitiveness of the European Rail Industry and meet the changing EU transport needs | Yes              |
|                                                                                                                       | R&D proposals evaluated          | 10 proposals evaluated    | 10 proposals evaluated    |                                                                                                    | Yes              |
| Objective 34 - Establishing a cost-effective, value-adding portfolio of the Agency projects through early assessments |                                  |                           |                           |                                                                                                    |                  |
| Main outputs/actions/deliverables                                                                                     | Indicator                        | Achieved in 2015          | Target in 2016            | Expected outcome                                                                                   | Achieved in 2016 |

|                                                                                                                               |                                                                                                             |                         |                                      |                                                                                                                  |                         |
|-------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|-------------------------|--------------------------------------|------------------------------------------------------------------------------------------------------------------|-------------------------|
| Early assessment reports for all new projects in the activities                                                               | % of new projects covered by an early assessment report                                                     |                         | 100%                                 | Agency focusing on those projects with the highest added value for the railway sector                            | Yes                     |
| <b>Objective 35 - Establishing a cost-effective, value-adding portfolio of the Agency projects through impact assessments</b> |                                                                                                             |                         |                                      |                                                                                                                  |                         |
| <b>Main outputs/actions/deliverables</b>                                                                                      | <b>Indicator</b>                                                                                            | <b>Achieved in 2015</b> | <b>Target in 2016</b>                | <b>Expected outcome</b>                                                                                          | <b>Achieved in 2016</b> |
| Impact assessments for selected projects as required according to the early assessment reports                                | Number of impact assessments per Agency activity (distinguishing between light and full impact assessments) |                         | According to the Work Programme 2016 | To facilitate the decision-making focusing on those projects with the highest added value for the railway sector | Yes                     |
| <b>Objective 36 - Monitoring and evaluating the impact and effectiveness of the Agency's activities in the railway sector</b> |                                                                                                             |                         |                                      |                                                                                                                  |                         |

| Main outputs/actions/deliverables                                                | Indicator                                            | Achieved in 2015 | Target in 2016                                                     | Expected outcome                                                                                                                                                         | Achieved in 2016 |
|----------------------------------------------------------------------------------|------------------------------------------------------|------------------|--------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|
| Published values for the Railway Indicators                                      | % of Railway Indicators measured                     |                  | More than 80%                                                      | Improved overview of challenges (barriers) faced by the stakeholders and system, and subsequently of the actions that have to be taken in order to remove those barriers | Yes              |
| Ex-post comprehensive evaluation based on agreed Railway Indicators              | Number of ex-post comprehensive evaluation reports   |                  | Ex-post comprehensive evaluations for 1 of the Agency's activities |                                                                                                                                                                          | Yes              |
| Monitoring data stored in TRAMOS database (managed by DG MOVE)                   | % of Railway Indicators and common safety indicators |                  | 100%                                                               | Better analysis and reporting via improved availability and accessibility of monitoring data.                                                                            | Yes              |
| <b>Objective 37 - Support to the ERTMS Work Plan of the European Coordinator</b> |                                                      |                  |                                                                    |                                                                                                                                                                          |                  |
| Main outputs/actions/deliverables                                                | Indicator                                            | Achieved in 2015 | Target in 2016                                                     | Expected outcome                                                                                                                                                         | Achieved in 2016 |

|                                                                                                  |                                                                     |                                |                                              |                                                                                            |                         |
|--------------------------------------------------------------------------------------------------|---------------------------------------------------------------------|--------------------------------|----------------------------------------------|--------------------------------------------------------------------------------------------|-------------------------|
| Define the roadmap for the specification and develop a methodology to introduce the retained CRs | degree of definition and acceptance of roadmap                      | roadmap agreed with the sector | Implementation                               | Develop a structured and disciplined approach and bring stability to the specification     | Yes                     |
| <b>Objective 38 - Further implementation of the Communications strategy</b>                      |                                                                     |                                |                                              |                                                                                            |                         |
| <b>Main outputs/actions/deliverables</b>                                                         | <b>Indicator</b>                                                    | <b>Achieved in 2015</b>        | <b>Target in 2016</b>                        | <b>Expected outcome</b>                                                                    | <b>Achieved in 2016</b> |
| Optimisation of messages, channels and tools                                                     | Satisfaction and effectiveness surveys on all Agency communications |                                | According to plan (targets set in each area) | A better outreach of the Agency's activities and deliverables.                             | Yes                     |
| Evaluation of the Agency communication                                                           |                                                                     |                                |                                              | An improved understanding and implementation of the Agency's outputs in the railway sector | Yes                     |

| Objective 39 - Efficient and effective management of the Agency through further implementation of the Agency’s Integrated Management System (IMS) (including audit, data protection, governance, business planning and reporting) |                                                        |                  |                |                                                                            |                                                                                                            |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------|------------------|----------------|----------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------|
| Main outputs/actions/deliverables                                                                                                                                                                                                 | Indicator                                              | Achieved in 2015 | Target in 2016 | Expected outcome                                                           | Achieved in 2016                                                                                           |
| Documenting processes and procedures, and internal audit reports                                                                                                                                                                  | % in line with the roadmaps, programmes and timetables |                  | 100%           | Agency as a reliable and trustworthy business partner for all stakeholders | Partially - according to IMS Review, 34% of actions are delayed due to changed priorities during the year. |
| Deployment of the processes and procedures                                                                                                                                                                                        | % compliance with processes and procedures             |                  | 100%           |                                                                            | Partially - according to IMS Review, 34% of actions are delayed due to changed priorities during the year. |
| Objective 40 - Providing legal opinions and advice to the Agency                                                                                                                                                                  |                                                        |                  |                |                                                                            |                                                                                                            |
|                                                                                                                                                                                                                                   |                                                        |                  |                |                                                                            |                                                                                                            |
| Main outputs/actions/deliverables                                                                                                                                                                                                 | Indicator                                              | Achieved in 2015 | Target in 2016 | Expected outcome                                                           | Achieved in 2016                                                                                           |

|                           |                                                                                     |  |      |                                                                                                                  |     |
|---------------------------|-------------------------------------------------------------------------------------|--|------|------------------------------------------------------------------------------------------------------------------|-----|
| Legal advice and opinions | % legal advice and opinions delivered in time according to the process or procedure |  | 100% | Ensuring compliance of the Agency's activities with the relevant legal frameworks at national and European level | Yes |
|---------------------------|-------------------------------------------------------------------------------------|--|------|------------------------------------------------------------------------------------------------------------------|-----|

| <b>Objective 41 - Support the Commission and Shift<sup>2</sup>Rail Joint Technology Initiative (JTI) in the development and implementation of EU rail research ensuring that research is aligned with the EU framework and the Agency's research needs are met</b> |                                   |                                                          |                             |                                                                                                                                                                                                |                         |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|----------------------------------------------------------|-----------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|
| <b>Main outputs/actions/deliverables</b>                                                                                                                                                                                                                           | <b>Indicator</b>                  | <b>Achieved in 2015</b>                                  | <b>Target in 2016</b>       | <b>Expected outcome</b>                                                                                                                                                                        | <b>Achieved in 2016</b> |
| Make proposals to the Commission for inclusion in the Shift <sup>2</sup> Rail Master plan and other EU research. Propose guidelines for research leading to technical standards guaranteeing interoperability and safety                                           | Proposals delivered on time       | Update and Implement ERA policy on research and studies  | Proposals delivered on time | Ensuring that the 920bn euros of funding to Shift <sup>2</sup> Rail and other research is fully in line with the and supports the most efficient evolution of the Single European Railway Area | Yes                     |
| Contribute to defining the evolution of the target system                                                                                                                                                                                                          |                                   |                                                          |                             |                                                                                                                                                                                                | Yes                     |
| Assist the Commission in reviewing proposals and outputs                                                                                                                                                                                                           | Reviews fully carried out on time | Assessments of Founder and Associate Members Submissions | 90%                         |                                                                                                                                                                                                | Yes                     |

|                                                                                                                           |                                                           |                           |                                                |                                                                                                    |                  |
|---------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------|---------------------------|------------------------------------------------|----------------------------------------------------------------------------------------------------|------------------|
| Facilitate the understanding of the actors involved in research of the EU framework                                       | Proposals in line with EU framework                       |                           | 100%                                           |                                                                                                    | Yes              |
| Objective 42 - Support innovation in the Single Railway Area                                                              |                                                           |                           |                                                |                                                                                                    |                  |
|                                                                                                                           |                                                           |                           |                                                |                                                                                                    |                  |
| Main outputs/actions/deliverables                                                                                         | Indicator                                                 | Achieved in 2015          | Target in 2016                                 | Expected outcome                                                                                   | Achieved in 2016 |
| Contribution to the coordination of the Agency's needs on research and support to Shift2 Rail and the EC services for R&D | Number of R&D projects supported/ R&D proposals evaluated | Support to 4 R&D projects | 4                                              | Promote the competitiveness of the European Rail Industry and meet the changing EU transport needs | Yes              |
|                                                                                                                           |                                                           | 10 proposals evaluated    | 10                                             |                                                                                                    | Yes              |
| Objective 43 - Monitoring and report the progress towards the Single Railway Area                                         |                                                           |                           |                                                |                                                                                                    |                  |
|                                                                                                                           |                                                           |                           |                                                |                                                                                                    |                  |
| Main outputs/actions/deliverables                                                                                         | Indicator                                                 | Achieved in 2015          | Target in 2016                                 | Expected outcome                                                                                   | Achieved in 2016 |
| Publishing the report on progress in Interoperability and Safety                                                          | Timely delivery of the report                             | N/A                       | Delivery of the report, including updated maps | Fostering the single railway area                                                                  | Yes              |
| Objective 44 - ERA takes its place as one of the world's pre-eminent safety and technical regulatory bodies               |                                                           |                           |                                                |                                                                                                    |                  |
|                                                                                                                           |                                                           |                           |                                                |                                                                                                    |                  |

| Main outputs/actions/deliverables                                                                                                                                                                              | Indicator                                                        | Achieved in 2015                                                   | Target in 2016                                                                         | Expected outcome                                                                                                             | Achieved in 2016                                                                                                             |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------|--------------------------------------------------------------------|----------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------|
| Work with other similar entities to share experience and best practice.an influence the development of International Railway Standards with the common objective of helping to make railways more competitive. | To be elaborated in international relations strategy during 2015 | Development and implementation an International Relations strategy | Fully implement the strategy                                                           | Increasing convergence of technical and safety regulations and accompanying standards in order to make rail more competitive | No - Draft of strategy delayed pending completion of joint document with EC<br><br>Draft Strategy included in draft 2018 SPD |
|                                                                                                                                                                                                                |                                                                  | MOU with Gulf Cooperation Council                                  | MoU(s) with one or more other Technical and Safety Regulatory bodies outside Europe    |                                                                                                                              | No - MoU with Gulf Cooperation postponed to 2017                                                                             |
|                                                                                                                                                                                                                |                                                                  |                                                                    | First steps in being part of a world network of Technical and Safety Regulatory Bodies |                                                                                                                              | Yes                                                                                                                          |
| Objective 45 - Ensure suitable conditions for efficient management of the available and planned human resources                                                                                                |                                                                  |                                                                    |                                                                                        |                                                                                                                              |                                                                                                                              |
|                                                                                                                                                                                                                |                                                                  |                                                                    |                                                                                        |                                                                                                                              |                                                                                                                              |
| Main outputs/actions/deliverables                                                                                                                                                                              | Indicator                                                        | Achieved in 2015                                                   | Target in 2016                                                                         | Expected outcome                                                                                                             | Achieved in 2016                                                                                                             |
| Number of selection procedures planned and carried out in a year                                                                                                                                               | % implementation of the establishment plan;                      |                                                                    | 95%                                                                                    | Full use of the available and planned human resources                                                                        | Yes                                                                                                                          |
|                                                                                                                                                                                                                | X months as an average length[1]                                 |                                                                    | 3 months                                                                               |                                                                                                                              | Partially - Due to translation requirements of call for applications                                                         |

|                                                                                         |                                                       |                  |                |                                                      |                                                                                                                                                                                                                                                         |
|-----------------------------------------------------------------------------------------|-------------------------------------------------------|------------------|----------------|------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                         | of a selection procedure                              |                  |                |                                                      | stemming from the ruling of the Court of Justice on the publication of calls on the EPSO website, which by average takes additional 3-4 weeks. In 2017 the HR Sector plans to undertake measures to make the entire recruitment process more efficient. |
| Average number of training days per staff member (formal training and language courses) | Min. average number of training days per staff member |                  | 8              | Continuous improvement of staff skills and knowledge | Yes                                                                                                                                                                                                                                                     |
| CDR reports signed and the annual individual objectives set on time                     | % of CDR reports signed on time by both parties;      |                  | 95%            | Appropriate performance management                   | No – 83% due to a delayed process of CDR exercise in one Unit; 100% at the end of 2016                                                                                                                                                                  |
|                                                                                         | % of the annual individual objectives agreed on time  |                  | 95%            |                                                      | No – 65% due to a delayed process of objectives setting in one Unit; 86% at the end of 2016                                                                                                                                                             |
| Objective 46 - Implement sound, efficient and legitimate financial management framework |                                                       |                  |                |                                                      |                                                                                                                                                                                                                                                         |
|                                                                                         |                                                       |                  |                |                                                      |                                                                                                                                                                                                                                                         |
| Main outputs/actions/deliverables                                                       | Indicator                                             | Achieved in 2015 | Target in 2016 | Expected outcome                                     | Achieved in 2016                                                                                                                                                                                                                                        |

|                                                                                                             |                                                                      |  |                                       |                                      |     |
|-------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------|--|---------------------------------------|--------------------------------------|-----|
| Annual budget executed as planned                                                                           | % of the annual appropriations committed                             |  | 95%                                   | Efficient use of financial resources | Yes |
|                                                                                                             | % carry-over of payment appropriations                               |  | <10% for T1; <20% for T2; <30% for T3 |                                      | Yes |
|                                                                                                             | % of execution of C8 payment appropriations                          |  | 95%                                   |                                      | Yes |
| Number of financial transactions carried out in respect of the legal framework and within the set deadlines | % of commercial invoices executed with the regulatory time limits    |  | 95%                                   | Sustained reputation of the Agency   | Yes |
| Number of launched and completed procurement procedures                                                     | % of procurement procedures launched and completed against plan      |  | 100%                                  | Efficient use of financial resources | Yes |
|                                                                                                             | Number of months as an average length of open procurement procedures |  | 5                                     |                                      | Yes |

| <b>Objective 47 - Ensure provision of safe and business oriented ICT and facilities services</b> |                                                                                                |                         |                       |                                                        |                         |
|--------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------|-------------------------|-----------------------|--------------------------------------------------------|-------------------------|
| <b>Main outputs/actions/deliverables</b>                                                         | <b>Indicator</b>                                                                               | <b>Achieved in 2015</b> | <b>Target in 2016</b> | <b>Expected outcome</b>                                | <b>Achieved in 2016</b> |
| Secured ICT environment                                                                          | Number of security incidents causing loss of data, business disruption or public embarrassment | 0 incidents             | 0                     | Secure working environment                             | Yes                     |
| Number of Health & Safety (H&S) and environment-friendly initiatives undertaken                  | Number of H&S initiatives                                                                      |                         | 2                     | Improvement of staff well-being                        | Yes                     |
|                                                                                                  | Number of EMAS measures adopted                                                                |                         | 1                     |                                                        | Yes                     |
| ICT and facilities services provided to ERA staff                                                | % of ERA users satisfied with the quality of ITFM services in “Very good” rate                 |                         | 80%                   | Continuous increase of services efficiency and quality | Yes                     |

## Part II – Management

Assurance is an objective examination of evidence to assess the effectiveness of risk management, control and governance processes. This examination is carried out by management, who monitors the functioning of the Internal Control Systems on a continuous basis, and by internal and external auditors. Its results are explicitly documented and reported to the Executive Director. The reports produced are:

- *the financial management reports on the implementation of the budget appropriations*
- *the reports of the ex-post control*
- *the observations and the recommendations reported by the Internal Audit Service (IAS)*
- *the observations and the recommendations reported by the European Court of Auditors (ECA)*

This chapter reports the control results and other relevant elements that support the management's assurance on the achievement of the internal control objectives.

### 2.1 Administrative Board/Management Board

#### 2.1.1 Administrative Board/Management Board

The Administrative Board is the main governing body of the Agency. Its mission is to effectively ensure that the Agency accomplishes its functions and it is vested with the necessary powers for this, including establishing the work programme and budget. Consequently it plays a fundamental role in Agency structure for steering the work of the organisation as a whole.

With the entry into force of the Agency's new Regulation (Regulation (EU) 2016/796 of the European Parliament and of the Council of 11 May 2016 on the European Union Agency for Railways and repealing Regulation (EC) No 881/2004) on 15 June 2016, the Administrative Board was substituted by the Management Board.

The Board, under the Chairmanship of Mr. Mats Andersson and Vice-Chairmanship of Mr. Hinne Groot, is composed of 2 representatives of the European Commission and one from each of the Member States. Representatives of Norway and Iceland participate as members without voting rights along with six representatives from the railway sector who represent railway undertakings, infrastructure managers, the railway supply industry, worker unions, passengers and freight customers.

As a continuation from previous years, the Board continued to follow closely the evolution of the legislative proposal for the Fourth Railway Package, and their impact to the Agency's work and organisation.

The agreement made in 2012 to have a communication and dissemination plan for the Agency was successfully adopted in 2015 and further deployed in the course of 2016. The Board emphasised the importance of having an integrated management quality plan and adopted a conflict of interest policy for its members.

This year again, during the consultation process for the preparation of the Work Programme (Programming Document) 2017, a workshop was organised in March 2016 for the Board members and all the sector representatives who contributed to the on-going constructive exchange and wider engagement of the stakeholders concerned.

In addition, the Single Programming Document 2017 structure was aligned with the one from 2016 and in line with the Guided Principles across Agencies for a Single Programming Document. As of 2016, the Agency's 5 activities are cascaded down in objectives and outputs.

## 2.1.2 Summary of decisions of the Administrative/Management Board

### 38th meeting – 31 March 2016

#### THE AGENCY ADMINISTRATIVE BOARD:

- *DECISION n°125 of the Administrative Board of the European Railway Agency adopting the statement of estimates 2017*
- *DECISION n°126 of the Administrative Board of the European Railway Agency amending the budget 2016*
- *DECISION n°127 of the Administrative Board of the European Railway Agency adopting amendment n°1 of the Work Programme 2016*
- *DECISION n°128 of the Administrative Board of the European Railway Agency adopting the Annual activity Report 2015*
- *DECISION n°129 of the Administrative Board of the European Railway Agency adopting the assessment of the Annual Activity Report 2015*
- *DECISION n°130 of the Administrative Board of the European Railway Agency on Working Time*
- *DECISION n°131 of the Administrative Board of the European Railway Agency on Article 55a of the Staff Regulations and Annex IVa thereto concerning part-time work*
- *DECISION n°132 of the Administrative Board of the European Railway Agency on general implementing provisions regarding Article 87(3) of the Conditions of Employment of Other Servants of the European Union*
- *DECISION n°133 of the Administrative Board of the European Railway Agency laying down general implementing provisions regarding Article 54 of the Conditions of Employment of Other Servants of the European Union*

### 39th meeting – 23 June 2016

#### THE AGENCY MANAGEMENT BOARD:

- *DECISION n°134 of the Management Board of the European Union Agency for Railways establishing the Rules of Procedure of the Management Board*
- *DECISION n°135 of the Management Board of the European Union Agency for Railways establishing the Rules of Procedure of the Executive Board*
- *DECISION n°136 of the Management Board of the European Union Agency for Railways appointing the members of the Executive Board*
- *DECISION n°137 of the Management Board of the European Union Agency for Railways adopting an Opinion on the Annual Accounts 2015*
- *DECISION n°138 of the Management Board of the European Railway Agency adopting amendment n°02 of the Programing Document 2016*
- *DECISION n°139 of the Management Board of the European Union Agency for Railways adopting amendment n°2 budget 2016*

### 40th meeting on 29 November 2016

#### THE AGENCY MANAGEMENT BOARD:

- *DECISION n°143 Single Programming Document 2017*
- *DECISION n°144 of the Management Board of the European Union Agency for Railways adopting the budget and establishment plan 2017*
- *DECISION n°145 of the Management Board of the European Union Agency for Railways amending the “Arrangements to be applied by the Agency for Public Access to Documents”*
- *DECISION n°146 of the Management Board of the European Union Agency for Railways adopting the Single Programming Document procedure and the Annual Activity Reporting procedure*

In addition, the Management Board adopted by written procedure:

- *DECISION n°140 of the MB of the Agency delegating the powers conferred by the SR of Officials on the appointing authority and by the Conditions of Employment of Other Servants of the EU on the authority empowered to conclude of employment to the ED*
- *DECISION n°141 of the Management Board of the European Union Agency for Railways on the application of the 'Commission Decision C(2015)9151 of 17.12.2015 on the implementation of Telework in the Commission Departments'*
- *DECISION n°142 of the Management Board of the European Union Agency for Railways on the non-application of the 'Commission Decision on the maximum duration for the recourse to non-permanent staff in the Commission services'*

### 2.1.3 Sub-Committee/Executive Board

The Sub-Committee on financial, budgetary and staff-related issues was created in 2009 in order to provide advice on these matters prior to Administrative Board decisions. In 2016 the Sub-Committee met five times: its meetings usually take place before those of the Administrative Board. The Sub-Committee reports regularly to the Board.

With the entry into force of the Agency's new Regulation (Regulation (EU) 2016/796 of the European Parliament and of the Council of 11 May 2016 on the European Union Agency for Railways and repealing Regulation (EC) No 881/2004) on 15 June 2016, the Sub-Committee was substituted by the Executive Board.

The Sub-Committee/Executive Board contributed substantially to the proper preparation of the meetings of the Board and advised it in relation to the decisions to be taken by the Board.

In addition, it supervised the efforts of the management to deal with the budgetary issues and especially to improve the budget implementation by respecting the principle of annuality, to ensure an appropriate execution of the budget and to follow up the Internal Audit Service recommendations and the Court of Auditor's observations.

In addition, it follows closely key performance indicators which have been included in the Work Programme 2016, activity-based budgeting, and impact assessment of the activities and tasks of the Agency as well as the integrated management systems, the communications strategy and quality plan. Together with the Management Board, the Executive Board shall ensure adequate follow-up to the findings and recommendations stemming from investigations by OLAF and the various internal or external audit reports and evaluations, including by means of appropriate actions of the Executive Director.

The Executive Board is composed of the Chairperson of the Management Board who also acts as the Chair of the Executive Board, 1 representatives of the Commission and 4 other members of the Board. The members of the Executive Board are appointed by the Management Board.

## 2.2 Major Events

2016 marked the entry-into-force of the Technical Pillar of the Fourth Railway Package and of the accompanying new Regulation for the Agency which consequently led to an adjusted governance structure and a re-organisational streamlining. The preparation of the transition towards the Fourth Railway Package has remained the most important change initiative in the Agency.

Notable from the list of external events are the participation to Innotrans in Berlin, and two conferences organized by the Agency, one on Digital Railways in cooperation with the Florence School of Regulation (FSR), and one jointly organized with DG MOVE on Human Factors.

In order to improve on the management of resources and the implementation of the programming document, the Agency introduced a new framework for Programme, Project and Service Management and the conversion into MS Project.

From a communications point-of-view, the Agency placed a strong focus on stakeholder management through its stakeholder survey, as well as the further deployment of the communications strategy.

## 2.3 Budgetary and financial management

### 2.3.1 Revenue

The Budgetary Authority (the European Parliament and the Council) approved the initial 2016 ERA budget of € 26 695 879, including the Commission's subsidy for € 25 213 000, assigned revenue for € 787 000 and the EFTA contribution for € 695 879. In the course of 2016 an additional € 700 000 was received from the Commission to finance the initial development costs of the One-Stop-Shop IT-application. All together the total C1 revenue received in 2016 was € 27 395 879.

In addition the Agency received in 2016 "C4 fund source assigned revenues" for an amount of € 88.712,00 coming from different sources:

- *BL 1100: € 45 592 paid for by ESMA in the frame of the Service Level Agreement between ESMA and ERA for the provision of accounting services;*
- *BL 1178: € 20 540 reimbursed by Centre de la petite enfance (reduction of the Agency contribution);*
- *BL 1300: € 1 031 reimbursement of a mission;*
- *BL 2100: € 5 545 paid for by Bechtle AG (liquidated damages for late delivery);*
- *BL 3040: € 562 paid for by Business Circle Management Fortbild;*
- *BL 3110: € 14 442 paid for by Completel SAS (compensation for services not delivered).*

The Agency had "2016 C5 fund source assigned revenues" coming from the carry-over of the 2015 C4 fund source assigned revenues in 2015:

- *BL 2000: € 84 937 paid for by Valenciennes Métropole for the contribution to maintenance works in the ERA Headquarter in Valenciennes;*
- *BL 2100: € 35 198 paid for liquidated damages for late delivery of purchased items;*
- *€ 67 198 paid for by the Translation Centre for the reimbursement of the budget surplus of 2013 and 2014.*

Finally the Agency received in the beginning of 2016 € 300.000 from DG NEAR to finance the implementation of the IPA-agreements. These funds were inscribed as R0-credits given the multi-annual nature of the action.

### 2.3.2 Expenditure

In 2016, the Agency committed 99.02 % of the available appropriations.

EUR 267 782 out of the total subsidy of EUR 27 395 879 was not committed. As regards the payments, the Agency used 91.57 % of the total appropriations (99.1 % of the appropriations committed in 2015). The 7.52 % that are carried over to 2017 mainly concern operational expenditure (Title 3). In addition, 95.4 % of the appropriations carried over from 2015 (C8 credits) have been executed.

With regard to the original procurement plan, approved by the Administrative Board as part of the Work Programme 2016 and which serves as the Agency's financing decision, some procedures have been cancelled (the Agency contracted directly services with the European Commission or using its framework contracts, e.g. Website redesign, Safety Alert System, CRM/contact management tool) or postponed due to lack of resources (e.g. Provision of books, leaflets and electronic files, Use of available Data Management and analytic techniques).

### 2.3.3 Financial KPIs

Commitments using the appropriations for 2016 budget year (C1 Commitments): the minimum level of commitments set by the European Commission in its yearly budget circular is 95 % of the total appropriations.

For Title 1, the rate is 99.75 %; for Title 2 is 98.82 % and for Title 3 is 97.29 % (see Annex II – Table 2.1). With an average of 99.02 %, the C1 Commitments target per title has been achieved.

Payments using the appropriations for 2016 budget year (C1 Payments): in line with the recommendation of the Court of Auditors, the minimum level of payment the Agency wants to reach is 90% for Title 1, 80% for Title 2 and 70 % for Title 3 compared to the total appropriations.

For Title 1, the rate is 98.97 %; for Title 2 is 85 % and for Title 3 is 75.48 % (see Annex II – Table 2.1). The average is 91.57 % for payments, the targets for all 3 Titles were achieved.

Payments using the appropriations for 2015 budget year carried-over to 2016 (C8 payments) : the minimum level of payments set by the European Commission in its yearly budget circular is 95 % of the total appropriations carried over. The global payment rate is 95.48 % (see Annex II – Table 2.2).

#### 2.3.4 Budget transfers

During the budget year 2016, 31 credit operations have been initiated. These credit operations were validated by the Executive Director within each Title and in compliance with Article 27.1(b) of the ERA Financial Regulation (appropriations transferred from one chapter to another and from one article to another). Therefore, the total appropriations per Title at the end of the year were equal to the voted budget.



## 2.4 Human resources management

### 2.4.1 Major HR events

#### *Resources*

On 31 December 2016, the Agency employed 133 temporary agents (TA) (97 Administrators (AD) and 36 assistants (AST)), 29 contract agents (CA) and 3 seconded national experts (SNE). A breakdown of resources per activity is provided in Annex V.

Following a call for expression of interest, the newly recruited Head of HR took up his position in November 2016.

#### *Re-organisation*

The Executive Director established the following re-organisation:

- *Concentration of all rule-making activities in the Interoperability Unit*
- *Concentration of all future activities on Single Safety Certification and Vehicle Authorisations in the Safety Unit*
- *Creation of unit dealing with strategy, international relations, research and innovation*

#### *New Staff Regulations/Internal policies/Decisions*

Following the entry into force on 1 January 2014 of the revised Staff Regulations of Officials and the Conditions of Employment of Other Servants (CEOS) of the European Union, the Agency adopted the following Decisions:

- *Decision on the temporary redeployment of Stefan Meert to the post of Head of the Finance and Procurement Sector ad interim (ERA-AD-DEC-1271-2016)*
- *Decision on the temporary redeployment of Salvatore Ricotta to the post of Head of Resources and Support Unit ad interim (ERA-AD-DEC-1269-2016)*
- *Decision on the appointment of the Agency's Joint Reclassification Committee (ERA-ED-DEC-1262-2016)*
- *Decision on the appointment of the Agency's Joint Committee (ERA-ED-DEC-1261-2016)*
- *Decision on re-defining the role of the Internal Control Coordinator selection procedure (ERA-ED-DEC-1260-2016)*
- *Decision on the harmonisation of job titles at the Agency (ERA-ED-DEC-1232-2016)*

### 2.4.2. Results of the 2016 job screening exercise

Article 29(3) of the Agency Financial Regulation sets out the obligation for the Agency to carry out an annual benchmarking exercise, and more specifically a job screening focusing on the efficiency of internal resources. The Agency conducted its third job screening exercise in 2016 in line with the methodology for agencies job screening.

The purpose of the job screening is:

- *To identify any scope for reducing staffing levels in administrative support and coordination functions; and*
- *To facilitate the reallocation of resources from overhead to operational frontline activities*

All jobs inside the Agency received one screening value:

- *“Operational” – serving frontline activities and directly implementing the mandate of the Agency*

- *“Administrative support and coordination” – ensure support to the operational functions, such as HR, IT, Facilities*
- *“Neutral” - same as above in the areas of Finance and Control*

Compared to 2015, the percentage of staff assigned to administrative tasks decreased from 23% to 18%. This results mainly from:

- *Correcting the assignment of the ED and his administrative assistants to the “Top operational coordination” category;*
- *Correcting the assignment of communication officers/assistants (see above);*

The percentage of staff assigned to operational tasks increased from 65% to 70%. This results mainly from:

- *having additional 8 consultants on-board dealing with registers and preparing ERA for exercising its new mandate (Fourth railway package);*
- *corrections in the administrative categories;*

The percentage of staff in neutral positions (finance, procurement, accounting, quality) remained at similar level (around 12%).

When the exercise is more mature the methodology will be further revised and developed by the European Commission and the Agencies in order to comprise the full benchmarking exercise tailored to the Agencies’ specificities.

The detailed results of the exercise are presented in Annex IV.

## 2.5 Assessment by management

### *Implementation of the budget*

The 2016 budget was subject to close and regular monitoring to ensure optimal and sound management of the Agency’s financial resources.

The level of commitment execution reached 99.02 % of the available appropriations, i.e. 99.10 % in 2015.

As regards the payment appropriations, the Agency used 92.47 % of the committed appropriations. The indicative ceilings used by the Court of Auditors to assess the budget execution at the level of the carry-overs are 10 % for Title 1, 20 % for Title 2 and 30 % for Title 3. These targets were reached for all Titles.

As regards Article 77 of the ERA Financial Regulation on the time limits, 96,94 % of all 2016 payments other than mass payments for missions, experts and interviews have been paid within time limit. The target of reaching 95 % was not reached due to a combination of factors, i.e. delay in processing of the invoices by ERA staff, shortage of cash and disagreement with the suppliers on the content of the invoice.

### *Legality and regularity*

Depending on the risk level of the transaction, the Agency has two workflows: one complete workflow model for high-risk transactions and one light workflow model for low-risk transactions (amount < EUR 1 000). These differentiated workflows apply only to payments. An ex-ante financial verification is processed for high-risk transactions while in the simplified, low-risk workflow, and the financial verifying agent has been removed (in case there is no ex-ante verification carried out by a separate person, the authorising officer plays also the role of verifying agent) and an ex-post control for this particular expenditure is carried out.

Accordingly, in 2016 ex-post controls continued to be carried out using the same methodology as in the past: sampling, detailed findings and reports with recommendations. The results of the controls were positive and no issue about legality or regularity of the transactions was reported.

A simplified Annual Activity Report has been signed by all Delegated Authorising Officers who have to formally endorse the responsibility of the financial transactions validated in the course of 2016 and to declare any conflict and/or fraud of which they might be aware. The simplified AAR is integrated in the AAR of the Executive Director. In addition to that, the Court of Auditors who yearly checks the legality and regularity of transactions has so far not found any transactions not respecting these principles.

### *Validation of the accounting system*

No update on the validation of the accounting system has been made in 2016 since not necessary. It is foreseen to perform an update in 2017 following the implementation of the paperless workflow for the reimbursement of missions.

### *Procurement procedures*

Apart from some cancelled or postponed procedures (see point 2.3.2), all procurement procedures foreseen in the Programming Document 2016 were launched and finalised.

### *Registration of exceptions and non-compliance events*

In accordance with ERA management standard 9, each deviation from an established process or procedure is documented, justified and approved at the appropriate management level. They are then registered in the Nonconformity Register. In line with Agency procedures, corrective and/or preventive actions are established when repetitive exceptions events or a critical hazard to any process performance arise. Actions are recorded and reviewed in order to identify trends. In view of increasing the effectiveness of its processes and the ISO certification in 2017, the Agency is gradually extending the scope of reporting from the current financial and contractual procedures by encouraging staff to report any type of non-conformities.

12 exceptions and 13 non-compliance events were registered during the period of reference. This represents a decrease in comparison to the 2015 reporting year (15 and 16). The financial impact on the Agency budget was very low. None of the event was considered to have a negative impact on giving reasonable assurance.

Nevertheless, the following main areas of concerned were identified:

1. Signature of legal commitment without prior budgetary commitments;
2. Extension of framework contracts beyond the initial duration in the area of maintenance of Agency building (priorities given to the implementation of procurement procedures regarding the infrastructure of the 4RP)

The analysis was included in the annual assessment of the functioning of the internal control system (i.e. Internal Management System (IMS) review in December 2016. Consequently, several awareness actions to staff are to be implemented in 2017 in the concerned areas.

Regarding exceptions and non-compliance events of financial nature, training courses on procurement and contract management have been repeated in 2016 and became a recurrent event. All framework contracts will be prepared well in advance.

### *Fraud prevention and detection*

The Agency continued the implementation of the action plan defined in the [Agency Antifraud Strategy](#):

- *training activities: The Agency started to implement tailor made training sessions on fraud prevention (two sessions organised) and prepared and organised tailor made training session on ethics and integrity (two sessions organised); training will continue in 2017;*
- *rules on conflict of interest: in the framework of the [policy on conflict of interest for the Administrative Board](#) the agency published the CVs and the Declaration of interests of AB members;*
- *enhance data and document security: in the framework of the Integrated Management System, the Agency continued to implement the Information Security Management System designed to enhance the protection of the information assets;*
- *fraud risk assessment: the Agency has included the fraud risk assessment in the regular Agency risk assessment: the Agency fraud risk register has been reviewed during 2016. The risks have been re-assessed medium to low. No additional risks have been identified. The mitigating measures are implemented in the framework of the Antifraud strategy;*

- *the remaining actions will be implemented in 2017 with a focus on conflict of interest for staff on one hand and participants in working parties and experts on the other hand*

During the reporting year, no cases of suspicion of fraud were transmitted by the Agency to OLAF for investigation.

| Indicator              | Result 2016 | Result 2015 | Variance analysis/comments |
|------------------------|-------------|-------------|----------------------------|
| Cases referred to OLAF | 0           | 0           | N/A                        |

## 2.6 Budget implementation tasks entrusted to other services and entities

This item is not applicable to the Agency as there are no crossed sub-delegations.

## 2.7 Assessment of audit results during the reporting year and follow up of audit recommendations

### 2.7.1 Internal Audit Service (IAS)

#### *Results from IAS audits during the reporting year*

During the period of reference, no critical recommendations or very important recommendations were addressed to the Agency.

The IAS carried out a risk assessment exercise covering all operational and support processes. Based on the risks identified, IAS shortlisted several audit topics for the next three years (2017-2019). The topics may be adjusted in the future depending on the results of risk assessment updates which the IAS performs on an annual basis.

#### *Follow-up of audit recommendations from previous years*

During the reporting year, the IAS closed three important recommendations from the audit on Stakeholder Relationship Management and External Communication with emphasis on Safety and the very important recommendation on reinforcement of recruitment procedure<sup>1</sup>. One last important recommendation<sup>2</sup> from the audit on Stakeholder Relationship Management and External Communication with emphasis on Safety was in the process of being implemented by the Agency. The deadline for completion was September 2017. Except the latter, the Agency has no more open recommendations from IAS.

### 2.7.2 European Court of Auditors (ECA)

In its report on the annual accounts of the European Railway Agency for the financial year 2015, the European Court of Auditors expressed the following opinions:

#### *Opinion on the reliability of the accounts*

In the Court's opinion, the Agency's annual accounts present fairly, in all material respects, its financial position as at 31 December 2015 and the results of its operations and its cash flows for the year then ended, in accordance with the provisions of its Financial Regulation and the accounting rules adopted by the Commission's accounting officer.

<sup>1</sup> Audit on Human Resources in ERA.

<sup>2</sup> Make an inventory of the existing procedural framework applicable to stakeholder management and external communication and take the necessary steps to complete the documentation of procedures where gap are identified

### *Opinion on the legality and the regularity of the transactions underlying the accounts*

In the Court's opinion, the transactions underlying the annual accounts of the Agency for the financial year ended 31 December 2015 are legal and regular in all material respects.

#### 2.7.3 Internal Audit Capabilities

Following an in-depth cost/benefit analysis, the Agency's management decided in 2012 not to have an Internal Audit Capability but to rely on the IAS for this activity. It was also decided to set up an internal control coordinator function aiming at better supporting the Executive Director in implementing risk management and in assessing the internal control system, including evaluating the Internal Control Standards, its effective integration into the quality management system and the support in implementing the internal quality management audit. For this aim, the function of the internal control coordinator (ICC) has replaced the one of internal auditor (IA) at the Agency. The current ICC started in March 2014.

## 2.8 Follow up of observations from the Discharge Authority

In April 2017 the discharge authority granted discharge to the Agency's Executive Director for the implementation of the 2015 budget.

In its resolution, the discharge authority has made several observations for which a follow-up has been ensured by the Agency:

- Follow-up of 2014 discharge: Missing a seat agreement with the host state:
  - the ERA's location has been fixed in a decision by the European Council and thus this is a matter beyond the Agency's control. As of 26/06/2017, the Host Member has not officially proposed a Seat Agreement to be signed with the Agency;
- Missing publication of CVs and declarations of interest of the members of the ERA Administrative Board (AB) and revision of the Agency's policy on prevention and management of conflicts of interests:
  - All available Declaration of Interest (DoI) and CVs have been published (63 DoI and 60 CVs total).

### Part III – Assessment of the effectiveness of the Integrated Management System, including the Internal Control Systems<sup>3</sup>

The Agency is currently developing and implementing an Integrated Management system (IMS) based on requirements specified in the internal control standards and the international quality standard ISO 9001:2015. The compliance with ISO 9001 standard is a prerequisite for the new Agency's activities foreseen by the Fourth Railway Package<sup>4</sup>.

The Agency's Administrative Board has adopted the ERA management standards in April 2016<sup>5</sup>. Compliance with these standards is a compulsory requirement, also in light of the Agency's financial management.

The Agency has put in place the organisational structure and the ERA management standards suited to the achievement of the activities, projects and control objectives, in accordance with the standards and having due regard to the risks associated with the environment in which it operates.

The Agency is committed to achieving ISO certification by 2017 and the improvements identified in the bi-annual IMS review are planned to achieve this goal.

#### 3.1 Risk Management

##### *Risk assessment*

Risks are assessed and reported both at inherent and residual level. Assessing the risks at inherent level facilitates the understanding of the very nature of the activity/objective at stake and clarifies better what exactly are the controls surrounding the particular area. The residual level of risks is used to determine the risk response and additional mitigating measures if needed.

The Agency continued to monitor the effectiveness of the action plans designed to mitigate the risks identified in the Programming Document 2016. The following critical and significant risks have been identified and reported in the Programming Document 2016:

**Communication:** insufficient/inadequate measures to communicate Agency products/services

*Actions taken:* improvement of the messaging on social media and of the extranet structure, development of the stakeholder relation management database, production of infographs on key topics; support for ETCR training course; in 2017 ERA is going to organise regional conferences in view of disseminating information on the 4 RP implementation and in particular the implementing acts.

**Ethics and Fraud:** insufficient awareness on ethical conduct

*Actions taken:* See point 2.5

**Internal planning 4RP:** uncertainties regarding the internal planning

*Action taken:* 4RP Steering Committee put in place

**Cooperation with stakeholders:** Insufficient preparedness of the MS in delivering the key processes

*Actions taken:* set –up of NSA's subgroups for developing proposals on cooperation agreements

**Delays in the development of the One Stop Shop**

*Actions taken:* First specifications provided (final version in 2017); dedicated workshops organised.

<sup>3</sup> As of April 2015 and the Decision 116/2015 of the AB

<sup>4</sup> Six legislative proposals for a 4RP introduced by the Commission in January 2013 aiming at removing the remaining barriers to the completion to the Single European Railway Area

<sup>5</sup> Decision 116/2015 of the AB - [ERA management standards](#)

**Human resources** – uncertainty concerning the number of applications for VAs impacts on the planning and allocation of staff and inadequate competences/allocation of staff including turnover of staff

*Actions taken:*

Continuation of the implementation of the competence management system: Finalisation of role description for SSC and VAs; development of the procedure for assessment of staff competences and skills and launch of internal call of interest; production of position paper on pool of experts and NSA recognition scheme. Survey to manufacturer to estimate the number of VAs applications -done

**Implementation of interoperability objective jeopardized by external security issues**

*Action taken:* the review of the risk in 2016 led to the discontinuation of the planned mitigating actions in 2017

**Innovation challenges:** innovation in the railway system not taken into account by the Agency

*Actions taken:* The finalisation of the development of the research strategy is planned for 2017; cooperation with S<sup>2</sup>R in the framework of the research steering group to ensure consistency of the strategy; during the reporting period several versions of both documents have been produced and discussed with the external stakeholders of the Agency.

**Agency planning and prioritisation:** lack of prioritisation and limited control over the changes

*Actions taken:* The Agency Framework Suite for Strategy, Programme and Reporting in the Agency and the related procedures has been put in place; training courses on Project, Programme and service management has been organised; preparatory work for the implementation of MS project planning has been conducted. Monitoring of SPD's KPIs is done twice a year during the Management team meetings. The risk is considered as mitigated.

**IMS Programme:** delay in the implementation

*Actions taken:* the implementation of the programme was regularly monitored under the biannual IMS review; corrective actions were taken in order to achieve ISO certification in 2017.

**IT systems:** Agency IT systems not able to provide and maintain an acceptable level of service

*Actions taken:* rules and procedures on Information Management System have been developed. The risk is considered as mitigated.

**Budget and procurement execution:** inappropriate/inadequate management of financial resources

*Actions taken:* specific and measurable individual objectives for HoU (as AOD) have been assigned; ex-post evaluation of contracts have been carried out.

It should be noted that none of the risks had materialised during the reporting year.

In line with ERA management standard 5 and the internal procedure, the Agency conducted the yearly risk assessment exercise. The risks were identified and assessed at unit level covering all areas and activities of the Agency. The key risks were escalated at management level. A high level review was organised during which the most significant and critical risks have been validated and risk owners and mitigating actions have been determined. The exercise took into account the implementation of the action plans related to the risks already identified in the Programming Document 2016. The revised risks were streamlined and included in the Programming Document for 2017. The exercise highlighted new significant risks related to late and inconsistent transposition of 4RP legislation, the obsolescence of ERTMS change management tools, railway noise reductions, delays in the reduction of national rules and data management. The Risk Register was published in the Work Programme 2017. The implementation of the action plans and the risks will be monitored throughout the year 2017 and reviewed under the IMS reviews. The actions/milestones of long term actions with a target date of implementation end of 2017 will be reported in the 2017 AAR.

The management also gave consideration to the risk of fraud when carrying out the risk assessment. The description of the risks have been streamlined and clarified. No additional risks have been identified in

comparison to the first exercise carried out in 2015 and no new mitigating measures are considered necessary. The residual risks are not critical or significant and thus it is not necessary to report them in the AAR.

### *Data protection*

The Agency continued in 2016 with the implementation of the actions necessary to attain the set targets for reaching personal data protection compliance. A number of actors, mainly the Data Protection Officer (DPO), the Data Controllers (DCs) and the Data Protection Coordinators (DPCs) were actively involved and contributed to the progress made towards data protection compliance. The fifth European Data Protection Supervisor general monitoring exercise (“Survey 2015”) relating to the implementation of the Regulation (EC) 45/2001 within EU institutions and bodies has been an excellent opportunity for the Agency to further check internally the status of its implementation in terms of processing operations notified, personal data transfers, privacy by design, general security policy and personal data deletion procedures. The aim for the Agency is to become compliant on data protection rules by ensuring that the personal data of the Agency staff as well as those third parties managed by the Agency are lawfully, adequately, proportionately and properly processed in line with Regulation (EC) 45/2001.

Additional information on data protection can be found in Annex VII.

## **3.2 Compliance with Internal Control Standards<sup>6</sup>**

In 2016 the Agency continued to implement the internal controls standards with which it did not fully comply as mentioned in the Annual Activity Report 2015<sup>7</sup> (see table below).

In line with ERA management standard 16<sup>8</sup>, the management assessed the adequacy of the design and effectiveness of the implementation of the ERA management standards as part of the Agency management system review. The Agency has merged ICS and ISO standards in 2015.

In 2016, the methodology used for assessing the effectiveness the Integrated Management System took into account:

- *the progress with implementing the actions necessary to reach the requirements of the management standards assessed in 2015*
- *the progress with implementing Agency’s priority projects decided by the Management in 2015*
- *the opinion of the Quality Coordinators (responsible for implementing the quality management system in every unit)*
- *a desk review of the implementation of ECA/IAS audit recommendations, the Agency’s procedures, management reports, risk register, Nonconformity register.*

The assessment pointed out some areas where improvements can be made regarding as well compliance and effectiveness. All identified areas for improvement/actions are already addressed or will be addressed under the Integrated Management System of the Agency (see table below).

<sup>6</sup> Until revision following Decision 116/2015 of the AB on the [ERA management standards](#)

<sup>7</sup> During the year, the management decided to reallocate the actions for ensuring compliance with ICS 5 to ICS 9 which is in line with the requirements of this standard (i.e. improving management supervision focusing on the most significant issues of the agency –complex operations, high risk areas etc.).

<sup>8</sup> See [ERA management standards](#)

| <b>ERA Management Standard</b>                          | <b>Actions implemented in 2016</b>                                                                                                                                                                                                                                                                                                      | <b>Actions planned in 2017</b>                                                                                                                                                                                                       |
|---------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| ERA MS 1 Mission and values                             | No further action needed to ensure compliance                                                                                                                                                                                                                                                                                           | No further action needed to ensure compliance                                                                                                                                                                                        |
| ERA MS 2 Leadership and commitment                      | No further action needed to ensure compliance                                                                                                                                                                                                                                                                                           | No further action needed to ensure compliance                                                                                                                                                                                        |
| ERA MS 3 - Ethical and organisational values            | See point 2.5                                                                                                                                                                                                                                                                                                                           | Implementation of the action plan of the Antifraud strategy in line with the agreed deadlines –deadline 12/2017                                                                                                                      |
| ERA MS 4 - Objectives, strategic planning and reporting | Analysis of the KPIs of the Single Programming Document at least twice a year (June and December 2016)<br>Implementation of MS project in the Agency: migration of operational projects/services in a global MS project server;                                                                                                         | Establish a dashboard to monitor the processes' effectiveness and the achievement of the Agency objectives based on MS project –deadline 06/2017<br>In house training on MS project; start business planning in MS project –end 2017 |
| ERA MS 5 - Business Continuity                          | Disaster recovery procedure finalised<br>BCP tested                                                                                                                                                                                                                                                                                     | Implement Business impact assessment at operational level – deadline 06/2017                                                                                                                                                         |
| ERA MS 6 – Risk management                              | No further action needed to ensure compliance                                                                                                                                                                                                                                                                                           | No further action needed to ensure compliance                                                                                                                                                                                        |
| ERA MS 7 – Management supervision                       | No further action needed to ensure compliance                                                                                                                                                                                                                                                                                           | No further action needed to ensure compliance                                                                                                                                                                                        |
| ERA MS 8 - Stakeholder relation management              | Implementation of the action plan of the ERA Communication Strategy according to the deadlines included the Strategy –see also point 3.1 (mitigated actions concerning risk on 'communication' and point 2.7.2 implementation of IAS recommendations regarding audit on Stakeholder Relationship Management and External Communication) | Reviewing and improving the internal communication methods.                                                                                                                                                                          |

|                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|-------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| ERA MS 9 - Process management                                     | <p>Different processes and procedures have been adopted according to the Agency road map. The Agency framework for strategy, programme and reporting has been put in place. It includes:</p> <ul style="list-style-type: none"> <li>• Strategic planning,</li> <li>• Programme, project and service management;</li> <li>• Measurement, analysis &amp; reporting of projects and services.</li> </ul> <p>The work is in progress in accordance with the planning. It is a continuous action in line with the Agency to have An integrated management system in 2017</p> | <p>Further development of processes and procedures in line with integrated management system of the Agency according to the Agency road map and the objective of to achieve ISO certification:</p> <ul style="list-style-type: none"> <li>• Procedure on dissemination of railway activities;</li> <li>• External stakeholder management procedure</li> <li>• Change control management procedure</li> <li>• Control of external documents procedure</li> </ul> |
| ERA MS 10 – Human resources management                            | <ul style="list-style-type: none"> <li>› Selection procedure revised (IAS recommendation closed)</li> <li>› Adoption of the procedure for job description;</li> </ul> <p>Continuation of the implementation of the competence management system: Finalisation of role description for SSC and VAs; development of the procedure for assessment of staff competences and skills and launch of internal call of interest; production of position paper on pool of experts and NSA recognition scheme</p>                                                                  | <ul style="list-style-type: none"> <li>› Develop a functional review – deadline end 2017</li> <li>› Competence management system: Identification of the gap between the competencies available in-house vs. competencies required; development role description -ERTMS trackside role –deadline 03/2017</li> </ul>                                                                                                                                              |
| ERA MS 11 - Infrastructure management                             | No further action needed to ensure compliance                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | No further action needed to ensure compliance                                                                                                                                                                                                                                                                                                                                                                                                                   |
| ERA MS 12 – Accounting, finance and procurement management        | No further action needed to ensure compliance                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | No further action needed to ensure compliance                                                                                                                                                                                                                                                                                                                                                                                                                   |
| ERA MS 13 - Data and information management                       | <p>Training on Document Management rules provided</p> <p>Development of the procedure in incoming/outgoing mails</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                    | No further action needed to ensure compliance                                                                                                                                                                                                                                                                                                                                                                                                                   |
| ERA MS 14 Evaluation of activities                                | No further action needed to ensure compliance                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | No further action needed to ensure compliance                                                                                                                                                                                                                                                                                                                                                                                                                   |
| ERA MS 15 Audits                                                  | No further action needed to ensure compliance                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | No further action needed to ensure compliance                                                                                                                                                                                                                                                                                                                                                                                                                   |
| ERA MS 16 Integrated management system assessment and improvement | No further action needed to ensure compliance                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | No further action needed to ensure compliance                                                                                                                                                                                                                                                                                                                                                                                                                   |

Actions plans to ensure adequate implementation of the prioritised ERA MS has been developed and monitored throughout 2016.

As part of the measurement, analysis and improvement process and in view of evaluating the compatibility and alignment of the integrated management System with ERA management standards, quality audits are carried out yearly. The audits are complementing the audits carried out by the IAS. In line with 2016 Audit Programme, the scope of the audits was all the agency's activities, taking a sample of the outputs included in the SPD 2016. The observations made do not entail a significant weakness to the whole audited process. The actions required to solve the issues identified will be implemented in 2017. Any issues which were identified, will be addressed in the course of 2017

In the light of the preliminary results of the assessment of the compliance and effectiveness of the internal control against the ERA Management Standards, it can be considered that the Agency's control system as a whole works as intended and adequately mitigates the main risks to the achievement of the Agency's objectives.



## Part IV – Management assurance

This section reviews the assessment of the elements reported in Parts 2 and 3 and draw conclusions supporting of the declaration of assurance and namely, whether it should be qualified with reservations.

### 4.1 Review of the elements supporting assurance

The information reported in Parts II and III stems from the:

- assurance given by the Agency management,
- results of the Integrated Management Review,
- results of the Commission's services and Court of Auditors' audits and implementation of the measures to address weaknesses identified,
- reporting on exceptions and preventive/corrective actions implemented
- mitigated actions implemented following the annual risk assessment exercise.

The materiality criterion used for drawing a reservation is an assessment of whether more than 2% of the payments of the Activity-Based concerned is erroneous. Ex-post controls conducted for financial transactions assessed with low level of risks (i.e. payments for missions staff and experts attending working parties) detected an overall error rate lower than the control objective of 2%. The financial impact represents 0,2 % of the Agency payments made during 2016.

From the information available from ex-ante controls conducted in the area of financial transactions assessed with high level of risks (i.e. salaries and allowances), there were no significant issues that would need to be raised in this report. This approach results in an adequate coverage of the Agency budget and provides sufficient guarantees of the completeness and reliability of the information reported.

This approach provides sufficient guarantees as to the completeness and reliability of the information reported and results in a complete coverage of the budget delegated to the Executive Director of the Agency.

Concerning the overall state of the Integrated Management System, management has reasonable assurance that, generally, the Agency has suitable controls in place that are working as intended, risks are being mitigated and/or monitored and improvements and reinforcements are being made. No systematic weakness came to the attention of management that would have an impact on the declaration of assurance; neither were elements identified that could seriously damage the reputation of the Agency.

In conclusion, management has reasonable assurance that, overall, suitable controls are in place and working as intended; risks are being appropriately monitored and mitigated; and necessary improvements and reinforcements are being implemented.

The agency has systematically examined the available control results and indicators as well as the observations and recommendations issued by internal auditors and the European Court of Auditors. These elements have been assessed to determine their impact on the management's assurance as regards the achievement of control objectives.

## 4.2 Reservations

On the basis of the information and the materiality criteria provided above, no reservation is needed.

*I, the undersigned, Executive Director of the European Railway Agency,*

*In my capacity as authorising officer,*

*Declare that the information contained in this report gives a true and fair view.*

*State that I have reasonable assurance that the resources assigned to the activities described in this report have been used for their intended purpose and in accordance with the principles of sound financial management, and that the control procedures put in place give the necessary guarantees concerning the legality and regularity of the underlying transactions.*

*This reasonable assurance is based on my own judgment and on the information at my disposal, such as the results of the self-assessment, ex-post controls, the work of the Internal Audit Service and the lessons learnt from the reports of the Court of Auditors for years prior to the year of this declaration.*

*Confirm that I am not aware of anything not reported here which could harm the interests of the Agency.*

*Valenciennes,*

*(signature)*

*Josef DOPPELBAUER*

## Annexes

## Annex I – Business statistics

| KPIs               | 2014 (41)   | 2015 (11)   | 2016 (12)   |
|--------------------|-------------|-------------|-------------|
| Achieved           | 83%         | 73%         | 75%         |
| Partially achieved | 15%         | 18%         | 25%         |
| Not achieved       | 2%          | 9%          | 0%          |
| <b>Total</b>       | <b>100%</b> | <b>100%</b> | <b>100%</b> |

| Outputs            | 2014 (182/196) | 2015 (190/201) | 2016 (156/162) |
|--------------------|----------------|----------------|----------------|
| Achieved           | 78%            | 80%            | 75%            |
| Partially achieved | 16%            | 15%            | 15%            |
| Not achieved       | 6%             | 5%             | 10%            |
| <b>Total</b>       | <b>100%</b>    | <b>100%</b>    | <b>100%</b>    |

## Annex II – Statistics on financial management and annual accounts

### 1. Financial statements

#### 1.1 Balance sheet (assets, liabilities)

|                                                | 31/12/2016          | 31/12/2015          |
|------------------------------------------------|---------------------|---------------------|
| <b>A. NON CURRENT ASSETS</b>                   |                     |                     |
| Intangible assets                              | 1,400,949.56        | 1,196,009.98        |
| Property, plant and equipment                  | 2,117,890.00        | 1,737,207.50        |
| Land and buildings                             | 3,031.00            | 3,590.00            |
| Plant and equipment                            | 15,045.00           | 19,579.00           |
| Computer hardware                              | 1,836,004.00        | 1,351,472.00        |
| Furniture and vehicles                         | 91,505.00           | 116,347.00          |
| Other fixtures and fittings                    | 172,305.00          | 246,219.50          |
| Non-current receivables                        | 35,831.37           | 31,898.00           |
| <b>TOTAL NON-CURRENT ASSETS</b>                | <b>3,554,670.93</b> | <b>2,965,115.48</b> |
| <b>B. CURRENT ASSETS</b>                       |                     |                     |
| Pre-financing                                  | 78,810.72           | 0.00                |
| Pre-financing with consolidated entities       | 78,810.72           | 0.00                |
| Exchange receivables and recoverables          | 127,727.24          | 33,457.57           |
| Current receivables                            | 0.00                | 378.63              |
| Sundry receivables                             | 27,483.94           | 19,344.44           |
| Current receivables with consolidated entities | 0.00                | 15.50               |
| Other receivables                              | 0.00                | 0.00                |
| Accrued income with consolidated entities      | 12,996.50           | 13,719.00           |
| Deferred charges                               | 87,246.80           | 0.00                |
| Non - exchange receivables and recoverables    | 90,481.40           | 127,448.19          |
| Current receivables Member States              | 90,481.40           | 127,448.19          |
| Other receivables                              | 0.00                | 0.00                |
| Cash and cash equivalents                      | 2,440,027.30        | 2,813,321.89        |
| <b>TOTAL CURRENT ASSETS</b>                    | <b>2,737,046.66</b> | <b>2,974,227.65</b> |
| <b>TOTAL ASSETS</b>                            | <b>6,291,717.59</b> | <b>5,939,343.13</b> |

|                                                           | <b>31/12/2016</b>   | <b>31/12/2015</b>   |
|-----------------------------------------------------------|---------------------|---------------------|
| <b>A. NET ASSETS</b>                                      | <b>4,522,588.21</b> | <b>4,327,156.81</b> |
| Accumulated surplus/deficit                               | 4,327,156.81        | 4,025,889.05        |
| Economic result of the year-profit+/-loss-                | 195,431.40          | 301,267.76          |
| <b>B. NON CURRENT LIABILITIES</b>                         | <b>0.00</b>         | <b>0.00</b>         |
| Pension and other employee benefits                       | 0.00                | 0.00                |
| Provisions for risks and liabilities                      | 0.00                | 0.00                |
| <b>TOTAL NON-CURRENT LIABILITIES (A+B)</b>                | <b>4,522,588.21</b> | <b>4,327,156.81</b> |
| <b>C. CURRENT LIABILITIES</b>                             | <b>1,769,129.38</b> | <b>1,612,186.32</b> |
| Provisions for risks and liabilities                      | 0.00                | 0.00                |
| Accounts payable                                          | 535,523.54          | 540,243.06          |
| Current payables                                          | 16,979.87           | 39,391.20           |
| Sundry payables                                           | 328.90              | 143,504.41          |
| Accounts payable with consolidated EC entities            | 518,214.77          | 357,347.45          |
| › Prefinancing received from consolidated EC Entities     | 518,214.77          | 357,347.45          |
| › Other accounts payable against consolidated EC Entities | 0.00                | 0.00                |
| Accrued charges and deferred income                       | 1,233,605.84        | 1,071,943.26        |
| Accrued charges                                           | 1,128,812.88        | 962,295.52          |
| Deferred income                                           | 0.00                | 0.00                |
| Other passive accruals & deferrals                        | 0.00                | -0.01               |
| 104,792.96      109,647.75                                |                     |                     |
| <b>TOTAL CURRENT LIABILITIES</b>                          | <b>1,769,129.38</b> | <b>1,612,186.32</b> |
| <b>TOTAL LIABILITIES</b>                                  | <b>6,291,717.59</b> | <b>5,939,343.13</b> |

## 1.2 Statement of financial performance

| <b>STATEMENT OF FINANCIAL PERFORMANCE</b>           | <b>31/12/2016</b>    | <b>31/12/2015</b>    |
|-----------------------------------------------------|----------------------|----------------------|
| Subsidy received                                    | 27,177,664.23        | 25,987,652.55        |
| Title 1&2                                           | 20,259,479.00        | 19,645,000.00        |
| Title 3                                             | 7,136,400.00         | 6,700,000.00         |
| Part of Phare Funds subsidy used in current year    | 160,000.00           | 0.00                 |
| To be reimbursed (Budget outturn)                   | -378,214.77          | -357,347.45          |
| Revenue from adjustment/provisions                  | 0.00                 | 0.00                 |
| <b>NON-EXCHANGE REVENUES</b>                        | <b>27,177,664.23</b> | <b>25,987,652.55</b> |
| Fixed Assets related income                         | -374.89              | -3.46                |
| Exchange rate differences gains                     | 1,263.02             | 694.14               |
| Bank interest                                       | 143.33               | 5,051.48             |
| Income from other exchange operations (3rd parties) | 21,004.99            | 35,449.64            |
| Income from consolidated EU entities                | 66,409.62            | 93,202.00            |
| <b>EXCHANGE REVENUES</b>                            | <b>88,446.07</b>     | <b>134,393.80</b>    |
| <b>TOTAL REVENUES</b>                               | <b>27,266,110.30</b> | <b>26,122,046.35</b> |
| Operational expenses                                | 5,688,897.03         | 5,307,521.92         |
| Staff and Pension costs                             | 17,249,577.38        | 16,428,302.10        |
| Finance costs                                       | 0.00                 | 2,085.00             |
| Finance costs                                       | 0.00                 | 0.00                 |
| Other financial expenses                            | 0.00                 | 2,085.00             |
| Other expenses                                      | 4,132,204.49         | 4,082,869.57         |
| Property, plant and equipment related expenses      | 2,425,899.18         | 2,139,835.00         |
| Other Expenses                                      | 1,703,453.82         | 1,939,911.65         |
| Exchange rate differences losses                    | 2,851.49             | 3,122.92             |
| <b>TOTAL EXPENSES</b>                               | <b>27,070,678.90</b> | <b>25,820,778.59</b> |
| <b>SURPLUS (DEFICIT) FROM ORDINARY ACTIVITIES</b>   | <b>195,431.40</b>    | <b>301,267.76</b>    |
| <b>ECONOMIC RESULT OF THE YEAR</b>                  | <b>195,431.40</b>    | <b>301,267.76</b>    |

## 1.3 Statement of changes in net assets

| <i>Capital</i>                                     | <i>Reserves</i>           |                       | <i>Accumulated Surplus / Deficit</i> | <i>Economic result of the year</i> | <i>Capital (total)</i> |
|----------------------------------------------------|---------------------------|-----------------------|--------------------------------------|------------------------------------|------------------------|
|                                                    | <i>Fair value reserve</i> | <i>Other reserves</i> |                                      |                                    |                        |
| <b>Balance as of 31 December 2015</b>              | <b>0.00</b>               | <b>0.00</b>           | <b>4,025,889.05</b>                  | <b>301,267.76</b>                  | <b>4,327,156.81</b>    |
| Changes in accounting policies                     | 0.00                      | 0.00                  | 0.00                                 | 0.00                               | 0.00                   |
| <b>Balance as of 1 January 2016 (if restated)</b>  | <b>0.00</b>               | <b>0.00</b>           | <b>4,025,889.05</b>                  | <b>301,267.76</b>                  | <b>4,327,156.81</b>    |
| Allocation of the Economic Result of Previous Year | 0.00                      | 0.00                  | 301,267.76                           | -301,267.76                        | 0.00                   |
| Economic result of the year                        | 0.00                      | 0.00                  | 0.00                                 | 195,431.40                         | 195,431.40             |
| <b>Balance as of 31 December 2016</b>              | <b>0.00</b>               | <b>0.00</b>           | <b>4,327,156.81</b>                  | <b>195,431.40</b>                  | <b>4,522,588.21</b>    |

## 1.4 Cash flow statement

|                                                                        | <b>2016</b>          | <b>2015</b>          |
|------------------------------------------------------------------------|----------------------|----------------------|
| <b>Cash Flows from ordinary activities</b>                             |                      |                      |
| <b>Economic result of the year</b>                                     | <b>195 431,40</b>    | <b>301 267,76</b>    |
| <b>Operating activities</b>                                            |                      |                      |
| Amortization (intangible fixed assets) +                               | 466 224,43           | 442 370,19           |
| Depreciation (tangible fixed assets) +                                 | 666 513,11           | 554 617,97           |
| Increase/(decrease) in Provisions for risks and liabilities            | 0,00                 | 0,00                 |
| Increase/(decrease) in Value reduction for doubtful debts              | 0,00                 | 0,00                 |
| (Increase)/decrease in Stock                                           | 0,00                 | 0,00                 |
| (Increase)/decrease in Long term Pre-financing                         | 0,00                 | 0,00                 |
| (Increase)/decrease in Short term Pre-financing                        | -78 810,72           | 0,00                 |
| (Increase)/decrease in Long term Receivables                           | -3 933,37            | 0,00                 |
| (Increase)/decrease in Short term Receivables                          | -94 269,67           | 62 773,24            |
| (Increase)/decrease in Receivables related to consolidated EC entities | 36 966,79            | 329 231,40           |
| Increase/(decrease) in Other Long term liabilities                     | 0,00                 | 0,00                 |
| Increase/(decrease) in Accounts payable                                | -3 924,26            | -329 824,59          |
| Increase/(decrease) in Liabilities related to consolidated EC entities | 160 867,32           | -471 571,24          |
| (Gains)/losses on sale of Property, plant and equipment                | 0,00                 | 0,00                 |
| Extraordinary items                                                    | 0,00                 | 0,00                 |
| <b>Net cash Flow from operating activities</b>                         | <b>1 345 065,03</b>  | <b>888 864,73</b>    |
| <b>Cash Flows from investing activities</b>                            |                      |                      |
| Purchase of tangible and intangible fixed assets (-)                   | -1 718 690,62        | -1 464 755,18        |
| Proceeds from tangible and intangible fixed assets (+)                 | 331,00               | 12 418,71            |
| <b>Net cash flow from investing activities</b>                         | <b>-1 718 359,62</b> | <b>-1 452 336,47</b> |
| <b>Net increase/(decrease) in cash and cash equivalents</b>            | <b>-373 294,59</b>   | <b>-563 471,74</b>   |
| Cash and cash equivalents at the beginning of the period               | 2 813 321,89         | 3 376 793,63         |
| Cash and cash equivalents at the end of the period                     | 2 440 027,30         | 2 813                |

## 2. Implementation of the budget 2016

## 2.1 Budget implementation 2016

| <i>Fund Source : C1</i> |                                                                            |                                     |                          |                                   |                                             |                           |                            |
|-------------------------|----------------------------------------------------------------------------|-------------------------------------|--------------------------|-----------------------------------|---------------------------------------------|---------------------------|----------------------------|
|                         | <i>Chapter</i>                                                             | <i>Final appropriations<br/>(1)</i> | <i>Committed<br/>(2)</i> | <i>% Committed<br/>=(2) / (1)</i> | <i>Balance not committed<br/>=(1) - (2)</i> | <i>Total Paid<br/>(3)</i> | <i>% Paid<br/>=(3)/(1)</i> |
| 11                      | Staff in active employment                                                 | 17,154,916.02                       | 17,127,706.68            | 99.84%                            | 27,209.34                                   | 17,080,275.84             | 99.56%                     |
| 13                      | Missions and travel                                                        | 130,000.00                          | 125,500.00               | 96.54%                            | 4,500.00                                    | 115,661.98                | 88.97%                     |
| 14                      | Socio-medical infrastructure                                               | 272,000.00                          | 262,266.07               | 96.42%                            | 9,733.93                                    | 182,151.31                | 66.97%                     |
| 15                      | Staff exchange between the ERA and the public sector                       | 178,962.98                          | 178,868.66               | 99.95%                            | 94.32                                       | 178,868.66                | 99.95%                     |
| 17                      | Entertainment and representation exp.                                      | 5,000.00                            | 2,070.36                 | 41.41%                            | 2,929.64                                    | 2,070.36                  | 41.41%                     |
|                         | <b>Title I</b>                                                             | <b>17,740,879.00</b>                | <b>17,696,411.77</b>     | <b>99.75%</b>                     | <b>44,467.23</b>                            | <b>17,559,028.15</b>      | <b>98.97%</b>              |
| 20                      | Investments in immovable property, rental of buildings and associated cost | 1,229,137.96                        | 1,223,941.69             | 99.58%                            | 5,196.27                                    | 1,048,626.57              | 85.31%                     |
| 21                      | Data processing                                                            | 802,500.00                          | 798,420.96               | 99.49%                            | 4,079.04                                    | 689,543.20                | 85.92%                     |
| 22                      | Movable property and associated costs                                      | 106,122.04                          | 105,323.40               | 99.25%                            | 798.64                                      | 79,783.10                 | 75.18%                     |
| 23                      | Current administrative expenditure                                         | 239,840.00                          | 228,895.88               | 95.44%                            | 10,944.12                                   | 205,638.13                | 85.74%                     |
| 24                      | Post and telecommunications                                                | 141,000.00                          | 132,204.98               | 93.76%                            | 8,795.02                                    | 117,232.66                | 83.14%                     |
|                         | <b>Title II</b>                                                            | <b>2,518,600.00</b>                 | <b>2,488,786.91</b>      | <b>98.82%</b>                     | <b>29,813.09</b>                            | <b>2,140,823.66</b>       | <b>85.00%</b>              |
| 30                      | Operational Activities directly linked to the Reg. n°881/2004              | 2,745,362.51                        | 2,556,299.76             | 93.11%                            | 189,062.75                                  | 2,035,248.95              | 74.13%                     |
| 31                      | Operational expenditures                                                   | 4,391,037.49                        | 4,386,598.28             | 99.90%                            | 4,439.21                                    | 3,351,515.42              | 76.33%                     |
|                         | <b>Title III</b>                                                           | <b>7,136,400.00</b>                 | <b>6,942,898.04</b>      | <b>97.29%</b>                     | <b>193,501.96</b>                           | <b>5,386,764.37</b>       | <b>75.48%</b>              |
|                         | <b>Total Budget</b>                                                        | <b>27,395,879.00</b>                | <b>27,128,096.72</b>     | <b>99.02%</b>                     | <b>267,782.28</b>                           | <b>25,086,616.18</b>      | <b>91.57%</b>              |

## 2.2 Appropriations carried over 2015/2016

| <i>Fund Source : C8</i> |                                                                            |                                      |                      |                                                     |                     |
|-------------------------|----------------------------------------------------------------------------|--------------------------------------|----------------------|-----------------------------------------------------|---------------------|
|                         | <i>Chapter</i>                                                             | <i>Amount carried over 2015/2016</i> | <i>Payments made</i> | <i>Balance not paid at the end of the year 2016</i> | <i>% of Balance</i> |
| 11                      | Staff in active employment                                                 | 43 170,78                            | 26 526,85            | 16 643,93                                           | 38,55%              |
| 13                      | Missions and travel                                                        | 9 027,65                             | 9 027,65             | 0,00                                                | 0,00%               |
| 14                      | Socio-medical infrastructure                                               | 80 900,28                            | 66 961,35            | 13 938,93                                           | 17,23%              |
|                         | <b>Title I</b>                                                             | <b>133 098,71</b>                    | <b>102 515,85</b>    | <b>30 582,86</b>                                    | <b>22,98%</b>       |
| 20                      | Investments in immovable property, rental of buildings and associated cost | 133 262,03                           | 131 877,12           | 1 384,91                                            | 1,04%               |
| 21                      | Data processing                                                            | 183 394,96                           | 183 355,55           | 39,41                                               | 0,02%               |
| 22                      | Movable property and associated costs                                      | 60 996,83                            | 59 136,83            | 1 860,00                                            | 3,05%               |
| 23                      | Current administrative expenditure                                         | 63 934,19                            | 47 031,48            | 16 902,71                                           | 26,44%              |
| 24                      | Post and telecommunications                                                | 16 305,62                            | 13 769,71            | 2 535,91                                            | 15,55%              |
|                         | <b>Title II</b>                                                            | <b>457 893,63</b>                    | <b>435 170,69</b>    | <b>22 722,94</b>                                    | <b>4,96%</b>        |
| 30                      | Operational Activities directly linked to the Regulation n°881/2004        | 862 088,38                           | 833 985,79           | 28 102,59                                           | 3,26%               |
| 31                      | Operational expenditures                                                   | 1 001 923,16                         | 972 310,59           | 29 612,57                                           | 2,96%               |
|                         | <b>Title III</b>                                                           | <b>1 864 011,54</b>                  | <b>1 806 296,38</b>  | <b>57 715,16</b>                                    | <b>3,10%</b>        |
|                         | <b>Grand total</b>                                                         | <b>2 455 003,88</b>                  | <b>2 343 982,92</b>  | <b>111 020,96</b>                                   | <b>4,52%</b>        |

## 2.3 Use of appropriations 2016

| <i>Fund Source : C1</i> |                                                                            |                       |                        |                    |                                                  |                      |                                |
|-------------------------|----------------------------------------------------------------------------|-----------------------|------------------------|--------------------|--------------------------------------------------|----------------------|--------------------------------|
|                         | <i>Chapter</i>                                                             | <i>Budget adopted</i> | <i>Amending budget</i> | <i>Transfers</i>   | <i>Budget after transfers and amendments (1)</i> | <i>Committed (2)</i> | <i>% Committed = (2) / (1)</i> |
| 11                      | Staff in active employment                                                 | 16,793,879.00         |                        | 361,037.02         | 17,154,916.02                                    | 17,127,706.68        | 99.84%                         |
| 13                      | Missions and travel                                                        | 140,000.00            |                        | -10,000.00         | 130,000.00                                       | 125,500.00           | 96.54%                         |
| 14                      | Socio-medical infrastructure                                               | 335,000.00            |                        | -63,000.00         | 272,000.00                                       | 262,266.07           | 96.42%                         |
| 15                      | Staff exchange between the ERA and the public sector                       | 210,000.00            |                        | -31,037.02         | 178,962.98                                       | 178,868.66           | 99.95%                         |
| 17                      | Entertainment and representation expenses                                  | 5,000.00              |                        | 0.00               | 5,000.00                                         | 2,070.36             | 41.41%                         |
|                         | <b>Title I</b>                                                             | <b>17,483,879.00</b>  |                        | <b>257,000.00</b>  | <b>17,740,879.00</b>                             | <b>17,696,411.77</b> | <b>99.75%</b>                  |
| 20                      | Investments in immovable property, rental of buildings and associated cost | 1,315,000.00          |                        | -85,862.04         | 1,229,137.96                                     | 1,223,941.69         | 99.58%                         |
| 21                      | Data processing                                                            | 669,000.00            |                        | 133,500.00         | 802,500.00                                       | 798,420.96           | 99.49%                         |
| 22                      | Movable property and associated costs                                      | 212,000.00            |                        | -105,877.96        | 106,122.04                                       | 105,323.40           | 99.25%                         |
| 23                      | Current administrative expenditure                                         | 191,000.00            |                        | 48,840.00          | 239,840.00                                       | 228,895.88           | 95.44%                         |
| 24                      | Post and telecommunications                                                | 205,000.00            |                        | -64,000.00         | 141,000.00                                       | 132,204.98           | 93.76%                         |
|                         | <b>Title II</b>                                                            | <b>2,592,000.00</b>   |                        | <b>-73,400.00</b>  | <b>2,518,600.00</b>                              | <b>2,488,786.91</b>  | <b>98.82%</b>                  |
| 30                      | Operational Activities directly linked to the Regulation n°881/2004        | 3,520,000.00          |                        | -774,637.49        | 2,745,362.51                                     | 2,556,299.76         | 93.11%                         |
| 31                      | Operational expenditures                                                   | 3,100,000.00          | 700,000.00             | 591,037.49         | 4,391,037.49                                     | 4,386,598.28         | 99.90%                         |
|                         | <b>Title III</b>                                                           | <b>6,620,000.00</b>   |                        | <b>-183,600.00</b> | <b>7,136,400.00</b>                              | <b>6,942,898.04</b>  | <b>97.29%</b>                  |
|                         | <b>Total Budget</b>                                                        | <b>26,695,879.00</b>  | <b>700,000.00</b>      | <b>0.00</b>        | <b>27,395,879.00</b>                             | <b>27,128,096.72</b> | <b>99.02%</b>                  |

## 2.4 Appropriations carried over 2016/2017

|    | <i>Chapter</i>                                                             | <i>Amount carried over<br/>2016/2017</i> | <i>% Amount carried over<br/>2016/2017</i> |
|----|----------------------------------------------------------------------------|------------------------------------------|--------------------------------------------|
| 11 | Staff in active employment                                                 | 47,430.84                                | 0.28%                                      |
| 13 | Missions and travel                                                        | 9,838.02                                 | 7.57%                                      |
| 14 | Socio-medical infrastructure                                               | 80,114.76                                | 29.45%                                     |
|    | <b>Title I</b>                                                             | <b>137,383.62</b>                        | <b>0.77%</b>                               |
| 20 | Investments in immovable property, rental of buildings and associated cost | 175,315.12                               | 14.26%                                     |
| 21 | Data processing                                                            | 108,877.76                               | 13.57%                                     |
| 22 | Movable property and associated costs                                      | 25,540.30                                | 24.07%                                     |
| 23 | Current administrative expenditure                                         | 23,257.75                                | 9.70%                                      |
| 24 | Post and telecommunications                                                | 14,972.32                                | 10.62%                                     |
|    | <b>Title II</b>                                                            | <b>347,963.25</b>                        | <b>13.82%</b>                              |
| 30 | Operational Activities directly linked to the Regulation n°881/2004        | 521,050.81                               | 18.98%                                     |
| 31 | Operational expenditures                                                   | 1,035,082.86                             | 23.57%                                     |
|    | <b>Title III</b>                                                           | <b>1,556,133.67</b>                      | <b>24.52%</b>                              |
|    | <b>Total Budget</b>                                                        | <b>2,041,480.54</b>                      | <b>7.45%</b>                               |

To the total amount of € 2 041 480,54 of carried-over C1 credits, € 4 660,70 of committed but unused C4- credits and € 638,54 of committed but unused R0-credits have to be added bringing the total appropriations to be carried to € 2 046 779,79.

## 2.5 Budget outturn

|                                                                                                                     | 2016                 | 2015                 |
|---------------------------------------------------------------------------------------------------------------------|----------------------|----------------------|
| <b>Revenue</b>                                                                                                      |                      |                      |
| Commission subsidy DG MOVE                                                                                          | 27,395,879.00        | 26,345,000.00        |
| Phare funds from Commission                                                                                         | 300,000.00           | 0.00                 |
| Fee income                                                                                                          | 0.00                 | 0.00                 |
| Other revenue                                                                                                       | 88,711.65            | 247,262.64           |
| <b>Total revenue (a)</b>                                                                                            | <b>27,784,590.65</b> | <b>26,592,262.64</b> |
| <b>Expenditure</b>                                                                                                  |                      |                      |
| Personnel expenses – Budget Title I                                                                                 |                      |                      |
| Payments                                                                                                            | 17,604,620.27        | 16,859,235.27        |
| Automatic carry-overs                                                                                               | 158,955.12           | 133,098.71           |
| Administrative expenses – Budget Title II                                                                           |                      |                      |
| Payments                                                                                                            | 2,260,959.05         | 2,142,948.36         |
| Automatic carry-overs                                                                                               | 353,508.14           | 578,029.02           |
| Operational expenses – Budget Title III                                                                             |                      |                      |
| Payments                                                                                                            | 5,616,249.89         | 4,731,742.68         |
| Automatic carry-overs                                                                                               | 1,708,849.29         | 1,931,209.54         |
| <b>Total expenditure (b)</b>                                                                                        | <b>27,703,141.76</b> | <b>26,376,263.58</b> |
| <b>Outturn for the financial year (a-b)</b>                                                                         | <b>81,448.89</b>     | <b>215,999.06</b>    |
| Cancellation of unused carry-overs                                                                                  | <b>111,020.96</b>    | <b>93,602.53</b>     |
| Adjustment for carry-over from the previous year of appropriations available at 31.12 arising from assigned revenue | 187,333.39           | 50,174.64            |
| Exchange differences for the year                                                                                   | -1,588.47            | -2,428.78            |
| Balance carried over from year N-1                                                                                  | 357,347.45           | 787,016.64           |
| Positive balance from year N-1 reimbursed in year N to the Commission                                               | -357,347.45          | -787,016.64          |
| <b>Balance of the outturn account for the financial year</b>                                                        | <b>378,214.77</b>    | <b>357,347.45</b>    |

## 2.6 Economic outturn

|                                                                                                             | 2016              | 2015              |
|-------------------------------------------------------------------------------------------------------------|-------------------|-------------------|
| <b>Economic result (+ for surplus and - for deficit) of the consolidation reporting package</b>             | <b>195,431.40</b> | <b>301,267.76</b> |
| <b>Adjustment for accrual items (items not in the budgetary result but included in the economic result)</b> |                   |                   |
| Adjustments for Accrual Cut-off (reversal 31.12.N-1)                                                        | -1,071,943.27     | -1,528,837.05     |
| Adjustments for Accrual Cut-off (cut- off 31.12.N )                                                         | 1,233,605.84      | 702,055.00        |
| Amount from liaison account with Commission booked in the economic revenue                                  | 0.00              | 0.00              |
| Unpaid invoices at year end but booked in charges (class 6)                                                 | 15,584.54         | 1,593.22          |
| Depreciation of intangible and tangible assets (1)                                                          | 1,132,693.66      | 997,158.97        |
| Provisions (1)                                                                                              | 0.00              | 369,888.27        |

|                                                                                                                     |                   |                   |
|---------------------------------------------------------------------------------------------------------------------|-------------------|-------------------|
| Value reductions (1)                                                                                                | 0.00              | 0.00              |
| Recovery Orders issued in 2015 in class 7 and not yet cashed                                                        | -12,996.50        | -13,719.00        |
| Prefinancing given in previous year and cleared in the year                                                         | 0.00              | 0.00              |
| Prefinancing received in previous year and cleared in the year                                                      | 0.00              | 0.00              |
| Payments made from carry over of payment appropriations                                                             | 2,343,982.92      | 2,847,315.93      |
| Other *)                                                                                                            | -205,267.16       | 8,296.60          |
| <b>Adjustment for budgetary items (item included in the budgetary result but not in the economic result)</b>        |                   |                   |
| Asset acquisitions (less unpaid amounts)                                                                            | -1,861,852.23     | -1,319,041.09     |
| New pre-financing paid in the year 2015 and remaining open as at 31.12.2015                                         | 0.00              | 0.00              |
| New pre-financing received in the year 2015 and remaining open as at 31.12.2015                                     | 518,214.77        | 357,347.45        |
| Budgetary recovery orders issued before 2015 and cashed in the year                                                 | 13,719.00         | 132,581.49        |
| Budgetary recovery orders issued in 2015 on balance sheet accounts (not 7 or 6 accounts) and cashed                 | 0.00              | 0.00              |
| Capital payments on financial leasing (they are budgetary payments but not in the economic result)                  | 0.00              | 0.00              |
| Payment appropriations carried over to 2016                                                                         | -2,221,312.55     | -2,642,337.27     |
| Cancellation of unused carried over payment appropriations from previous year                                       | 111,020.96        | 93,602.53         |
| Adjustment for carry-over from the previous year of appropriations available at 31.12 arising from assigned revenue | 187,333.39        | 50,174.64         |
| Payments for pensions ( they are budgetary payments but booked against provisions)                                  | 0.00              | 0.00              |
| Payments for stocks of leave and supplementary hours ( they are budgetary payments but booked against provisions)   | 0.00              | 0.00              |
| Other **)                                                                                                           | 0.00              | 0.00              |
| <b>Budget outturn for the year</b>                                                                                  | <b>378,214.77</b> | <b>357,347.45</b> |

## 2.7 Negotiated procedures

Contracts ≤ EUR 15 000    Contracts ≥ EUR 60 000

- Count: 1
- Total Amount: 45000€

\* (RAP): Rules of Application

| Number         | Contractor(s)  | Type of Contract | Description                                                                             | Amount (€) | Legal Base |
|----------------|----------------|------------------|-----------------------------------------------------------------------------------------|------------|------------|
|                | Name           |                  |                                                                                         |            |            |
| ERA 2016 12 NP | Bureau Veritas | FWC              | Certification of the Agency Integrated Management System against ISO 9001:2015 standard | 45000€     | FR/IR      |

## 2.8 Summary of procedures

(Excluding real estate contracts  
and contracts ≤ €15 000)

| Type of contract | Count     | Amount (€)      |
|------------------|-----------|-----------------|
| Supply           | 1         | 512000€         |
| Services         | 15        | 4042000€        |
| Works            | 0         | 0               |
| <b>TOTAL</b>     | <b>16</b> | <b>4554000€</b> |

| Procedures | Count | Amount (€) |
|------------|-------|------------|
| Open       | 11    |            |

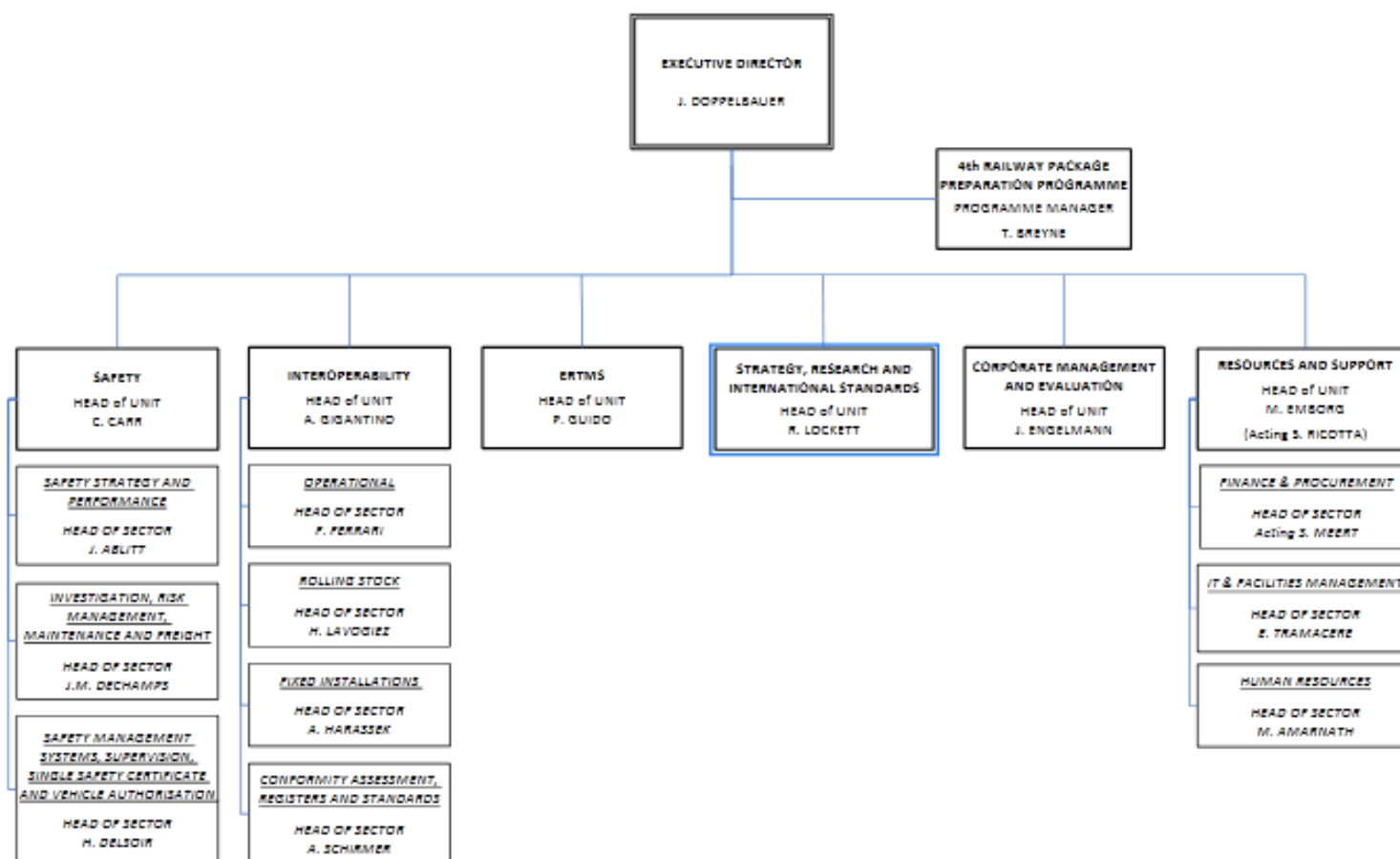
|                      |           |                          |
|----------------------|-----------|--------------------------|
| Restricted           | 0         |                          |
| Negotiated           | 1         |                          |
| Negotiated Competing | 0         |                          |
| Other                | 4         | Reopening of competition |
| <b>TOTAL</b>         | <b>16</b> |                          |

## 2.9 Real estate contracts

| Number | Contractor(s)                                                                                                                                                 |                                                                                                       | Type of Contract  | Description                                                                              | Amount (€) | Legal Base      |
|--------|---------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------|-------------------|------------------------------------------------------------------------------------------|------------|-----------------|
|        | Name                                                                                                                                                          | Address                                                                                               |                   |                                                                                          |            |                 |
| N/A    | Communauté d'agglomération de Valenciennes Métropole<br>Hôpital du Hainaut, 2<br>Place de l'Hôpital Général<br>BP 60227<br>59305 Valenciennes Cedex<br>FRANCE | Hôpital du Hainaut, 2<br>Place de l'Hôpital Général<br>BP 60227<br>59305 Valenciennes Cedex<br>FRANCE | Building contract | Lease contract of ERA's headquarters<br>120 rue Lefrancq<br>59300 Valenciennes<br>FRANCE | €416.654   | IR – Art 126(h) |

| Number | Contractor(s)                                               |                                                           | Type of Contract  | Description                                                                                             | Amount (€) | Legal Base      |
|--------|-------------------------------------------------------------|-----------------------------------------------------------|-------------------|---------------------------------------------------------------------------------------------------------|------------|-----------------|
|        | Name                                                        | Address                                                   |                   |                                                                                                         |            |                 |
| N/A    | Chambre de Commerce et d'Industrie de région Nord de France | 229 Bd de Leeds, CS<br>90028, 59031 Lille Cedex<br>FRANCE | Building contract | Lease contract of ERA's meeting facilities<br>229, Bd de Leeds<br>CS 90028, 59031 Lille Cedex<br>FRANCE | €108.052   | IR – Art 126(h) |

## Annex III – Organisational chart (30.04.2017)



## Annex IV – Establishment plan and additional information on Human Resources management

### a. Establishment plan 2016

| Function group and grade | Authorised under the EU Budget |                 | Actually filled as of 31/12/2016 |                 |
|--------------------------|--------------------------------|-----------------|----------------------------------|-----------------|
|                          | Permanent posts                | Temporary posts | Permanent posts                  | Temporary posts |
| AD 14                    |                                | 1               |                                  | 1               |
| AD 13                    |                                |                 |                                  |                 |
| AD 12                    |                                |                 |                                  |                 |
| AD 11                    |                                | 6               |                                  | 3               |
| AD 10                    |                                | 14              |                                  | 12              |
| AD 9                     |                                | 31              |                                  | 25              |
| AD 8                     |                                | 20              |                                  | 16              |
| AD 7                     |                                | 13              |                                  | 20              |
| AD 6                     |                                | 14              |                                  | 20              |
| AD 5                     |                                |                 |                                  |                 |
| AD TOTAL                 |                                | 99              |                                  | 97              |
| AST 11                   |                                |                 |                                  |                 |
| AST 10                   |                                |                 |                                  |                 |
| AST 9                    |                                | 3               |                                  | 2               |
| AST 8                    |                                | 4               |                                  | 1               |
| AST 7                    |                                | 4               |                                  | 1               |
| AST 6                    |                                | 3               |                                  | 3               |
| AST 5                    |                                | 7               |                                  | 7               |
| AST 4                    |                                | 6               |                                  | 6               |
| AST 3                    |                                | 6               |                                  | 10              |
| AST 2                    |                                | 3               |                                  | 6               |
| AST 1                    |                                |                 |                                  |                 |
| AST TOTAL                |                                | 36              |                                  | 36              |
| AST/SC 6                 |                                |                 |                                  |                 |
| AST/SC 5                 |                                |                 |                                  |                 |
| AST/SC 4                 |                                |                 |                                  |                 |
| AST/SC 3                 |                                |                 |                                  |                 |
| AST/SC 2                 |                                |                 |                                  |                 |
| AST/SC 1                 |                                |                 |                                  |                 |
| AST/SC TOTAL             |                                |                 |                                  |                 |
| TOTAL                    |                                | 135             |                                  | 133             |
| GRAND TOTAL              | 135                            |                 | 133                              |                 |

## b. Result of the Agency's job screening exercise

| Job Type and Category                          | 2015 (%)     | 2016 (%)     |
|------------------------------------------------|--------------|--------------|
| <b>Administrative support and coordination</b> | <b>23,11</b> | <b>18,18</b> |
| Administrative support                         | 15,52        | 15,31        |
| Coordination                                   | 7,60         | 2,86         |
| <b>Operational</b>                             | <b>65,03</b> | <b>70,16</b> |
| Top level Operational Coordination             | 0,77         | 5,21         |
| Programme Management & Implementation          | 50,44        | 54,06        |
| Evaluation & impact assessment                 | 7,27         | 7,24         |
| General operational                            | 6,56         | 3,65         |
| <b>Neutral</b>                                 | <b>11,86</b> | <b>11,67</b> |
| Finance/control                                | 11,86        | 11,67        |
| Linguistics                                    | 0,00         | 0,00         |

## Annex V – Human and financial resources per activity

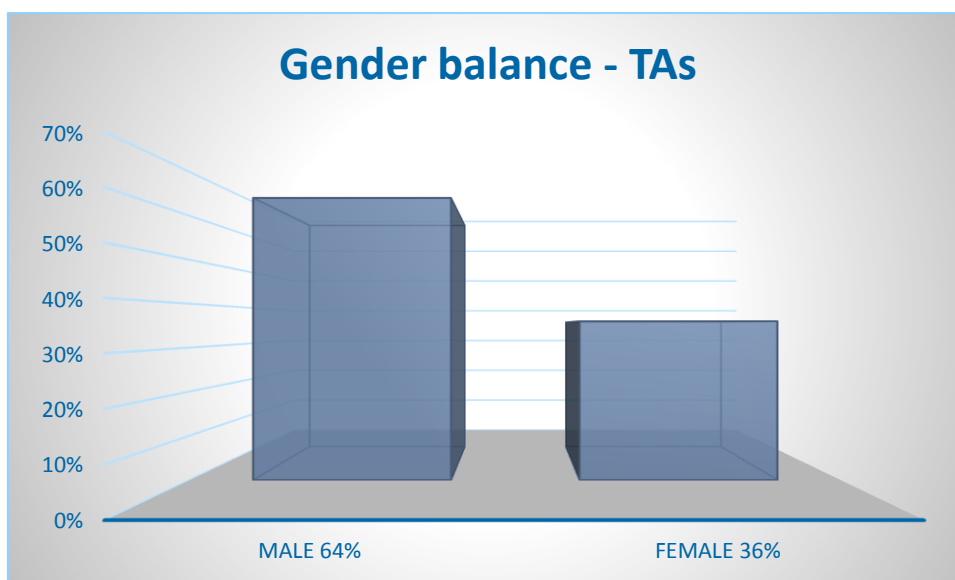
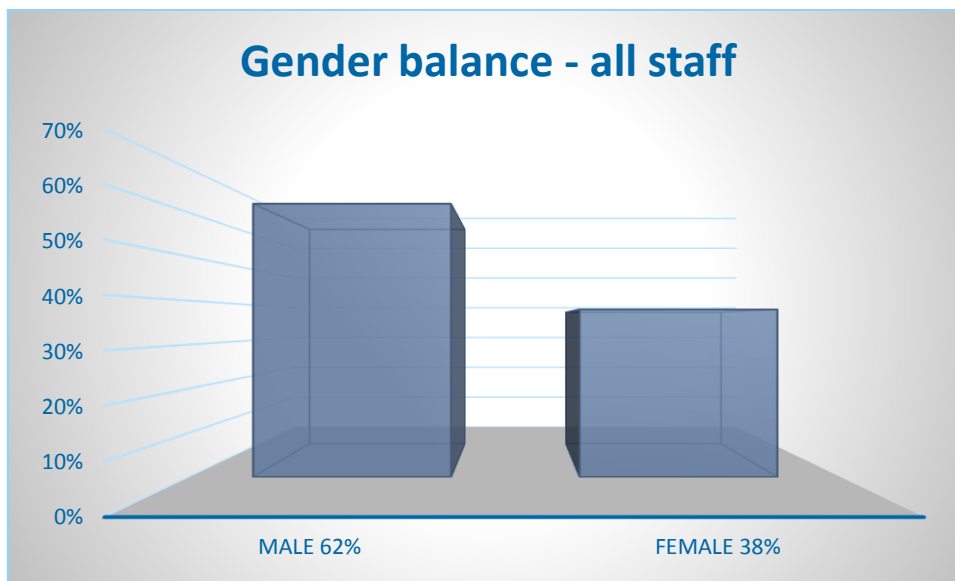
The following table shows the planned resources and the adopted budget for the 2016 Single Programming Document:

|                                                  |            | TITLE 3      |         |                                 |           | TITLE 1 & TITLE 2    |                   |                                        |
|--------------------------------------------------|------------|--------------|---------|---------------------------------|-----------|----------------------|-------------------|----------------------------------------|
| Activity                                         | Unit Staff | DIRECT COSTS |         |                                 |           | INDIRECT COSTS       |                   | TOTAL BUDGET<br>2016 PER<br>ACTIVITIES |
|                                                  |            | CHAPTER 30   |         |                                 | ART 311   | CHAPTER 31 - ART 311 | TITLE 1 & TITLE 2 |                                        |
|                                                  | FTE        | ACTIVITIES   | STUDIES | TRANSLATIONS,<br>INTERPRETATION |           |                      |                   |                                        |
| Harmonized Safety Framework                      | 40,50      | 550 000      | 235 000 | 450 000                         | 215 000   | 131 805              | 4 823 772         | 6 405 577                              |
| Removing Technical Barriers                      | 42,00      | 600 000      | 35 000  | 250 000                         | 165 000   | 136 686              | 5 002 430         | 6 189 117                              |
| Single EU Train Control and Communication System | 23,10      | 350 000      | 400 000 | -                               | 190 000   | 75 178               | 2 751 337         | 3 766 514                              |
| Simplified Access for Customers                  | 16,90      | 250 000      | -       | 80 000                          | 580 000   | 55 000               | 2 012 883         | 2 977 883                              |
| Evaluation, Management and Resources             | 46,50      | 200 000      | 120 000 | -                               | 1 400 000 | 151 331              | 5 538 405         | 7 409 736                              |
| Grand Total                                      | 169,00     | 1 950 000    | 790 000 | 780 000                         | 2 550 000 | 550 000              | 20 128 826        | 26 748 826                             |
|                                                  |            |              |         |                                 |           | 6 620 000            | 20 128 826        | 26 748 826                             |

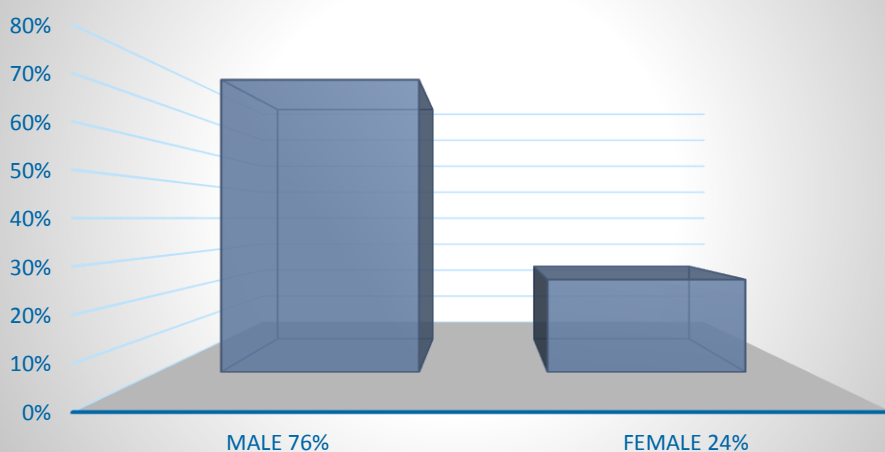
The following table shows the actual used resources in 2016:

|                                                  |            | TITLE 3      |         |                                 |           |                      | TITLE 1 & TITLE 2 |                                        |
|--------------------------------------------------|------------|--------------|---------|---------------------------------|-----------|----------------------|-------------------|----------------------------------------|
| Activity                                         | Unit Staff | DIRECT COSTS |         |                                 |           | INDIRECT COSTS       |                   | TOTAL BUDGET<br>2016 PER<br>ACTIVITIES |
|                                                  |            | CHAPTER 30   |         |                                 | ART 311   | CHAPTER 31 - ART 311 | TITLE 1 & TITLE 2 |                                        |
|                                                  | FTE        | ACTIVITIES   | STUDIES | TRANSLATIONS,<br>INTERPRETATION |           |                      |                   |                                        |
| Harmonized Safety Framework                      | 41.50      | 495,045      | 82,500  | 249,136                         |           | 126,310              | 5,076,883         | 6,029,875                              |
| Removing Technical Barriers                      | 42.00      | 447,472      | -       | 24,717                          |           | 127,832              | 5,138,051         | 5,738,072                              |
| Single EU Train Control and Communication System | 22.60      | 283,119      | 404,510 | -                               | 26,950    | 68,786               | 2,764,761         | 3,548,125                              |
| Simplified Access for Customers                  | 16.50      | 147,136      | -       | 4,093                           | 818,033   | 50,220               | 2,018,520         | 3,038,002                              |
| Evaluation, Management and Resources             | 42.40      | 260,066      | 151,830 | 6,675                           | 3,039,417 | 129,050              | 5,186,984         | 8,774,022                              |
| Grand Total                                      | 165.00     | 1,632,838    | 638,840 | 284,621                         | 3,884,401 | 502,198              | 20,185,199        | 27,128,097                             |

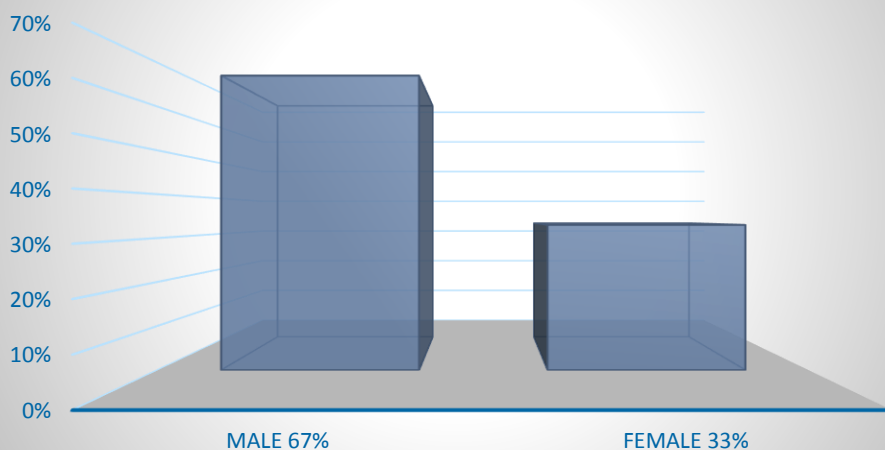
The gap between the planned FTE number (169) and the staff employed at the end of 2016 (165) resulted from the open vacancies due to natural fluctuation and vacancies which could not be filled in 2016.

**Annex VI – Staff composition in 2016**

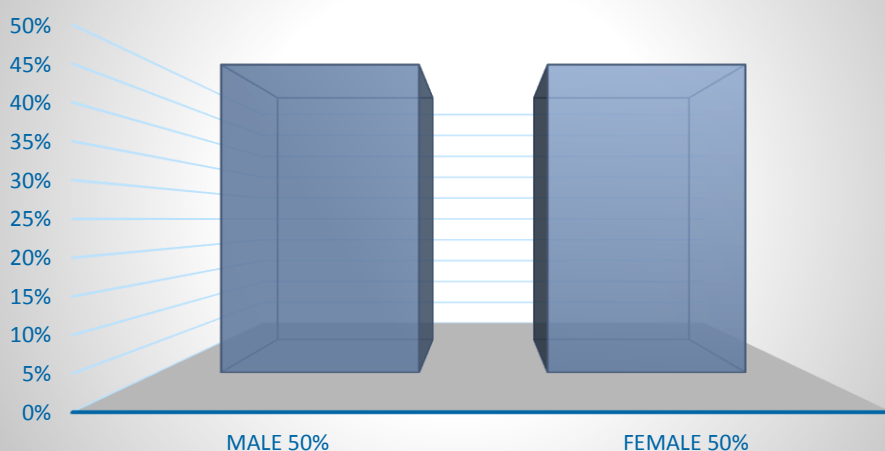
### Gender balance - TAs (AD)

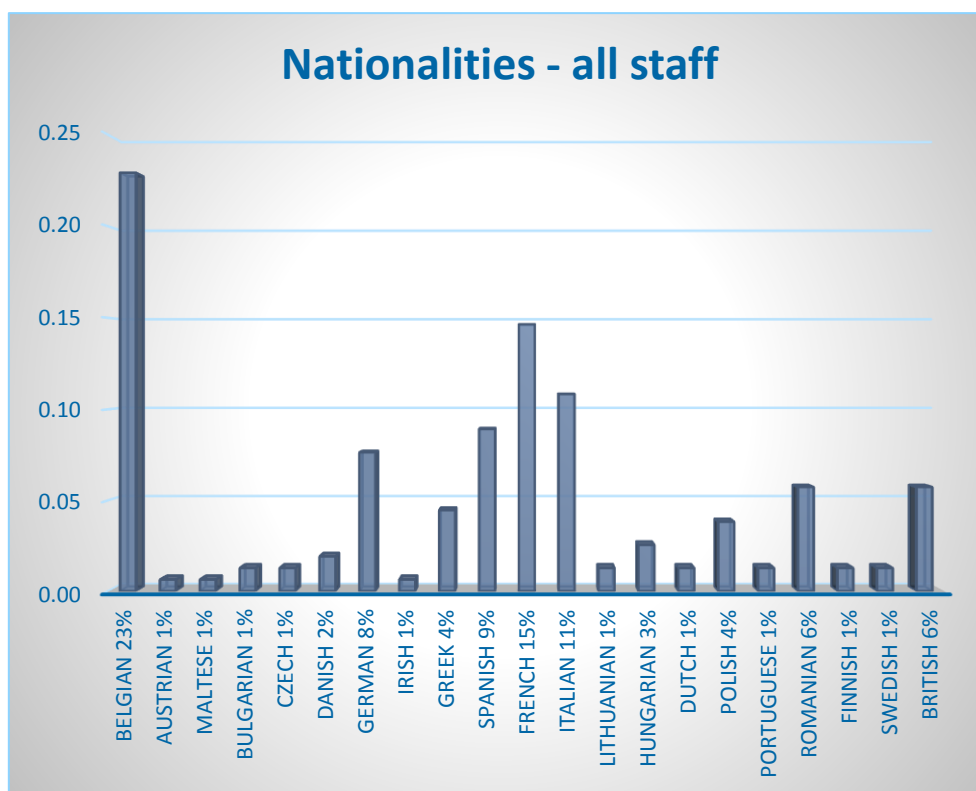
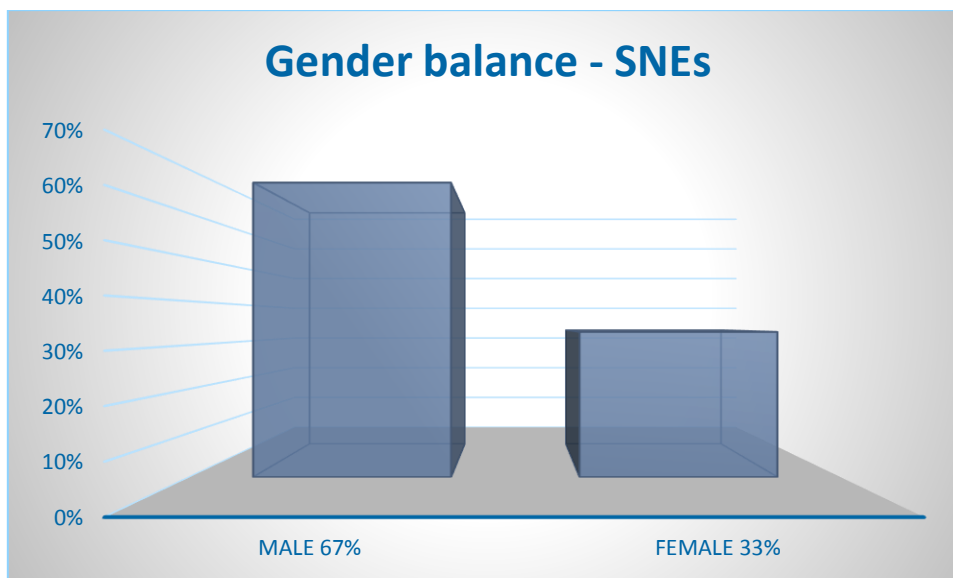


### Gender balance - TAs (AST)

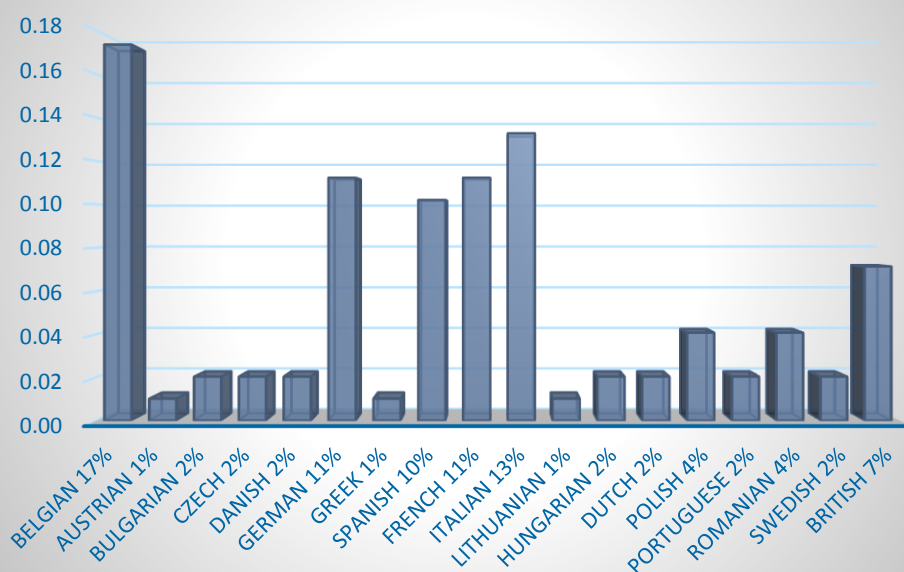


### Gender balance - CAs

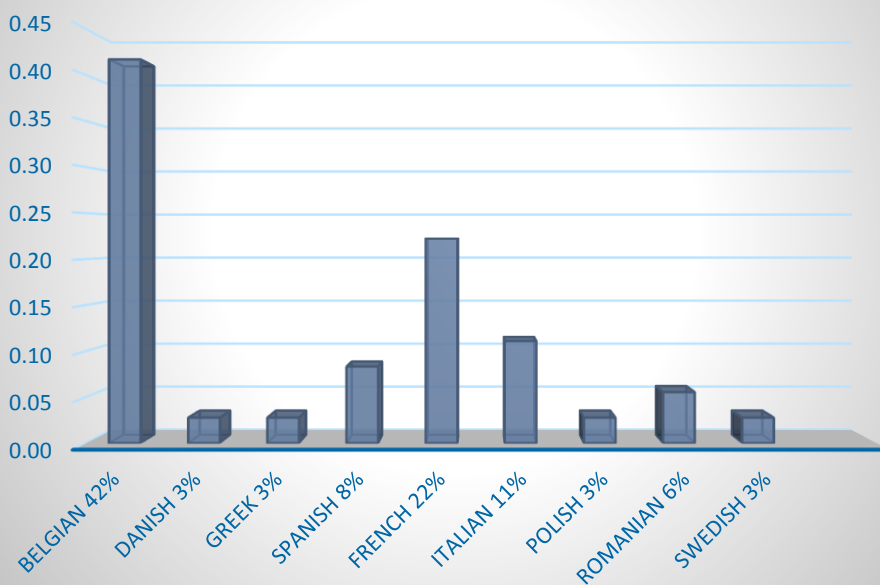


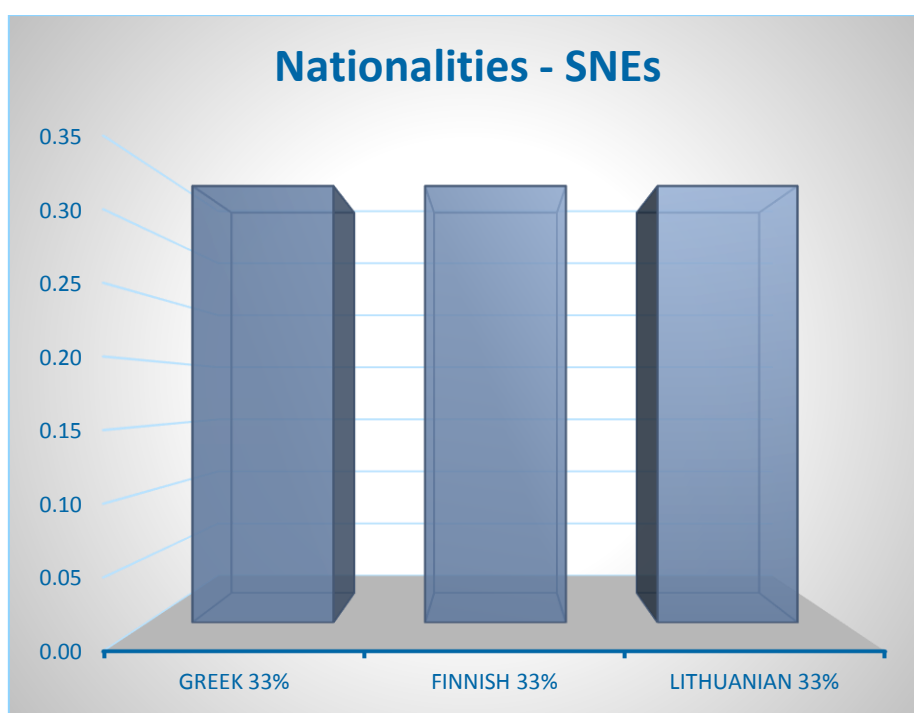
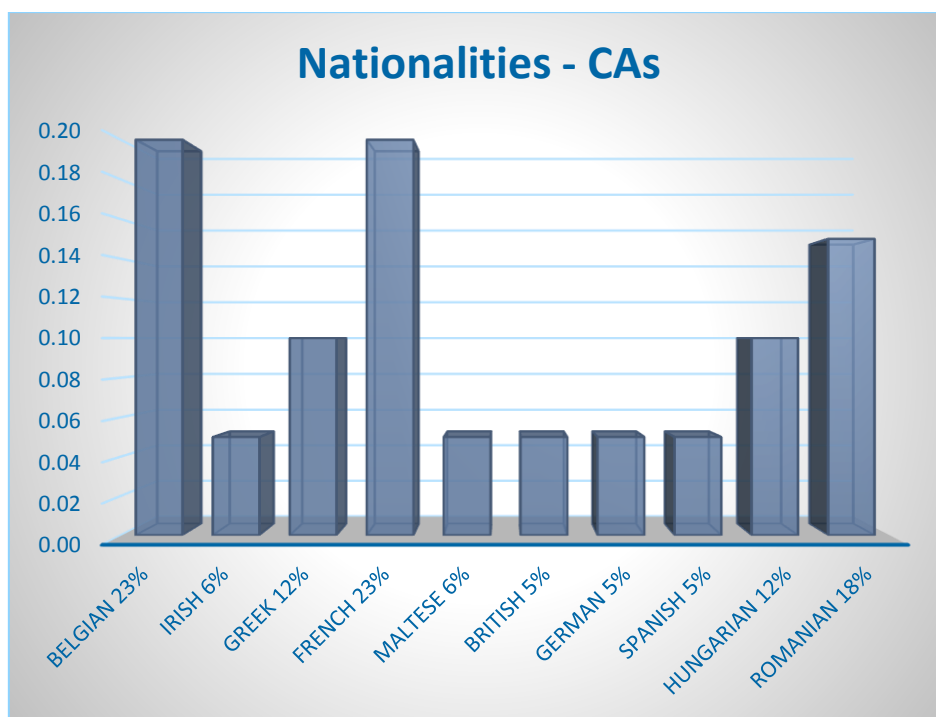


### Nationalities - TAs (ADs)



### Nationalities - TAs (ASTs)





## Annex VII – Data Protection

### *Context*

The Agency continued in 2016 the implementation of the actions identified necessary to attain the set targets for reaching personal Data Protection compliance.

The [Data Protection Officer \(DPO\)](#), the [Data Controllers](#) (DCs) and the Data Protection Coordinators (DPCs) as well as other staff were actively involved and contributed to progress made towards data protection compliance and to fully meet the objectives set specifically for the Agency by the European Data Protection Supervisor (EDPS) during its field visit back in 2011 mainly in terms of processing notified, training and privacy by design.

The aim for the Agency is to become fully compliant with data protection rules by ensuring that the personal data of the Agency staff as well as those of third parties managed by the Agency are lawfully, adequately, proportionately and properly processed in line with Regulation (EC) 45/2001.

### *The Agency DPO Inventory*

The Agency kept on updating throughout the year the inventory which comprises a list of all the personal data processing operations of the organisation.

The Agency's inventory includes both entries which correspond to notified processing operations as well as planned processing or already implemented, but not yet notified to the DPO. The inventory is compliant with the requirements recommended by the EDPS and includes the name of the processing operation, brief description of the processing operation as well as purposes whether it is an Article 25 notification or Article 27 notification and name of the controller "in practice".

The inventory gives information about the name of the processing, whether the notification is prior-checkable or not, the name of the controller, risk level and status.

### *The Agency DPO Register*

All processing operations or sets of operations intended to serve a single purpose or several related purposes must be notified by the data [controller](#) to the DPO. The information provided includes the set of data specified in Article 25 of [Regulation \(EC\) 45/2001](#).

The Register comprises sixty-two (68) notifications of which seventeen (17) correspond to prior-check processing operations.

Similar to the inventory, the Agency's DPO Register is a database which contains all notifications submitted to the DPO in line with the requirements set by [Regulation \(EC\) 45/2001](#).

The Agency continued to notify the processing operations and at the same time verified that the information regarding processing in the HR field has been kept updated in relation to ongoing changes in the processing procedures.

From the information contained in the DPO Register, it can be concluded that the big majority of the processing operations have been notified to the DPO and EDPS in line with the above-mentioned Regulation.

The DPCs focused on implementing the data protection rules for the handling of processing operations managed at their respective Units, contributed significantly to the updating of the DPO Register, functioned as focal points for providing advice to their Unit's staff on personal data protection issues and conferred regularly with staff members concerned to discuss potential data protection implications in on-going or future projects.

Efforts have been made to keep notifications up to date, in particular in the Interoperability Unit. A number of notifications have been fine tuned in order to provide greater accuracy e.g. by including the project documents and the relevant Privacy Statement, thus increasing the overall transparency.

The Agency increased its commitment on the need to require informed consent regarding the disclosure of Task Force members names in the project documents. Records are kept in the minutes of the meetings and serve as a proof of their agreement.

A more consistent approach was adopted for experts' invitation letters by reference to the procedure on the processing of data carried out for the meetings organised by the Agency and the addition of the relevant Privacy Statement.

Furthermore, several Privacy Statements has been put in place or updated regarding the "Enterprise Project Management tool", the Agency's consultations and the meetings organized by the Agency. These statements which inform the data subjects on how to exercise their rights were also published on the Agency website while it was ensured that reference is made to them in the appropriate documents in order to bring to the attention of the subjects concerned the procedure put in place for exercising their rights.

### *Staff training and awareness raising*

Training on data protection was organised in the form of targeted modules for newcomers and for staff who are more actively involved in the implementation of Regulation 45/2001.

The dedicated intranet page with full information on data protection on which all the available awareness material including training presentations given at the Agency are posted has been further updated and enriched with a Data Protection Game, available online for all staff. This module allows the Agency personnel to train and test acquired knowledge on the applicable Data Protection rules at their own rhythm, with a friendly and easily accessible tool.

The Agency marked the celebration of Data Protection Day 2016, with the organisation of a Cybersecurity Awareness Workshop for all staff members. The workshop was given by a recognised expert in the field of information security and it was very successful both in terms of participation and impact for the staff who benefited from a valuable insight on how IT security and Data protection can be successfully combined.

A dedicated Data Protection brochure with basic and concise information easily read and understood by everybody has been drafted, printed and distributed within and outside the Agency.

In addition, training courses on data protection were organised for HR and Communication staff and Data Protection Coordinators (DPCs), designed not only to offer an explanation of the key concepts embedded in Regulation 45/2001 and a systematic description of the privacy principles, but also a presentation of practical solutions worked out by other agencies or institutions in order to allow participants to tackle routine data protection issues (such as file organisation, notifications, models, etc.).

Finally, a specific training session was organised for the Agency's managers, tailor-made to their position and needs of both middle and senior management. The significance of having a knowledgeable management, aware of the impact of data protection in the entire organisation, reflects the level of commitment of the Agency and underlines their determination to continuously work towards fully achieving compliance.

### *Outputs*

This year, the Agency has notified to the EDPS one (1) true prior-check notification to the on competency management and has promptly implemented the resulting recommendations of the Supervisor's Opinion.

Four (4) Article 25 Regulation (EC) 45/2001 notifications were notified to the DPO register.

In conclusion, the Agency's performance in terms of compliance with Data Protection and privacy principles can be considered as a good building block measuring the bi-annual compliance monitoring exercise carried out by the EDPS.

In view of the entry into application of the new Data Protection legislative framework in the coming two years, the Agency will start as from early 2017 to prepare the transition to the new rules. The work achieved in 2016 will enable to engage smoothly efforts and resources and to focus on identifying areas where the new framework against the existing one will have to be assessed and further developed. The cooperation and commitment of all the actors concerned will be required to address such challenge.

## Glossary

|                  |                                                                                      |
|------------------|--------------------------------------------------------------------------------------|
| <b>AAR</b>       | Annual Activity Report                                                               |
| <b>ABAC</b>      | The web-based accounting system developed for the Directorate-General for the Budget |
| <b>ANTT</b>      | Agência Nacional de Transportes Terrestres (Brazil)                                  |
| <b>APS</b>       | Authorisation for placing in service                                                 |
| <b>AWP</b>       | Annual Work Programme                                                                |
| <b>CAF</b>       | Common Assessment Framework                                                          |
| <b>CCS</b>       | Control-Command and Signalling subsystem                                             |
| <b>CIT</b>       | International Rail Transport Committee                                               |
| <b>COTIF</b>     | Convention Relative aux Transports Internationaux Ferroviaires                       |
| <b>CR TSI</b>    | Conventional Rail, Technical Specification for Interoperability                      |
| <b>CSIs</b>      | Common Safety Indicators                                                             |
| <b>CSMs</b>      | Common Safety Methods                                                                |
| <b>CSTs</b>      | Common Safety Targets                                                                |
| <b>DMI</b>       | Driver Machine Interface                                                             |
| <b>DNV</b>       | Det Norske Veritas                                                                   |
| <b>DREAM</b>     | Database for Railway Economic Analysis Management                                    |
| <b>EC</b>        | European Commission                                                                  |
| <b>ECM</b>       | Entity in charge of maintenance                                                      |
| <b>ECVVR</b>     | European Centralised Virtual Vehicle Register                                        |
| <b>EMC</b>       | Electromagnetic compatibility                                                        |
| <b>ENE</b>       | Energy subsystem                                                                     |
| <b>ERA</b>       | European Railway Agency                                                              |
| <b>ERADIS</b>    | ERA Database on Interoperability and Safety                                          |
| <b>ERATV</b>     | European Register of Authorised Types of Vehicles                                    |
| <b>ERTMS</b>     | European Rail Traffic Management System                                              |
| <b>ESO</b>       | European Standardisation Organisation                                                |
| <b>ETCR</b>      | European Training Centre for Railways                                                |
| <b>ETCS</b>      | European Train Control System                                                        |
| <b>EU</b>        | European Union                                                                       |
| <b>Eurostat</b>  | The statistical office of the European Union                                         |
| <b>FFG</b>       | Freight Focus Group                                                                  |
| <b>GSM-R</b>     | Global System for Mobile Communications (Railway)                                    |
| <b>HR</b>        | Human Resources                                                                      |
| <b>ICS</b>       | Internal Control Standards                                                           |
| <b>IM</b>        | Infrastructure manager                                                               |
| <b>IMS</b>       | Integrated Management System                                                         |
| <b>INEA</b>      | Innovation and Networks Executive Agency                                             |
| <b>INF</b>       | Infrastructure subsystem                                                             |
| <b>IOD</b>       | Interoperability Directive                                                           |
| <b>IT</b>        | Information Technology                                                               |
| <b>JPCR</b>      | Joint Programming Committee Rail (for EN Standards)                                  |
| <b>LOC</b>       | Locomotives and traction units                                                       |
| <b>MoU</b>       | Memorandum of understanding                                                          |
| <b>MS(s)</b>     | Member State(s)                                                                      |
| <b>NIB</b>       | National Investigation Body                                                          |
| <b>NNTR</b>      | Notified National Technical Rule                                                     |
| <b>NB(s)</b>     | Notified Body(ies)                                                                   |
| <b>NB(-)Rail</b> | Coordination group of Notified Bodies (Rail)                                         |
| <b>NLF</b>       | National legislative framework                                                       |
| <b>NoBo(s)</b>   | Notified body(ies)                                                                   |
| <b>NOI</b>       | Noise (TSI)                                                                          |
| <b>NRD</b>       | National Reference Document                                                          |
| <b>NRV(s)</b>    | National Reference Value(s)                                                          |
| <b>NSA(s)</b>    | National Safety Authority(ies)                                                       |
| <b>NTR(s)</b>    | National technical rule(s)                                                           |
| <b>NVR</b>       | National Vehicle Register                                                            |
| <b>OPE</b>       | Traffic operation and management subsystem                                           |
| <b>OSJD</b>      | Organisation for Cooperation of Railways                                             |
| <b>OTIF</b>      | Organisation for International Carriage by Rail                                      |
| <b>PAS</b>       | Passenger vehicles (carriages)                                                       |

|              |                                                                                              |
|--------------|----------------------------------------------------------------------------------------------|
| <b>PRM</b>   | Persons with reduced mobility                                                                |
| <b>RAC</b>   | Risk Acceptance Criteria                                                                     |
| <b>RDD</b>   | Reference Document Database                                                                  |
| <b>RID</b>   | Règlement concernant le transport internationale ferroviaire des marchandises dangereuses    |
| <b>RISC</b>  | Railway Interoperability and Safety Committee (formerly known as the 'Article 21' committee) |
| <b>RST</b>   | Rolling stock subsystem                                                                      |
| <b>RU</b>    | Railway undertaking                                                                          |
| <b>SMS</b>   | Safety Management System                                                                     |
| <b>SRS</b>   | System Requirements Specification                                                            |
| <b>SRT</b>   | Safety in railway tunnels                                                                    |
| <b>TAF</b>   | Telematics application for freight services                                                  |
| <b>Taiax</b> | Technical Assistance and Information Exchange                                                |
| <b>TAP</b>   | Telematics application for passenger services                                                |
| <b>TEN-T</b> | Trans-European Transport Network                                                             |
| <b>TSI</b>   | Technical Specification for Interoperability                                                 |
| <b>UIC</b>   | International Union of Railways                                                              |
| <b>UTP</b>   | Uniform Technical Prescriptions                                                              |
| <b>VVR</b>   | Virtual Vehicle Register                                                                     |
| <b>WAG</b>   | Freight wagons                                                                               |
| <b>WG</b>    | Working Group                                                                                |
| <b>WP</b>    | Working Party                                                                                |