

Consolidated Annual Activity Report of the EU Agency for Railways

2018

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Management Board's analysis and assessment

The Annual Activity Report 2018 of the EU Agency for Railways is prepared in line with the provisions of the Agency Regulation (EU) No. 796/2016 and those of Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation. The report describes the performance of the Agency, together with financial and management information for the year 2018. The above-mentioned regulations 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 by the Agency's Management Board

The Board has assessed the Executive Director's report on the achievements and results for 2018. The Board acknowledges the Agency's performance and notes the following key aspects:

(1) The Agency has undertaken significant work in a year which marks its transition towards becoming the **EU authority responsible for issuing authorisations for placing railway vehicles on the market, single safety certificates for railway undertakings and ERTMS trackside approvals, as stated in the legal framework of the 4th Railway Package.**

The Board supports the ambitious and pro-active approach taken by the Agency during this transformation process and notes that throughout 2018, significant progress was made on the preparatory decisions for the implementation of the 4th Railway Package. All the legal texts and Management Board decisions were thus adopted on time and the application guide for Vehicle Authorisation and for Single Safety Certificates were published by the Agency. The Management Board was also informed of the fact that, in 2018, the Agency continued with Learning Cases, and launched the Shadow Running, allowing it to collect useful information and experience in view of its future tasks.

The Management Board continued to work on its strategic calendar as adopted in 2017. The strategic calendar includes i.a. ICT, digitalisation agenda, economic added value of the Agency, dissemination activities, readiness assurance. For each of the items a roadmap is being developed to be endorsed by the Management Board.

In 2018, the Steering Group chaired by the Chair of the Management Board and composed of Management Board members from Member States, NSA representatives, sector representatives and from the European Commission, carried out the peer review to assess and support the readiness of both the Agency and the Agency's stakeholders in the 4th Railway Package preparation.

In 2018 the Agency also launched a project on Cooperation Agreements with NSAs. Moreover, the Board notes that pilot NSA monitoring activities were successfully carried out.

(2) The Board notes that the Agency has continued to successfully deliver **its tasks in the field of EU rail interoperability and safety**, in parallel to the above-mentioned preparations.

The Agency has delivered the recommendations of TSIs revisions to the European Commission and continued the work on the reduction of national rules, complemented by issuing a progress report. It continued to deliver input for addressing the cross-border interoperability issues along the EU freight corridors and delivered to the European Commission a recommendation for revising OPE TSI.

In the field of ERTMS, the Board notes that the Agency delivered a recommendation on CCS TSI to the European Commission, while continuing to closely work with the stakeholders in the context of the ERTMS

stakeholders' platform and proposing a vision for the ERTMS game changers. The Management Board notes the Agency's active role in promoting railway safety at EU level.

The Agency has worked in 2018 to promote a positive railway safety culture in Europe by initiating the European Railway Safety Culture Declaration and organising events in the field of railway safety, as well as human and organisational factors.

(3) The Management Board acknowledges Agency's efforts **to optimise its organisational structure and practices** in line with the expected tasks.

The Management Board has taken note of the Agency's re-organisation process for increasing its effectiveness, efficiency and readiness. The Management Board welcomes the new structure of the Single Programming Document for 2019, which strengthens the strategic multi-annual planning component, the focus on outcomes and the clarity of indicators and targets for the Agency's work, based on a more transparent display of activities, objectives and resources. This is likely to increase the clarity of the future Annual Activity Reports starting 2019. The Management Board also notes with satisfaction the positive impact of an intensive consultation process on the draft SPD 2019 during the course of 2018, as well internally in the Agency as with the external stakeholders.

In 2018, the Agency organised selection panels and set up reserve lists of staff with technical competencies, which represent a useful pool for covering Agency's needs in order to implement its tasks. Progress is also noted on finalising the negotiations for the Seat Agreement with France.

The Management Board notes the continued work on complying with internal control standards, the positive results on the Internal Audit Service, the successful passing of the ISO 9001 confirmation audit and the report from the European Court of Auditors.

(4) The Management Board welcomes Agency's continued efforts in 2018 in terms of strengthening **communication**, marked by the following events (conferences on safety, multimodality, human organisational factors; the ETCR training seminar in Bruges; InnoTrans with the speakers' corner on route compatibility; EUMedRail conference); publications (the new Agency Report on Railway Interoperability and Safety in the EU), as well as the new Agency website, which was positively perceived by the Agency's stakeholders.

The Management Board acknowledges Agency's presence in the context of the EC initiatives related to Women in Transport and encourages strengthening it in the future.

Conclusions and recommendations

(1) The information provided in the Annual Activity Report 2018 gives the Management Board sufficient assurance that the resources assigned have been used for their 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 refers to its recommendation from the AAR2016 on the relevance of including key quantitative data on outcomes and customer satisfaction in the Annual Activity Report, and suggests to further work on this in future annual activity reports.

(2) The Board notes a satisfactory degree of achievement of Agency's targets for the various outputs, as well as a satisfactory degree of achievement for its set of KPIs in 2018. The Board is looking forward to the streamlined structure of the Single Programming Document 2019 and the next Annual Activity Report based on that structure and supports the Agency in its transparent prioritisation of the work programme.

(3) The Management Board recognises the important and valuable preparations put in place by the Agency in 2018 and encourages their strengthening in 2019 to ensure the readiness for a fully-fledged

implementation of the new tasks starting 2019. The Management Board will continue its close involvement in this with the help of the Steering Group. It also invites the Budget Authority to dedicate sufficient resources to the EU Agency for Railways, in line with the expected prioritisation of tasks.

(4) The Management Board will continue to monitor the satisfactory development of the operation of the financial budget, the internal control standards, the IAS reporting and the report from the ECA.

(5) The Management Board adopts the Annual Activity Report in its meeting of 4 June 2018. In the light of the above analysis and assessment, the Management Board requests to forward this Report, together with this analysis, to the European Commission, the European Parliament, the Council, the Permanent representatives of the Member States and the Court of Auditors.

Clio Liégeois

Chairwoman of the Management Board

Executive summary

The Annual Activity Report for 2018 highlights the main achievements of Agency's activities against the work programme defined for the year, taking into account the main internal and external factors which have influenced Agency's work.

The Agency's **main achievements** of 2018 can be summarised along the following lines:

- › successful transition towards the 4th Railway Package actual implementation (all legal texts and Management Board decisions adopted; Application guide for Vehicle Authorisation published; active stakeholder interaction; learning cases continued and shadow running started; EC Readiness report showed positive preparatory work by the Agency; Management Board peer review carried out; recommendations of TSIs revisions delivered; reduction of national rules progress reported; project on Cooperation Agreements with NSAs launched; pilot NSA monitoring carried out);
- › Application guide for Single Safety Certificates published (on the web site)
- › Development of the OSS (The One-Stop Shop (OSS) is the single entry point through for all application files for Single Safety Certificates, Vehicle Authorisations and ERTMS Trackside Approvals).
- › ECM: delivery of a recommendation for revising Regulation (EU) No 445/2011 on a system of certification of entities in charge of maintenance with extension to all vehicles (Sept. 2018)
- › Substantial steps towards a positive railway safety culture in Europe (European Railway Safety Culture Declaration initiated; Conference on railway safety organised in Dubrovnik; workshop held on human and organisational factors; recommendation on OPE TSI delivered to the European Commission; continued input for addressing the cross-border issues on corridors; completion of the assessment report for Spain, upon European Commission's request);
- › ERTMS (learning cases on ERTMS trackside approval conducted; recommendation on CCS TSI delivered to the European Commission; declaration of the ERTMS stakeholders; a vision for game changers proposed);
- › rail freight (report on Facilitation of Combined Transport delivered; multimodal conference in Brussels; multimodal panel at InnoTrans; recommendation on the Noise TSI revision delivered to the European Commission)

In parallel, **the organisation** underwent several steps for increasing its effectiveness, efficiency and readiness, including: the preparation and set up of a new Agency organisational structure; implementing a streamlined structure of the Agency's Single Programming Document; implementing and closing audit recommendations; organising selection panels and setting up reserve lists of staff with technical competencies; negotiating and agreeing the Seat Agreement with France; successfully passing the ISO 9001 confirmation audit.

The Agency's presence in 2018 in terms of **communication and collaboration** is marked by the following events (conferences on safety, multimodality, human organisational factors; the ETCR training seminar in Bruges; InnoTrans with the speakers' corner on route compatibility; IPA & EUMedRail conferences); publications (the Agency Report on Railway Interoperability and Safety in the EU); the new Agency website, as well as the exchange of letters on collaboration with UIC. The Agency also continued to mark its presence in the context of the EC initiatives related to Women in Transport.

The Report reveals a satisfactory degree of achievement of Agency's targets for the various outputs, as well as a satisfactory degree of achievement for its set of KPIs. It confirms a sound management of the budget, financial and human resources. The Agency is properly following the audit results and audit recommendations received, as well

In the light of the preliminary results of the assessment of the compliance and effectiveness of the internal control against the Agency 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. The Agency's Management assurance is provided with no reservations.

Introduction

The Agency contributes to the further development and effective functioning of a single European railway area without frontiers, by guaranteeing a **high level of railway safety and interoperability**, while improving the competitive position of the railway sector, as envisaged by the **Agency Regulation 2016/796**. In particular, the Agency shall contribute, on technical matters, to the implementation of Union legislation by developing a common approach to safety on the Union rail system and by enhancing the level of interoperability on the Union rail system. Further objectives of the Agency shall be to follow the reduction of national railway rules in order to support the performance of national authorities acting in the fields of railway safety and interoperability and to promote the optimisation of procedures.

With the entry into force of the **Fourth Railway Package technical pillar**, the role of the Agency is substantially extended. As of 16 June 2019, the Agency will become the EU authority responsible for issuing authorisations for placing railway vehicles on the market, single safety certificates for railway undertakings and ERTMS trackside approvals.

Our mission is ***“to make the railway system work better for society”***. To foster its mission, the Agency relies on a set of core **values** related to:

- › Stakeholder focus;
- › Ethical values commitment;
- › Legal compliance;
- › Staff involvement and development;
- › Everybody's commitment to quality;
- › Continuous improvement;
- › Business continuity;
- › Information governance;
- › A Culture of Sustainability.

The Annual Activity Report 2018 offers information regarding the achievement of targets and KPIs along a number of objectives grouped under **5 major activities**:

- › Activity 1 – Harmonised Approach to Safety
- › Activity 2 – Removing Technical Barriers
- › Activity 3 - A Single EU Train Control and Communication System
- › Activity 4 – Simplified Access for Customers
- › Activity 5 – Evaluation, Management and Resources

The Report also analyses the Agency's budget and financial management, together with its human resources management. The follow up of audit results and audit recommendations also forms part of the scope of the current report. Moreover, the report presents the Agency's risk management and assesses the compliance and effectiveness of the Agency's management standards. Last but not least, the Agency's management assurance is expressed for the activities carried in 2018.

Part 1 - Achievements of 2018

This part of the report records:

- › *the main achievements for the Agency's activities against SPD 2018*
- › *the achievement of Agency's KPIs, as defined in SPD 2018*
- › *the customer satisfaction perspective.*

All the annual achievements reported below are supporting the multi-annual objectives defined in SPD 2018.

1.1. Activity 1. A Harmonised Approach to Safety

Over recent years the legislative framework to support safety has been progressively developed and the Fourth Railway Package adapts 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 a common approach to safety culture.

Safety culture development is interdependent with safety reporting, learning and measuring and promoting safety management maturity, including strong safety leadership and proactive fulfilment of safety responsibilities. 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 obstacles 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 will 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 on the market of vehicles. In fact all of the safety initiatives are necessarily delivered through partnership and collaboration.

In addition to working closely with its stakeholders and other actors of the railway sector, the Agency committed in 2018 to continue developing and implementing the Single Safety Certificate project. The Agency has also continued to implement educational initiatives for a wider range of stakeholders, in particular middle management of railway actors.

Objective 1 - Preparing for the Single Safety Certificate

<i>Main outputs/actions</i>	<i>Indicator</i>	<i>Target 2018</i>	<i>Achievements in 2018</i>	<i>Source of information</i>
Delivery of the part of the fourth Railway package program related to the Single Safety Certificate (SSC) as presented to the Board and to the EC TF for the Fourth Railway package Cooperation arrangement framework between NSAs and the Agency for delivering Single Safety Certificate	Compliance with the 4RP programme achieved	All milestones achieved	All envisaged milestones achieved: <ul style="list-style-type: none"> › 8 guides published: 2 application guides for issuing SSC (applicants and authorities), guide on SMS requirements, guide on Agency management maturity model, guide on enforcement management model, guide on competence management framework for authorities, guide on supervision, guide on cooperation between NSAs › Agency website, FAQ 	Agency website
Agency internal procedures for SSC	Status of the procedures	Procedures approved by the Management team	SSC procedure approved by the Management team and published	Agency intranet (IMS)
Revision of Agency guidance following learning cases	2 workshops	Published revised guidance	The following targets were met: <ul style="list-style-type: none"> › 1 workshop held on 15 May 2018 following external consultations with CSM working party › 2nd workshop (originally planned on the 12 September 2018) not needed, since the guides have reached a high level of acceptance and not many issues have raised the concern of the participants. Comments on the guides from participants still accepted until May 2018. › Learning Case programme for SSC started › Agency guidance published 	Agency extranet (Learning Cases) Agency website
Development of dissemination/training materials for SSC	Dissemination/training materials ready	Modules ready to train ERA Staff and members of the pool of experts	<ul style="list-style-type: none"> › Dissemination/training materials ready › First pilot training delivered on 8-12 October 2018 in Valenciennes 	Agency extranet (4RP training)

Objective 2 – Learning for better Safety

<i>Main outputs/actions</i>	<i>Indicator</i>	<i>Target 2018</i>	<i>Achievements in 2018</i>	<i>Source of information</i>
Support the development of a system for NIB peer review	<ul style="list-style-type: none"> › Closing the issues submitted to the Agency: number of issues closed/number of issues submitted › Provide the requested training on time › IMS Procedure approved 	<ul style="list-style-type: none"> › Support the pilot program managed and undertaken by NIBs › Support the establishment and running of training for peer reviewers. › Develop and implement the IMS procedure for ensuring support in 2019. 	<ul style="list-style-type: none"> › All issues submitted were closed › Information, advice and support provided to the NIB task forces regarding the development of the NIB Peer Review Programme › NIB peer review program (handbook, criteria and peer review planning) established by the NIB Network, meeting the requirement of the Directive (EU) 2016/798, Art. 22 (7) › IMS procedure not considered needed (activity carried under the responsibility of the NIBs) 	Agency extranet (NIB Peer Review Programme)
Support for the NSA/NIB/Human Factors Networks, the ECM certification bodies, CSM RA assessment bodies, and Joint Network Secretariat	NSA/NIB/ECM/CSM RA/JNS : <ul style="list-style-type: none"> › Number of organised meetings › Closing the issues submitted to the Agency: number of issues closed/number of issues submitted › Closing the issues submitted to the NSA/NIB/ECM Certification bodies/Assessment bodies : number of issues closed/number of issues submitted 	<ul style="list-style-type: none"> › NSA network (S): Organise 3 NSA network meetings › NIB network (S): Organise 3 NIB network meetings including › ECM certification bodies cooperation (S): Organise 1 meeting. › Technical committee for ECM RFUs 1 meeting › CSM risk assessment bodies coordination (S): Organise 3 meetings › JNS (S): Organise meetings upon needs expressed by NSAs and RBs. 	<ul style="list-style-type: none"> › 3 NSA Network meetings organised (6-7 February, 29-30 May and 20-21 November, including 1 joint NSA-NIB Network meeting in February 2018 and one NSA Network -NRB meeting in November 2018) › 3 NIB Network meetings organised (7-8 February, 30-31 May and 21-22 November) › 1 cooperation meeting organised for ECM Certification Bodies (27 June); 5 enquiries discussed by the technical committee › CSM ASBOs: 3 plenary meetings of cooperation organised (6 March, 6 June and 8 November); Technical Committee (TC) created; 2 meetings of TC organised (5 June and 7 November) › 4 JNS normal procedure task force meetings organised and chaired by 	Agency extranet (NSA network; NIB network; Cooperation of ECM Certification Bodies; Cooperation of CSM Assessment Bodies)

			the Agency: 3 on broken wheels and 1 on the wagon braking system.	
	Human and organisational factors network: › Number of organised meetings › Closing the issues submitted to the Agency : number of issues closed/number of issues submitted › Closing the issues submitted to the NSA/NIB/ECM Certification bodies/Assessment bodies : no. of issues closed/no. of issues submitted	Reorganisation of the Human Factors Network, to better identify and support the delivery of ad hoc training material: first material is on automation of railway tasks	› HOF Network reorganised, replaced by a set of ad hoc task forces – task force meetings on safety culture assessment and on safety leadership organised, based on supporting material › Network meeting and a seminar held in November › Focus on automation re-iterated as a need; no additional issues submitted	Agency extranet (Human Factors)
	JNS issues raised and closed : number of issues closed/number of issues submitted	Progress and close the raised issues	› 2 issues treated in 2018: <ul style="list-style-type: none"> ○ Broken Wheels (Normal Procedure) – raised in 2017 ○ Wagon Braking Systems (Normal procedure) – raised in 2018 › 4 JNS normal procedure task forces meetings organised and chaired by the Agency (one on brake blocks and three on broken wheels). Both procedures are to be concluded in 2019.	Agency extranet (JNS)
CSM Risk assessment: support to implementation - facilitate the establishment and operation of a peer review of recognition bodies according to the art 14 of the Regulation 402/2013.	Provision and implementation of an effective peer review In 2019, the peer review program should enter into its implementing phase.	CSM risk assessment peer review: Test and training prior to implementation of the scheme, which has been developed in 2017: › Training of peer evaluators	› Peer review framework set up › A pilot could not be organised by lack of volunteers and countries having chosen the “reognition” path. › A letter has been sent to the EC to inform on the situation that it is, with the actual number of recognition bodies, not possible to organise this	Agency extranet (Peer Review of Recognition Bodies)

		<ul style="list-style-type: none"> › Running of 2 pilots peer reviews › Evaluation of the pilots and adjustment of procedures › Develop and implement the IMS procedure for ensuring support in 2019. 	peer review activity in a sustainable way.	
Sharing and learning from investigated accidents, incidents, precursors and safety alerts, in particular development of an EU Common Occurrence Reporting (COR) System alongside the maintenance of ERAIL investigations database	<ul style="list-style-type: none"> › Number of registered users in the SAIT system › Number of alerts in the safety alert system › Percentage of ERAIL investigation reports with completed or partially completed causation classification taxonomy 	<ul style="list-style-type: none"> › If mandate adopted to develop supporting CSM, working party to develop CSM for COR established › Big data study finalised and published › Further deliverables on the future of risk profiling and the role of NSAs in developing positive cultures around reporting, learning and fairness (just) › Current ERAIL system maintained and future system planned in line with requests of NIBs on information sharing and COR › Review of SAIT following users consultations 	<ul style="list-style-type: none"> › 230 active users (mainly IMs, RUs, ECMs). › 13 published safety alerts from 7 MSs. › The CSM mandate voted in RISC83 › Mandate voted only in November 2018, completely changing the scope from pure occurrence reporting towards the development of method to assess safety levels and safety performance of operators – the WP will be established in Q2-2019 › Big data study: the contract was terminated due to poor performance of the contractor. › Risk profiling and just culture paper duly delivered. › A consultation workshop for SAIT was planned and prepared, then cancelled due to reprioritisation of activities. 	Agency extranet (COR)
Safety Briefing Development	Finalised IMS procedure and operational system	Procedure agreed with the Commission and fully operational (including notification system and support structures)	Procedure for safety briefing notes agreed with the Commission. On this basis IMS documentation can be prepared.	Agency intranet (Safety Strategy and Performance area)
Annual safety performance review meeting with NSAs	IMS processes established and meetings supported by NSAs	NSA meeting in 2018 shows progress in actions from 2017	2 nd NSA annual performance workshop held in December, with positive feedback from participants	Agency extranet (NSA Annual Performance Review)

		and increased engagement from NSAs		
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Objective 3 – Monitoring Safety performance

<i>Main outputs/actions</i>	<i>Indicator</i>	<i>Target 2018</i>	<i>Achievements in 2018</i>	<i>Source of information</i>
Collection, management and analysis of safety statistics	Timely publication of report	<ul style="list-style-type: none"> › 2018 Safety Performance Report, sheets and thematic reports (2016 data) (art. 35(4) Agency Regulation) › CSI data collection campaign (ERAIL) › Annual CST assessment › Support to Eurostat, European Commission and Parliament to achieve alignments of CSI / CST legislation with Regulation (EC) No 91/2003 on Rail Transport Statistics 	<ul style="list-style-type: none"> › Safety Performance report integrated into the Agency Report on EU Safety and Interoperability published in August 2018 › Collection of CSI 2017 data completed according to specification › CST Annual Assessment Report delivered to the EC, presented to RISC and published on the Agency's Website › Regular liaison with Eurostat in accordance with the 2016 Administrative Agreement. Provision of CSI 2017 data to Eurostat. Active contribution to the new Eurostat Glossary for Transport Statistics signed off 2nd half of 2018 to be published 2019 	Agency website
Revision of Common Safety Method for Common Safety Targets- Progress Working Party to develop new Method	Project Plan for development of recommendation	<ul style="list-style-type: none"> › If necessary, mandate for revision of Common Safety Method for Common Safety Targets to be adopted. › Development of a method that is consistent with strategic approach to safety development and supports improvement. 	<ul style="list-style-type: none"> › Following a preliminary impact assessment it was decided not to revise the CSM on CST 	Agency intranet
ERADIS development- Functioning system for registration of safety certificates, licences and ECM	<ul style="list-style-type: none"> › Number of valid and accessible records in the database. 	<ul style="list-style-type: none"> › Procedure and dedicated work instructions if needed developed. 	<ul style="list-style-type: none"> › Key principles for a user support have been drafted 	N.a.

data. Assessment Bodies data and NIB & NSA annual reports	<ul style="list-style-type: none"> › IMS procedure(s) developed for the user support of the three services › Strategic review of future of safety information databases implemented according to planned milestones 	<ul style="list-style-type: none"> › Strategic review of future of safety information databases substantially complete 	<ul style="list-style-type: none"> › Drafting of Specifications of the interface with OSS on Single safety certificate (SSC) has been completed › Strategic review put on hold 	
"Monitoring of the performance and decision-making of national safety authorities" (NSA audit according to Agency Reg. Art. 33). Audit protocols and program established. Training program set up. Pool of experts established.	In 2019, the NSA monitoring should enter into its implementing phase	Test and training prior to implementation of the scheme <ul style="list-style-type: none"> › Training of auditors › Running 2 or 3 pilots audits with voluntary NSAs › Evaluation of the pilots and adjustment of IMS processes 	<ul style="list-style-type: none"> › Training of auditors (ISO standard and specific NSA monitoring training organised in 2018 and delivered beg. 2019) › 2 pilot audits performed and evaluated › IMS documents developed during the pilot phase. All documents had to be revised following the change in the audit scope (28/11/2018). Modifications performed in 2019. › Pools of auditors developed and maintained 	Agency extranet (NSA monitoring implementation)
"Report on the state of implementation and application of EU legislation on railway safety and interoperability in one Member State ." Report to be produced and delivered to the European commission under Art. 35 (5) of the Agency Regulation.	Timely publication of the report	1 report	<ul style="list-style-type: none"> › 5 reports accompanied by a general one were delivered to the EC end of June 2018 	N.a. (confidential)

Objective 4 – Improving Safety performance

<i>Main outputs/actions</i>	<i>Indicator</i>	<i>Target 2018</i>	<i>Achievements in 2018</i>	<i>Source of information</i>
Promoting a positive safety culture to ensure a high level of safety without increasing the regulatory burden on the sector	Delivery of agreed project plans	<ul style="list-style-type: none"> › High level leaders commitment to safety culture development amongst national authorities and rail actors › Launched feasibility study for evaluating the development of safety culture, according to Directive 2016-798 › First phase of programme of work with Eurocontrol (to support national prosecutors) complete and assessment carried out of benefit and impact for railways › Development of targeted communication and training material on Safety Culture and human and organisational factors 	<ul style="list-style-type: none"> › Publication of the European Railway Safety Culture Declaration, signed by European leaders as a commitment to safety › 1st European rail safety summit organised in Dubrovnik, 10-12 April to raise awareness of safety culture › Feasibility study cancelled because of budget restrictions. Instead, development and promotion of a conceptual and evaluation framework: the European railway safety culture model › European rail Human and Organisational Factors Seminar held in Valenciennes, 14-15 November, to promote safety culture model and integration of Human and organisational factors › Just Culture activities with Eurocontrol performed › Training material on safety leadership developed › Adhoc workshops on safety culture designed and implemented 	Agency extranet (Safety culture)
Targeted dissemination on Safety issues	Number of dissemination events	<ul style="list-style-type: none"> › Organisation of a regular conference on safety in the railway sector › Training of NIBs on different topics such as SMS, TSIs, legislation 	<ul style="list-style-type: none"> › First Railway Safety Summit organised in Dubrovnik in 2018 › Delivered NIB Assessment in Bulgaria › Delivered a basis course on independent accident investigation in German for the NIB Austria (the presentations and exercises). Both topics included the topic of SMS. 	Agency website Agency extranet (NIB assessment) Agency intranet (NIB training)

Support to the Commission and railway sector on railway matters in relation with third party organisations (OTIF, UNECE) and Dangerous Goods.	<ul style="list-style-type: none"> › Closing the issues submitted to the Agency : number of issues closed/number of issues submitted › Number of visits on the dedicated website › Number of developed examples 	<p>1. TDG 2018-Assistance to EC:</p> <ul style="list-style-type: none"> › Participation to meetings organised by EC or OTIF: around 10/year <p>2. TDG Roadmap 2018-2020:</p> <ul style="list-style-type: none"> › Setting up of dedicated website › Initiate the development of a risk estimation engine, aligned with the development of COR › 2 workshops organised on guide for risk assessment in TDG › Working group for developing examples of application <p>3. RID-TSI-CSM coordination:</p> <ul style="list-style-type: none"> › Run a steering group to manage requests for modification of TSIs and CSMs 	<p>1. TDG 2018-Assistance to EC:</p> <ul style="list-style-type: none"> › attendance to meetings ensured <p>2. TDG Roadmap 2018-2020:</p> <ul style="list-style-type: none"> › Dedicated page on website set up › Development of a risk estimation engine initiated with prototypes, which will make best use of the COR content once that progresses › Dissemination workshops of the RMF organized in Luxembourg (July) / Spain (October) › The EUDG, the working group in charge of the maintenance and continuous improvement of the framework, was set up and 3 meetings were held (April/July/November) › Inland TDG Risk Management Framework drafted › Impact assessment of the risk management platform delivered in time, showing a very clear potential for assisting efficiently the sector in multimodal TDG risk estimations <p>3. RID-TSI-CSM coordination:</p> <ul style="list-style-type: none"> › Support provided to EC for the preparation of the 1st JCGE working group meeting managed by OTIF and DG MOVE › Internal TDG procedure drafted, ensuring coordination between JCGE and the Agency 	Agency webpage (Risk management framework) Agency Extranet Agency Intranet (IMS)
Support for implementation of CSM Risk Assessment and CSM on monitoring. Provision of training and guidance	<ul style="list-style-type: none"> › Number of individuals/bodies trained › Provision of guidance 	<p>Development of training on Risk management :</p> <ul style="list-style-type: none"> › Develop the training materials in collaboration with 5 selected universities 	Postponed for inclusion in the work of ERA Academy, giving more time to also establish funding/budget for the work.	

		› Run the training		
Implementation of new IPA program. Delivery of programme of IPA 2 contract. Provision of a final report to EC	% of programme delivered	› New contract IPA 2 awarded › Contract IPA 2 achieved at 50 %	› New contract IPA 2 awarded › Report for 2018 activity uploaded to ERA extranet, showing that in 2018 the activities of IPA 2 contract (e.g. meetings, budgetary conditions, traineeships) covering 50 % of the 2 years contract had been provided as planned	Agency extranet (IPA 2)

Objective 5 – Managing Maintenance risks

<i>Main outputs/actions</i>	<i>Indicator</i>	<i>Target 2018</i>	<i>Achievements in 2018</i>	<i>Source of information</i>
Development of the recommendation for the revision of the ECM regulation 445/2011. Delivery of the full impact assessment	Recommendation sent to EC	Issuing recommendation including impact assessment on extension of scope to EC.	The recommendation (legal text, accompanying report and impact assessment) sent to EC in September	Agency website
Safety Critical components (Fourth railway package - article 19 of Agency Regulation 796/2016 - article 29 of Recast Safety Directive 798/2016)	Recommendation sent to EC	Issuing a recommendation on development of a scheme for identification of safety critical components and, where appropriate, marking and trace effectively the safety critical components while ensuring economic efficiency	Safety critical components included as part of the recommendation sent in September	Agency website

1.2. Activity 2. Removing Technical Barriers

In 2018 the Agency continued to facilitate Member States' "cleaning up" of their national rules, in particular operational rules (type 4 safety rules) and rules on competencies (type 6 safety rules), also in order to further develop the OPE TSI. In particular, the Agency performed specific dissemination activities in relation to the new framework of OPE TSI (Fundamental Operating Principles, clear structure for type for NRs and improved links to the operational requirements in the new SMS of RUs and IMs).

The Agency continued facilitating the implementation of the scope-extended TSIs, and closing the remaining open points where needed and possible, while at the same time updating the TSIs to ensure coherent implementation of the Fourth Railway Package provisions. The TSI updating also considered the inclusion of appropriate and coherent transition provisions in the view of the new process for VA. Furthermore, the rolling-stock related TSIs defined the cases which require a new vehicle type authorisation or a new authorisation to place a vehicle on the market.

In order to increase the trust in the work performed by NoBos, the Agency further supported the implementation of the scheme for accreditation and recognition and progressively put in place the monitoring of NoBos. At the same time, the Agency carried out a study on conformity assessment modules.

Objective 6 - Preparing for Vehicle Authorisation under the Fourth Railway Package

<i>Main outputs/actions</i>	<i>Indicator</i>	<i>Target 2018</i>	<i>Achievements in 2018</i>	<i>Source of information</i>
Revision of Agency guidance following learning cases	2 workshops	Published revised guidance	<ul style="list-style-type: none"> › 1 workshop held on 24 April 2018 following external consultations with the working party › A general agreement was achieved after the April workshop. Only bilaterals were necessary for fine-tuning some details. › Learning Case programme for VA › Agency guidance published 	Agency extranet (for workshops) Agency website (for application guide)
Development of dissemination/training materials for VA	Dissemination/training materials ready	Modules ready to train ERA Staff and members of the pool of experts	Done, 1st training delivered week 49	Agency extranet (4RP Training)
Recruitment plan for the staff required to carry out Vehicle Authorisation	Recruitment plan progress	Recruitments according to the recruitment plan and budget adopted by the Board	ERA/AD/2018/001-OPE Call for applications for posts of Administrators (AD6) in the field of Safety, Interoperability and ERTMS closed in 2018 with a reserve list of 31 successful candidates (so far, 14 candidates have been offered a contract)	Agency website
Preparing templates for EC declaration of verification	Templates available	Templates in use	Templates discussed with the NSAs and the sector organisations during the VA workshops and included in EC regulation	Regulation published by the EC
Agency internal procedures for VA	Status of the procedures	Procedures approved by the Management team	Most of the procedures and working instructions have been established by the end of 2018 and will be included in the IMS by June 2019	Agency intranet (IMS – VEA process)

Objective 7 - Removing technical barriers

<i>Main outputs/actions</i>	<i>Indicator</i>	<i>Target 2018</i>	<i>Achievements in 2018</i>	<i>Source of information</i>
Loc&Pas TSI	Delivery of (draft) recommendation/report, as applicable	Recommendation for TSI revision (4RP)	Recommendation 006REC1025 on TSIs LOC&PAS, WAG and OPE and ERATV delivered to EC on 19/07/2018	Agency webpage (Recommendations)
WAG TSI	Delivery of (draft) recommendation/report, as applicable	Recommendation for TSI revision (4RP)	Recommendation 006REC1025 on TSIs LOC&PAS, WAG and OPE and ERATV delivered to EC on 19/07/2018	Agency webpage (Recommendations)
SRT TSI	Delivery of (draft) recommendation/report, as applicable	Recommendation for TSI revision (4RP)	Recommendation 006REC1078 on TSI SRT delivered to EC on 14/11/2018	Agency webpage (Recommendations)
Noise TSI	Delivery of (draft) recommendation/report, as applicable	Recommendation for TSI revision covering existing freight wagons and alignment with 4RP	Recommendation 006REC1072-1 on TSIs ENE, INF and NOI delivered to EC on 29/11/2018 and recommendation 006REC1072 on TSI NOI delivered to EC on 28/05/2018	Agency webpage (Recommendations)
ENE TSI	Delivery of (draft) recommendation/report, as applicable	Interim report on TSI revision	Recommendation 006REC1072-1 on TSIs ENE, INF and NOI delivered to EC on 29/11/2018	Agency webpage (Recommendations)
INF TSI	Delivery of (draft) recommendation/report, as applicable	Interim report on TSI revision	Recommendation 006REC1072-1 on TSIs ENE, INF and NOI delivered to EC on 29/11/2018	Agency webpage (Recommendations)
PRM TSI	Completion of revision work	Recommendation of PRM TSI (including implementation plans and mutual criteria)	Necessary PRM requirements for basic design characteristics and route compatibility integrated in 006REC1025	Agency webpage (Recommendations)
TSI application guides	% planned revision of application guides delivered	Complete 80 % of the revision planned to be completed in the year	No revision of guides planned in 2018	N.a.
Support to INEA	Number of INEA calls supported by the Agency	<ul style="list-style-type: none"> › Agreed support in the year completed by the Agency › Audits of projects granted by INEA 	<ul style="list-style-type: none"> › Support provided with Agency staff to the evaluation of proposals to the CEF call in 2018 › Monitoring of all open ERTMS selected projects for potential funds and assessments of deliverables 	INEA and EC (restricted)

Cleaning-up of national technical and safety rules	Deliverables	<ul style="list-style-type: none"> › Report on type 5 national safety rules › Report on cleaning-up technical rules for vehicles › Report on cleaning-up technical rules for fixed installation › Survey on current state of national regulation concerning staff requirements (type 5 NSR) 	<ul style="list-style-type: none"> › NSR Type 5 - Questionnaire survey, feedback evaluation and draft conclusions (to be continued 2019) › Report on cleaning-up of technical and safety rules issued on June 2018 	Agency website
Cooperation with European Standardisation Bodies (CEN/CENELEC/ETSI)	% of needs for RfS addressed	Idem as 2017	<ul style="list-style-type: none"> › Plenary meetings of CEN TC256 and CLC TC9x and ISO TC269 attended (all issues of relevance for the Agency raised; TC members updated on the developments regarding the EU Railway Framework and the activities of the Agency) › dedicated meetings organised between ESO convenors and Agency project officers in order to ensure a framework-conform outcome of the standardisation work › Agency project officers participating in standardisation WGs, where necessary 	Agency extranet (European Standardisation)
Cooperation with ISO/IEC	Liaison, MoU or other agreement concluded	Define the type of agreement to be concluded	<ul style="list-style-type: none"> › Liaison A of the Agency with ISO TC269 › ISO TC269 plenary meeting attended by the Agency in June (London) › information provided to the Chairman advisory Group (CAG) about developments of the EU railway framework in November (Paris) 	Agency extranet (European Standardisation)

Cooperation with OTIF	Alignment EU/OTIF rules achieved	Idem as 2017	Satisfactory support to EC on OTIF issues, and participation at OTIF WG TECH and CTE meetings lead to a 5-year renewal of the Administrative Arrangement with OTIF in October 2018	Agency extranet (ERA-EC-OTIF ADM meetings)
Cooperation with OSJD	Ongoing		Satisfactory support to EC on OSJD issues, co-chairing ERA - OSJD contact group, updating of ERA – OSJD MoU for prolongation in 2019	Agency extranet (ERA-OSJD contact group meetings)
Support to the Commission to set up international agreements to facilitate rail transport at EC borders, including the European Neighbourhood Instrument (ENI) programme	% of ENI project delivered	<ul style="list-style-type: none"> › On demand for general support › For ENI 100% of planned activities for 2018 delivered 	Successful meetings with delegations of Georgia and Ukraine following the setting up by the EC of accession agreements with these countries	N.a.
The Agency taking active role in assisting RFC in removal of technical barriers, especially in implementing ERTMS with priority to 2020/2022 corridors	% of Agency contributions	<ul style="list-style-type: none"> › Agency attendance to RFC meeting on demand 	<ul style="list-style-type: none"> › Attendance of 4 meetings of a dedicated experts group set up by Austrian and Italian authorities (OeBB, RFI, BMVIT, ANSF) in view of harmonizing the operational concept and rules of the Brenner Base Tunnel, currently under construction › The Agency was invited in order to mediate in the discussions among the interested parties and support any decision making with emphasis on the European perspective of the BBT project. 	Minutes of meeting (restricted)

Objective 8 - Removing operational barriers

<i>Main outputs/actions</i>	<i>Indicator</i>	<i>Target 2018</i>	<i>Achievements in 2018</i>	<i>Source of information</i>
OPE TSI	Delivery of (final draft) recommendation	Final recommendation issued	Final recommendation 125 delivered to the EC along with the final report and Impact Assessment	Agency webpage (Recommendations)
Developing examination scheme for Driver Licence	WP/deliverable	Report issued	Task postponed in agreement with EC. Reason: TDD revision suspended for the time being	N.a.

Objective 9 - Ensuring efficient and effective conformity assessment

<i>Main outputs/actions</i>	<i>Indicator</i>	<i>Target 2018</i>	<i>Achievements in 2018</i>	<i>Source of information</i>
Accreditation/recognition scheme for NoBos and AsBos	Recommendations/reports delivered	N.a. ERA Assessment Scheme- Technical Document 000MRA1044-delivered in 2017 (transition period for migration until July 2020)	N.a.	N.a.
Monitoring the quality of works performed by NoBos	Recommendations/reports delivered	Relevant IMS procedures, working instructions and templates delivered	Relevant IMS procedures for NoBo monitoring (audits and inspections) delivered and in force	Agency intranet (IMS)
Participation in NB-Rail strategy, plenary and subgroup meetings	% of meetings attended	Participation to 3 Strategy and 3 Plenary meetings	100% of meetings attended	CIRCABC, Interest Group "NB Rail"
Preparing templates for Declarations of Verification and EC certificates	Templates available	Final templates in current use	Voted at RISC in November 2018 and published in February 2019 (Regulation 2019/250)	Agency website (EC Regulation 2019/250)
Revision of conformity assessment modules	Study finalised	Study finalised and shared with relevant TF	Study on Conformity Assessment Modules (CAMs) completed and accepted by the CAMs TF with no comments	Agency extranet

1.3. 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.

2018 saw the Agency managing the specifications in a transparent manner to protect investments and allow innovation, following the principles established in the ERTMS MoU signed in 2016. The Agency launched the second cycle of error corrections. In the frame of the long-term perspective, the game changers have been progressively defined: in 2018 the draft specifications for ATO (grade of automation²) proposed by S2R were reviewed by the Agency and made available.

The harmonised specifications alone do not deliver the full set of benefits expected from ERTMS. It is necessary to ensure their coordinated application, also by promoting best practices and proven approaches with engineering rules and operational concepts, and achieving cost effective verification and authorisation. The Stakeholders Platform has been instrumental to enable those objectives, in particular with the development of the concept for demonstrating System Compatibility: the Agency has included those principles in the Recommendation for the TSI CCS revision delivered to the Commission.

The Agency increased direct contact and sought feedback from real implementation. The Agency cooperated with DG MOVE leveraging on the cost/value-added 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 followed the analysis on the threats and opportunities of cyber-security related to safety critical software and communication systems.

Moreover, the Agency produced a report on the definition of the future communication system, ensuring a wide consultation of all relevant stakeholders.

Objective 10 - Increasing the Agency's role in the checking of ERTMS projects compliance with the specifications, on-board and trackside

<i>Main outputs/actions</i>	<i>Indicator</i>	<i>Target 2018</i>	<i>Achievements in 2018</i>	<i>Source of information</i>
Application Guide for the ERTMS trackside approval process Requirements for assessors and requirements for possible procurement	Application Guide Status of requirements for assessors and possible procurement	<ul style="list-style-type: none"> › First version of Application Guide finalized › Draft requirements for assessors and for possible procurement 	<ul style="list-style-type: none"> › First official version of application guide 1.0 issued on 4/01/2019 › Procurements documents finalised in November 2018 including all requirements for assessors 	Agency website
Agency internal procedures for ERTMS Trackside approval	Status of the procedures	Procedures approved by the Management team	Preparation of procedures on-going. Will be finalized for June 2019	N.a.
Preparing and developing procedures for advising applicants for VA on the compatibility between on-board and trackside ERTMS	According to project plan	Develop Practical Arrangements for the process of advising on the compatibility between ERTMS on-board and trackside subsystems	<ul style="list-style-type: none"> › Practical arrangements have been developed and discussed with the sector in the format of presentations which have been made available › Approach developed, presented and made available to sector 	Agency extranet (ERTMS NSA Network, Operational Harmonization and ERTMS Control Group)

Objective 11 - Ensuring interoperable and stable ERTMS

<i>Main outputs/actions</i>	<i>Indicator</i>	<i>Target 2018</i>	<i>Achievements in 2018</i>	<i>Source of information</i>
Integration of priority game changers (ATO, L3, braking curves, satellite positioning)	Program plan for game changers	<ul style="list-style-type: none"> › ATO (GoA2) specifications agreed at CCM level (test and validation pending S²R planning) › Game Changers managed according to program plan 	<ul style="list-style-type: none"> › 2 documents drafted by S2R and reviewed by the Agency › Agency document completed describing all the necessary modifications for Annex A documents (ETCS SRS, DMI, ...) for implementing ATO in the CCS TSI 	ClearQuest Database
Publication of Change Requests solutions on ETCS + GSM R as output of the CCM process	<ul style="list-style-type: none"> › Number of new CR received and closed › Compliance with CCM procedure 	<ul style="list-style-type: none"> › 100% of the new CR received and closed › Compliance with no non-conformities with the CCM procedure 	<ul style="list-style-type: none"> › 19 CR received, 9 completed/rejected/superseded in 2018 (it can take longer than 1 year to close a CR, so in the 9 CR closed there were older CRs from before 2018) › Considerable time spent for CR on ATO › There were no non-conformities against the CCM process in 2018 	ClearQuest Database
Ad hoc meeting NoBo WG	Number of meetings		4 meeting held	Agency extranet
Cyber-security – position paper on feasible/necessary measures for ERTMS and the future	Level of integration of security requirements in the consultation paper of the future communication system	100% of security requirements integrated in formal consultation paper for future communication system	Cybersecurity topic has significantly evolved over the last two years, resulting in a different perception of the situation and actors to be associated to an evolution of ERTMS to cope with cyber threats. In particular CENELEC WG 26 is drafting a guideline on Risk Assessment for cybersecurity in a railway context, and S2R TD 2.11 will investigate the applicability of mitigation measures to improve the robustness of ERTMS. It is therefore premature to issue a position paper. Instead the Agency will investigate if a project need to be established to tackle cybersecurity aspects in ERTMS, taking into account the developments	N.a.

			from CENELEC and S2R WG, where the Agency is actively monitoring the interoperability aspects.	
Stakeholder Platform fully functional	Report from Stakeholders' Platform Test and Validation WG	Published report from Stakeholders' Platform Test and Validation WG	Report ERTMS Platform Coordination subgroup and ERTMS Platform Board of 26/10/18 published	Agency website
CCS TSI	Recommendation for TSI revision	Delivery of intermediate report including the Recommendations	Recommendation 011REC1028 delivered 18/10/2018	Agency website (Recommendations)
Processing of proposals for further harmonization of ERTMS operational rules within the Operational Harmonization working group	Proposals raised by Working Group for amendments to Appendix A to OPE TSI	100% of proposals processed for next OPE TSI	Appendix A to OPE TSI finalised and included in the recommendation 125 submitted on 25/10/2018	Agency website (Recommendations)

Objective 12 - Establishing and improving communication backbone for railways

<i>Main outputs/actions</i>	<i>Indicator</i>	<i>Target 2018</i>	<i>Achievements in 2018</i>	<i>Source of information</i>
Consultation paper covering: Catalogue of feasible options Migration strategy options Identification of potential "clients" for data channel (TAF, TAP, energy meters, Dangerous Goods,)	Progress according to program plan	<ul style="list-style-type: none"> › Fully published, including smooth migration path › Formal position of rail sector concerning spectrum needs 	<ul style="list-style-type: none"> › Publication of Report on Evolution Railway Radio: System Definition, covering the identified subjects › Meeting organised with DG MOVE on the coordination between the TAF TSI, e-FTI regulation and the UNECE/OTIF WG on Telematics. 	Agency website

1.4. Activity 4. Simplified access for customers

One of the main achievements in 2018 is related to the functional and technical specifications for the OSS, which will be put in production when the Agency has to effectively deliver Vehicle Authorisations and Single Safety Certificates and check the technical solutions of ERTMS tenders.

This release of the OSS will be used at first from the 16th of February for supporting VA applicants in the preparation of their application files. Efforts were focused on ensuring enhanced performance and usability by the involved stakeholders.

In 2018 the Agency continued to perform the maintenance of the following railway IT tools, registers and databases:

- › Register of Infrastructure (RINF)
- › European Centralised Virtual Vehicle Register (ECVVR) and its successor European Vehicle Register (EVR)
- › European Register of Authorised Types of Vehicles (ERATV)
- › Vehicle Keeper Marking Register (VKMR)
- › ERA Database for Interoperability and Safety documents (ERADIS)

The Agency also worked on their continuous improvement (in particular for the revision of the Decision on the infrastructure register and the consolidation and integration of the vehicle-related registers) and supported the MSs and stakeholders in their implementation and use.

The Agency proposed the revision of the TAF TSI and the TAP TSI regulations in order to simplify the procedure for the update of its technical baseline in accordance with the TAF TSI and TAP TSI Change Control Management process as envisaged by Commission Delegated Decision Supplementing the Directive 2016/797 in view to facilitate the deployment of harmonised protocols and processes for exchanging information between railway actors will enable RUs and IMs to permanently locate freight trains and exchange documents related to the carried goods. The Agency continued to monitor the implementation of above harmonised protocols / processes and issue implementation progress report to EC. In addition, it also delivered dissemination activities vis-à-vis the RUs, IMs and other impacted actors in form of regional workshops.

Objective 13 - Preparing a One-Stop-Shop (OSS) for certification and authorisation under the Fourth Railway Package

<i>Main outputs/actions</i>	<i>Indicator</i>	<i>Target 2018</i>	<i>Achievements in 2018</i>	<i>Source of information</i>
Functional and technical specifications of OSS	Specifications submitted to and adopted by the Board	<ul style="list-style-type: none"> › OSS in production for shadow running › Adoption by MB 	<ul style="list-style-type: none"> › Development according to planning leading by end of November to the second Users Acceptance Test (UAT) campaign. › This has been followed by the version 0.5 put for UAT in January 2019 and in production on the 16th of Feb 2019 	Agency extranet

Objective 14 - Facilitating users' access to relevant data

<i>Main outputs/actions</i>	<i>Indicator</i>	<i>Target 2018</i>	<i>Achievements in 2018</i>	<i>Source of information</i>
Implementation and revision Register for Infrastructure (RINF)	<ul style="list-style-type: none"> › 75% completed in accordance with the 2014 Decision, › Monitoring reports issued 	<ul style="list-style-type: none"> › Submission of the ERA recommendation on the revised RINF Decision › Recurrent reporting on monitoring and implementation of RINF issued 	<ul style="list-style-type: none"> › ERA Recommendation sent in July 2018 › Reporting performed - 64% of the total expected amount of data 	Agency website (Recommendations)
Development of the European Vehicle Register EVR	Implementation of the new EVR specifications started	Implementing Act adopted and implementation of the EVR specifications started	<ul style="list-style-type: none"> › Technical assistance ensuring successful vote of EVR specifications in June 2018 › EVR project plan for the EVR Guidelines taskforce approved on 1-10-2018 › Kick-off meeting of the EVR Guidelines taskforce on 4-10-2018 	EC website Agency extranet (EVR)
ERATV	Revision the ERATV Decision and alignment with OSS started	Revision of the ERATV Decision and alignment with OSS started	<ul style="list-style-type: none"> › ERA recommendation sent to EC in June 2018 › Analysis for the update of the ERATV application started October 2018 	Agency website (Recommendations) QTM signed with the contractor at the end of September 2018

ERADIS development- Functioning system for registration of EC declarations of verification of subsystems, EC declarations of conformity of interoperability constituents, EC declarations of suitability of use of interoperability constituents, Authorisation for placing in service and RU Service quality performance reports	<ul style="list-style-type: none"> › Number of valid and accessible records in the database. › IMS procedure(s) developed for the user support › Strategic review of future of ERADIS database implemented according to planned milestones 	<ul style="list-style-type: none"> › Procedure and dedicated work instructions developed, if needed. › Strategic review of future of ERADIS information databases substantially completed 	<ul style="list-style-type: none"> › ERA recommendation sent to Commission in June 2018 › Analysis for the update of the ERATV application started October 2018 › Specification for NoBo module was elaborated and the new functionality was developed and put in production in 2018 › No development started 	Agency extranet
PRM inventory of assets (IoA)	Completion of specifications	IoA specifications in force	IoA specifications voted by RISC in Oct 2018 (written procedure)	Agency extranet (PRM TSI)
Single Rules Database (SRD)	<ul style="list-style-type: none"> › SRD specifications finalized › SRD IT development started 	<ul style="list-style-type: none"> › SRD specifications finalized › SRD IT development started 	<ul style="list-style-type: none"> › System Requirements developed › SRD IT development started › Earlier version(limited functionalities) of the application demonstrated to the SRD Users Group 	Agency extranet (ITPO SRD)
TAF TSI CCM process	Recommendation submitted to the EC	Issued	Recommendation 008REC1102 sent on 23.04.2018 to EC	Agency website (Recommendations)
TAF and TAP TSI implementation monitoring	100% deliverables available (2x TAF implementation reports)	Issued	2 deliverables sent to EC	Agency website (TAF implementation reports)
TAP TSI CCM process	Recommendation submitted to the EC	Issued	Recommendation 008REC1102 sent on 23.04.2018 to EC	Agency website (Recommendations)
TAP TSI revision	Delivery of intermediate report TSI	Intermediate report on the TAP TSI revision	Report drafted in 2018; publication in 2019	
Program definition for management of multimodal transport data	Programme defined	Program plan adopted	<p>Report on Facilitation of Combined Transport issued on 07.09.2018.</p> <p>Improvements multimodal transport data ongoing (e.g. managements of organisation codes).</p>	Agency Website

			Draft ICT programme available. Drafting ERA data strategy started.	
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1.5. Activity 5. Evaluation, Management and Resources

The horizontal activities supporting the Executive Director and the Agency were in 2018 the ones related to strategy and business planning and reporting, the Integrated Management System (IMS), deployment of the communications strategy, and providing legal advice.

This activity also covered areas such as human resources, procurement, finance, accounting, ICT and facilities. In addition, there were the transversal tasks of economic evaluations/impact assessments, international relations management, railway research coordination, establishing and maintaining the Portfolio of Common Positions, stakeholder management (e.g. the networks of Representative Bodies, NSAs, NIBs) and the preparation of the implementation of the Fourth Railway Package.

These horizontal actions supported in general the Agency as a whole, and more particularly, the core business in increasing the efficiency in outputs.

In the framework of the Fourth Railway Package, in addition to the projects already described in the previous activities, the Agency had to develop other projects, described in the below table, which also were needed to enable it to deliver its tasks from the Fourth Railway Package.

Objective 15 - Ensuring the coordination of the Fourth Railway Package implementation

<i>Main outputs/actions</i>	<i>Indicator</i>	<i>Target 2018</i>	<i>Achievements in 2018</i>	<i>Source of information</i>
Cooperation arrangement framework adopted by the Board Apportionment of fees and charges adopted by the Board Establishment of the pool of experts	Board or EC adoption or approval	Appointment decision by MB	<ul style="list-style-type: none"> › Management Board decision on the guidelines and main elements for the CA › Agreement between the Agency and the NSA subgroup on draft clauses for the CA and on the draft clauses for the agreement related to the PoE › Implementing act on F&C published. › The pilot training sessions were provided for SSC and VA 	Agency website (MB decision) Agency extranet (draft clauses for CA and PoE) EC website (for IA on F&C)
Appointment of the members for the BoA and appointment decision	Board or EC adoption or approval	Appointment decision by MB	<ul style="list-style-type: none"> › Implementing act on BoA published › Appointment of the BoA members in March 2019 	EC website (IA on BoA)

Objective 16 - Ensuring a prioritised portfolio of the Agency activities

<i>Main outputs/actions</i>	<i>Indicator</i>	<i>Target 2018</i>	<i>Achievements in 2018</i>	<i>Source of information</i>
Early impact assessments for ERA strategies in view of setting up the SPD	% of ERA finalized strategies complemented with an early impact assessment	75%	Fast Track B/C delivered covering the early impact assessment for the SPD objectives	Agency intranet Agency extranet (Economic Steering Group)
Impact assessments for recommendations and opinions/advice	% of issued recommendations and opinions accompanied by an impact assessment	100%	100% issued recommendations and opinions in 2018 were accompanied by an impact assessment	Agency intranet Agency extranet (TSIs, EVR, RINF, COR, NOI TSI, OPE TSI and ECM scope extension)
Ex post evaluations for selected topics	No. of ex post evaluations performed	According to the needs identified	N.a. for 2018	N.a.
New edition of the railway system report issued, including the railway indicators	% of Railway Indicators measured in the Railway System Report	80%	100% of indicators measured First edition of an integrated report on Railway Safety and Interoperability in the EU, timely issued and launched at InnoTrans 2018	Agency website (Reports)
Economic Steering Group (ESG)	% of SPD Objectives for which further evidence on benefits and costs was collected through the ESG taskforces	5%	Pilot ESG Task Force on Safety Culture – report delivered in June 2018 2 nd ESG Task Force launched Nov 2018 on Registers and Databases	Agency extranet (ESG)
Railway System Data Inventory (RSDI)	% of RSDI implementation	100%	Internal database set up and filled with economic and descriptive data used in Agency's economic evaluation work, incl. from external study	Agency intranet
Planning, monitoring and reporting	Timely delivery of the SPD, quarterly reports and AAR	100%	<ul style="list-style-type: none"> › SPD 2019 prepared according to a new format and approach, adopted by MB (Nov 2018) › Quarterly reports collected internally › AAR 2017 adopted by MB (June 2018) 	Agency website (SPD and AAR)

Objective 17 - Ensuring efficient and effective communication

<i>Main outputs/actions</i>	<i>Indicator</i>	<i>Target 2018</i>	<i>Achievements in 2018</i>	<i>Source of information</i>
Further implementation of the communication strategy	% deployment according to the 2018 plan	95%	Dubrovnik safety culture conference, launch of new website, establishment of ERA Academy. One newsletter not delivered and crisis communication process to be finalised in 2019.	Website, report to Board
Communication/dissemination plan 2018	% delivered to MB in January 2019	100%	Most of the activities delivered, report sent to the MB in November.	Agency extranet (Management Board)
Data Visualisation Tool (DVT)	% of DVT implementation	100%	Preliminary identification of requirements. Inclusion of tool development in SPD 2020	Agency intranet

Objective 18 - Ensuring the implementation of the Agency's Integrated Management System (IMS)

<i>Main outputs/actions</i>	<i>Indicator</i>	<i>Target 2018</i>	<i>Achievements in 2018</i>	<i>Source of information</i>
Documenting and implementing processes and procedures, and continuously reviewing related improvements Maintaining the ISO 9001 Certification	% in line with the relevant roadmaps including 3rd party audit implementation plan	100%	100%	Agency intranet (IMS – 1 st ISO 9001 surveillance audit report by Bureau Veritas)

Objective 19 - Ensuring legality of Agency's activities

<i>Main outputs/actions</i>	<i>Indicator</i>	<i>Target 2018</i>	<i>Achievements in 2018</i>	<i>Source of information</i>
Legal advice and opinions	% legal advice and opinions delivered in time according to the process or procedure	100%	100% legal advices requested from the legal advisors were delivered on time according to the relevant process or procedure.	Agency intranet/extranet

Objective 20 - Ensuring that railway related research and International Standards are aligned with SERA and ERA objectives

<i>Main outputs/actions</i>	<i>Indicator</i>	<i>Target 2018</i>	<i>Achievements in 2018</i>	<i>Source of information</i>
Assisting the S ² R JU & other entities involved in research projects affecting the rail sector according to the Agency Research & Innovation Strategy	<ul style="list-style-type: none"> › Agency's interest in research projects identified › Identification of Research & Innovation initiatives with high potential of market uptake 	<ul style="list-style-type: none"> › 100% of S²R projects classified › Follow up of research projects of high interest for the Agency › Implement the Agency Research & Innovation strategy 	<ul style="list-style-type: none"> › 34 ongoing S2R projects and 6 future S2R projects of interest for the Agency identified and classified › 100% of research of high interest for the Agency followed › Implementation of R&I strategy: Procedure for the evaluation of the market uptake of research projects established 	Agency intranet (Research)
Contribute to the definition and implementation of the S ² R Master Plan, in particular by performing the following advisory tasks: (a) proposing possible amendments to the S ² R Master Plan and to the annual work plans, in particular to ensure that research needs relating to the realisation of the Single European Railway Area are covered; (b) proposing, after consultation with the stakeholders, guidelines for research and development activities leading to technical standards with a view to guaranteeing the interoperability and safety of results; (c) reviewing the common developments for the future system and contributing	<ul style="list-style-type: none"> › % research projects which are in full compliance with the EU regulatory provisions › % of TSIs open points closed with support from the S²R projects › % of research outcomes incorporated in EU regulatory texts › Guidelines produced 	<ul style="list-style-type: none"> › Push for a single, clear and long term "Big picture" of railway research & innovation needs. › Contribute to the simplification of the S²R Master plan › Strengthen and monitor the interface between regulatory provisions, standards and Research and Innovation within the framework of the S²R programme › 100% published guidelines 	<ul style="list-style-type: none"> › "Compelling vision" established as target for 2018 › Estimated progress of TSIs open points closed with support from the S²R projects: 50% › Contribution to the simplification of the S²R Master plan provided to S²R › Research outcomes are not yet fully available and may be incorporated in EU regulatory texts in the coming years › Contribution to the guidelines (S²R Handbook) provided as planned 	Agency intranet (Research)

to defining target systems in regulatory requirements; (d) reviewing project activities and results with a view to ascertaining their relevance to the S ² R objectives and to guaranteeing the interoperability and safety of research results.				
Providing specific expertise for the evaluation of the submissions to S ² R	% of requests answered by the Agency for specific expertise in the evaluation of the submissions to S ² R		100% (Participation of the Agency experts in the yearly exercise of evaluation of S2R calls)	Agency intranet (Research)
Working with the Commission, EU stakeholders and standardisation bodies within and outside the EU to ensure optimal development of standards and their alignment with mandatory rules and regulations		To be agreed in discussion with EC and RASCOP	<ul style="list-style-type: none"> › Limited support to EC at RASCOP meetings › Participation at RASCOP Driver Machine Interface taskforce pathing the way for the alignment of EN standards, UIC leaflets with the ERA documents 	N.a.

Objective 21 – Support to the development and dissemination of the EU acquis

<i>Main outputs/actions</i>	<i>Indicator</i>	<i>Target 2018</i>	<i>Achievements in 2018</i>	<i>Source of information</i>
Assistance to the Commission in the promotion of European regulations and standards for railways according to the International Relations Strategy	% support requested by the Commission provided	To be defined in the programme of actions	100% of the requests by the Commission responded/supported.	Agency extranet (European Standardisation)
Supporting EC in its promotion of European regulations and standards for railways, for interoperability and safety of railway transport in the Mediterranean Region	% Contractual requirements met	EUMEDRAIL objectives met	80 % of contractual requirements could be achieved by end of 2018 as the project suffered in 2017 from late recruitment of project team members (recruited in Sept/Nov 2017) Following the EUMedRail Kick-Off in October 2017 the project realised a series of seminars, conferences and meetings to inform about European regulations, approaches, experiences. High level representatives, land transport coordinators and experts from EUMedRail beneficiaries expressed their satisfaction	Agency extranet (EUMedRail)
First steps for the development of a railway system strategy with the EC, including Management and maintenance of Common Positions	% of Positions completed	100%	No common position identified as necessary by end 2018. DG MOVE is in the lead for the definition of the strategy, and has presented the initial concept to the RISC in Jan 2019. Work will progress in 2019	RISC committee minutes

Objective 22 – Ensuring sound management of the Agency’s human and financial resources, ICT services and facilities

<i>Main outputs/actions</i>	<i>Indicator</i>	<i>Target 2018</i>	<i>Achievements in 2018</i>	<i>Source of information</i>
Number of selection procedures planned and carried out in a year	% implementation of the establishment plan	96%	Partially - 89 % ERA engaged 11 new staff members in 2018 while 9 staff resigned. At the end of the year, ERA has offered 7 contracts to staff who will join the Agency early 2019.	Establishment plan
	X months as an average length of a selection procedure	3 months	2 months	
Average number of training days per staff member (formal training and language courses)	Min. average number of training days per staff member	8	ERA, following EC policy, abandoned fixed training days per staff. No information on the average number of training days is available.	N.a.
Annual budget executed as planned	% of the annual appropriations committed	95%	100%	Budget Execution
	% carry-over of payment appropriations	<10% for T1; <20% for T2; <30% for T3	1% for T1 18% for T2 35 % for T3	
	% of execution of C8 payment appropriations	95%	97%	
Secured ICT environment	Number of security incidents causing loss of data, business disruption or public embarrassment	0 incidents	Achieved	N.a.

1.6. Achievement of KPIs in 2018

	<i>Key Performance Indicators set up in SPD 2018</i>	<i>Level of achievement</i>
1	90% achievement of all outputs using financial and human resource planning 2018	79.75%
2	95% timely delivery of issuing reports, advice and opinions	92% Technical opinions: 3 out of 4 delivered on time Advice: 2 out of 2 Recommendations: all TSI revision RECs within the agreed deadlines (6 out of 6)
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	100% Different mock up versions have been developed and proposed to the OSS user group for taking into account their inputs via users acceptance tests (UAT) - UAT on version 0.1 in June; UAT on version 0.3 in November In addition, intermediate versions have been subjected to factory acceptance tests (made by the development teams) and by site acceptance tests (quality tests made by the business teams).
4	95% implementation of the establishment plan	89%
5	100% delivery of the priority countries programme to key milestones 2018 and to programme 2019 to contribute to the improved safety performance of those countries	The programme of priority countries was discontinued in 2018.
6	Proposal and impact assessment published for the Common Occurrence Reporting system	100% The system proposal and impact assessment that were discussed during the workshop in Jan 2018 were published on our webpage in the COR area
7	Assistance to MS and progress monitoring on the “cleaning-up” of national technical and safety rules	100% Progress reports delivered periodically and final one presented at RISC 82 (June 2018) with request for comments by MS. Report endorsed at RISC 83 (Nov 2018) with no discussion because no comment received
8	Effective operation of the ERTMS Stakeholder Platform through the successful organization of an annual board meeting	100% Platform Board meeting organised 26/10/2018; minutes distributed via SRM
9	Future communication system for rail operation – timely release of the documentation for consultation	100% Report with stakeholders comments send by email from the Executive Director to the EC on 17/11/2019
10	More than 75% of the ERA finalized strategies complemented with an early impact assessment	Achieved. Fast Track B/C delivered covering the early impact assessment for the SPD 2018 objectives
11	Impact assessments accompanying 100% of the issued recommendations and opinions	Achieved (100%)
12	More than 80% of Railway Indicators measured in the Railway System Report	Achieved (100% measured)
13	Documenting processes and procedures, and internal audit reports 100% in line with the roadmaps, programmes and timetables	Partially achieved: adoption of some IMS documents for new processes postponed for 2019
14	Carry-over of <10% of payment appropriations for Title 1, <20% for Title 2, and <30% for Title 3	Carry-over T1: 1% Carry-over T2: 18% Carry-over T3: 35%

15	95% of ICT services disruption recovered within the recovery targets defined in the Business Continuity Plan	100%
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Part 2 – Management

2.1 Management Board

As a continuation from previous years, the Management Board (MB) 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.

Highlights in 2018 include:

- Agreement on the fees and charges payable by applicants to the Agency relating to the work performed for the NSAs to assess conformity with national rules
- Agreement on reimbursement of external experts supporting the Agency in its tasks
- Peer review on the Fourth Railway Package readiness assurance
- Strategic perspective towards the implementation of the Fourth Railway Package

The Management Board has as of yet not agreed to a linguistic regime for the Agency.

The Management Board met 3 times in 2018.

The Management Board was assisted by the Executive Board (EB), in particular by preparing the decisions to be adopted by it and by ensuring an adequate follow up to the findings and recommendations after investigations and internal/external audits. The Executive Board also supported and advised the Executive Director on the implementation of the Management Board decisions, with a view to reinforcing supervision of administrative and budgetary management.

In 2018, the Executive Board 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. The Executive Board also followed closely the key performance indicators which have been included in the Programming Document 2018, 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 ensured adequate follow-up to the findings and recommendations stemming from the various internal or external audit reports and evaluations, including by means of appropriate actions taken by the Executive Director.

The Executive Board met 5 times in 2018.

The Agency's Management has, beside the Management Board meetings and Executive Board meetings, regular meetings with the Chair, the Vice-Chair of the Management Board, and the Vice-Chair of the Executive Board. As in previous years, an MB workshop was organised in November 2018 in order to start the preparation of the Single Programming Document 2019.

A summary of the Management Board decisions in 2018 is provided below:

- › 45th meeting – 25 January 2018
 - DECISION n°165 of the Management Board of the European Union Agency for Railways establishing a procedure for cooperation by the Agency and its staff with Member States judicial authorities in the context of judicial proceedings
 - DECISION n°166 of the Management Board of the European Union Agency for Railways amending the Single Programming Document 2018
 - DECISION n°167 of the Management Board of the European Union Agency for Railways adopting the Communication Plan 2018
 - DECISION n°168 of the Management Board of the European Union Agency for Railways on the Statement of estimates 2019 and the draft Single Programming Document 2019

- DECISION n°169 of the Management Board of the European Union Agency for Railways adopting the Framework for Good Administrative Behaviour of the European Union Agency for Railways
- › 46th meeting – 26 June 2018
 - DECISION n°174 of the Management Board of the European Union Agency for Railways adopting guidelines and the list of the main elements to be included in the cooperation agreements to be concluded between the Agency and the national safety authorities
 - DECISION n°175 of the Management Board of the European Union Agency for Railways adopting an Opinion on the Annual Accounts
 - DECISION n°176 of the Management Board of the European Union Agency for Railways amending the ERA Communication Plan for 2018
 - DECISION n°177 of the Management Board of the European Union Agency for Railways adopting the Consolidated Annual Activity Report 2017
 - DECISION n°178 of the Management Board of the European Union Agency for Railways amending the technical and functional specifications for the establishment of the One-Stop Shop (OSS)
 - DECISION n°179 of the Management Board of the European Union Agency for Railways amending the Single Programming Document 2018
- › 47th meeting – 28 November 2018
 - DECISION n°184 of the Management Board of the European Union Agency for Railways on establishing the criteria for nominating Board of Appeal members and appointing representatives for assessing the list of qualified candidates
 - DECISION n°185 of the Management Board of the European Union Agency for Railways adopting rules on reimbursement of travel accommodation expenses and subsistence allowance for members of the Board of Appeals and other persons and on fees for experts
 - DECISION n°186 of the Management Board of the European Union Agency for Railways adopting the Single Programming Document 2019
 - DECISION n°187 of the MB of the Agency for amending AB Decision n° 22/2008 adopting Rules on the reimbursement of expenses incurred by people from outside the ERA invited to attend meetings in an expert capacity
 - DECISION n°188 of the MB of the Agency amending Decision n°161 of the MB of the Agency on the adoption of the policy on monitoring the performance and decision-making of National Safety Authorities (NSAs) adopted on 29 November 2017
 - DECISION n°189 of the MB of the Agency on the practical modalities relating to recovery of costs incurred by the Agency for its assistance to Member States, candidate countries and stakeholders on training and other appropriate activities
 - DECISION n° 190 of the Management Board of the European Union Agency for Railways adopting the budget and establishment plan 2019

In addition, the Management Board adopted by written procedure:

- › DECISION n°170 of the Management Board of the European Union Agency for Railways laying down implementing rules on temporary occupation of management posts
- › DECISION n°171 of the Management Board of the European Union Agency for Railways on the opt-out from Commission Decision C(2017) 6760 on the general provisions for implementing Article 79 § 2 of CEOS
- › DECISION n°173 of the Management Board of the European Union Agency for Railways laying down rules on the secondment to the Agency of seconded national experts and national experts in professional training
- › DECISION n°180 of the Management Board of the European Union Agency for Railways approving a Headquarters Agreement between the Agency and the Host State
- › DECISION n°181 of the Management Board of the European Union Agency for Railways concerning the function of Adviser
- › DECISION n°182 of the Management Board of the European Union Agency for Railways on the adoption by analogy of Commission Decision (C2018-4048) of 29.6.2018 on outside activities and assignments and on occupational activities after leaving the Service
- › DECISION n°183 of the Management Board of the European Union Agency for Railways on the guidelines on whistleblowing

2.2 Major Developments

The major developments in Agency's work during 2018 were those driven by the 4th Railway Package Technical Pillar. The Agency has put significant efforts for getting ready to take up, in June 2019, its role of EU authority responsible for issuing authorisations for placing railway vehicles on the market, single safety certificates for railway undertakings and ERTMS trackside approvals.

This entailed, among others, ensuring progress on the preparatory decisions for the implementation of the 4th Railway Package. All the legal texts and Management Board decisions were thus adopted on time and the application guides for Vehicle Authorisation and Single Safety Certificates elaborated with the support of the agency stakeholders in workshops were published by the Agency on its website. According to its development planning, different releases of the One-Stop Shop were issued for acceptance test campaigns involving the OSS development team, the VA, SSC and TA Agency team and the users (via the users acceptance tests). In 2018, the Steering Group chaired by the Chair of the Management Board and composed of Management Board members from Member States, NSA representatives, sector representatives and from the European Commission, carried out the peer review to assess and support the readiness of both the Agency and the Agency's stakeholders in the 4th Railway Package preparation. In 2018 the Agency also launched a project on Cooperation Agreements with NSAs. Moreover, the Board notes that pilot NSA monitoring activities were successfully carried out.

Moreover, the Agency's recommendations for the TSIs revisions linked to the 4th Railway Package were issued and the work on the cleaning up of the national technical and safety rules was continued.

Internally, the Agency has put significant effort to define and implement an organisational structure which is more effective, efficient and better fitted for the new role. The re-organisation process started in 2018 leads to an organigram which follows the Plan-Do-Check-Act cycle and gives the Agency the possibility to drive its work against a clear planning framework, with a strong implementation and monitoring component (see organisational chart in Annex III). The process will continue in 2019 and aims at strengthening the organisational culture of the Agency to best fit its new role, size and importance.

2.3 Budgetary and financial management

2.3.1 Revenues

The Budgetary Authority (the European Parliament and the Council) approved the initial 2018 Agency budget of € 28 793 243, including the Commission's subsidy for € 27 757 184, assigned revenue for € 378 214 and the EFTA contribution for € 657 845.

In addition the Agency received in 2018 "C4 fund source assigned revenues" for an amount of € 57 169 coming from different sources:

- BL 1100: € 53 450 paid for by ESMA in the frame of the Service Level Agreement with ESMA;
- BL 1100: € 1 579 paid for recuperation of private part of telephone expenses from Agency staff;
- BL 1300: €2 140 paid reimbursement of missions.

The Agency had "2018 C5 fund source assigned revenues" coming from the carry-over of the 2017 C4 fund source assigned revenues in 2017:

- BL 1178: € 6 196 reimbursed by Commission services as a regularization of previous advance paid;
- BL 2020: € 1 034 Reimbursed by Société civile immobilière Grand Hainault for "Water Gaz electricity charges" and Ateliers numériques as a result of the settlement of the rental agreement;
- BL 2100: € 8 753 paid for by Bechtle AG for liquidated damages for late delivery.

The Agency received from DG NEAR:

- › € 910 000 for EUMEDRAIL program at the beginning of 2017 covering the period 201-2018
- › € 200 000 for IPA program at the end of 2017 covering the period 2017-2018

These appropriations were inscribed as R0-fund source given the multiannual nature of the actions. These amounts were not included in the Agency budget (mentioned as "p.m." in the respective budget lines).

2.3.2 Expenditure

In 2018, the budget execution target for commitments was achieved (target 95%, reached 100%). An amount of €5 619 out of the total subsidy of € 28 793 243 was not committed.

For payments (89% execution rate) the target of 90% was not achieved. The main reason is that some commitments were made at the very end of the year for services rendered and paid in the following year. The 11 % of payment appropriations that are carried over to 2019 mainly concern operational expenditure (Title 3).

As for the appropriations carried over from 2017 (C8 credits), 96,9% have been executed.

With regard to the original procurement plan, approved by the Management Board as part of the Single Programming Document 2018 and which serves as the Agency's financing decision, it had to be modified throughout the year in order to meet the operational requirements and budgetary constraints. In fact, it turned out that many procedures had to be cancelled or postponed because of budgetary restrictions.

Cancelled procedures:

- › Feasibility study for evaluating railway safety culture at the member state level (350k)
- › Technical and operational assessment on the radio spectrum related subjects (80k)
- › Development of the IT tools for the 'Inventory of Assets' system (92k)
- › Provision of legal assistance to the Agency in a case of a Spanish request (30k)
- › Technical assistance in the field of Integrated Management System (600k)
- › Internal and organizational change consultant (200k)
- › Baseline study internal communications and organizational change (15k)
- › Event organization support including moderation services (1 million): no information received from the requesting service.
- › Exploratory multi-modal analyses (400k)

Postponed procedures:

- › ETCS Driver's Handbook (200k)

- › External Service Provision for ERA Information System Development (ESP-EISD6) (15 million): “On-site services” was done with ESMA and EBA. “Off-site services” are covered until mid-July 2019.
- › Interpretation Services (600k)

Here is the summary of the procedures actually done in 2018:

- › 6 Open procedures
- › 9 Negotiated procedures
- › 2 Reopening of competition

2.3.3 Financial KPIs

› *Commitments using the appropriations for 2018 budget year (C1 Commitments):*

The minimum level of commitments set by the EC in its yearly budget circular is 95 % of the total appropriations.

For 2018, the Agency recorded the following values for this indicator: for Title 1, the rate is 100 %; for Title 2 is 99.9 % and for Title 3 is 99.9 % (see Annex II – Table 2.1). With almost 100%, the C1 Commitments target per title has been achieved.

› *Payments using the appropriations for 2018 budget year (C1 Payments):*

In line with the recommendation of the Court of Auditors, the minimum level of payment execution is 90% for Title 1, 80% for Title 2 and 70 % for Title 3 compared to the total appropriations.

In 2018, the Agency recorded the following values for this indicator: for Title 1, the rate is 99 %; for Title 2 is 82 % and for Title 3 is 65 % (see Annex II – Table 2.1). The average is 89 % for payments, only the target for Title 3 was not achieved.

› *Payments using the appropriations for 2017 budget year carried-over to 2018 (C8 payments) :*

The minimum level of payments set by the EC in its yearly budget circular is 95 % of the total appropriations carried over.

The global payment rate for the Agency in 2018 was 96,9 % (see Annex II – Table 2.2).

2.3.4 Budget transfers

During the budget year 2018, 30 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 Agency Financial Regulation (appropriations transferred from one chapter to another and from one article to another).

2.4 Human resources management

The major HR administrative developments in terms of accommodating Units and Teams were triggered by the re-organisation. This in se did not bring about changes to the establishment plan, nor in existing HR policies.

The outcome of the last Staff Engagement Survey report obliged HR to re-focus part of its energy and resources to serve the staff members better in terms of help in finding proper accommodation, appropriate schooling & day care, medical services. Productive negotiations with the relevant local authorities were initiated and are still ongoing.

HR ventured towards issuing multi-field calls for applications which led to the establishment of a valuable reserve list from which a number of successful candidates were engaged.

HR digitalisation was given a boost with the implementation of e-HR tools.

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 fifth job screening exercise in 2018 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

The ERA Job Screening Exercise (JSE) 2018 was executed in consultation with the Heads of Units and resulted in the following conclusions:

- › For the job type “administrative support and coordination” a very slight increase of staff, where the figure for pure administrative support was reduced versus an increase for coordination tasks.
- › For the job type “operational” the decreases were mainly reflected in the areas of “top level operational coordination” and “evaluation & impact assessment”; an almost status-quo in the area of “programme management & implementation” and an increase in the area of “general operational”.
- › For the job type “neutral” the figures in the area in finance/control reflected an almost status-quo.

The above three outcomes result in an increase of 3 FTEs compared to 2017.

On 31 December 2018, the Agency employed 132 temporary agents (TA), 31 contract agents (CA) and 2 seconded national experts (SNE). A breakdown of resources is provided in the annexes.

HR executed the necessary ED Decisions and managed all administrative spin-off projects (such as aligning the relevant databases & e-tools) for the first and second phase of the Agency’s re-organisation between July 2018 and December 2018 following the instructions received from the re-organisation program manager in consultation with the management team.

The following implementing provisions were adopted by the Agency’s Management Board in line with the Art. 110 procedure:

- › Decision n°183 of the Management Board of the European Union Agency for Railways on the Guidelines on Whistleblowing
- › Decision n°182 of the Management Board of the European Union Agency for Railways on the adoption by analogy of Commission Decision (C2018-4048) of 29.06.2018 on outside activities and assignments and on occupational activities after leaving the Service
- › Decision n°181 of the Management Board of the European Union Agency of Railways concerning the function of Adviser
- › Decision n°173 of the Management Board of the European Union Agency of Railways laying down rules on the secondment to the Agency of seconded national experts and national experts in professional training
- › Decision n°172 of the Management Board of the European Union Agency of Railways on the implementation of the Framework for Learning and Development

2.5 Assessment by management

2.5.1. Implementation of the budget

The 2018 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 100 % of the available appropriations.

As regards the payment appropriations, the Agency used 89 % 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 Title 1 and Title 2.

As regards Article 77 of the Agency Financial Regulation on the time limits, 95.52 % of all 2018 payments other than mass payments for missions, experts and interviews have been paid within time limit. The target of 95 % was therefore achieved.

2.5.2. 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 < € 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 2018 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 (AODs) who have to formally endorse the responsibility of the financial transactions validated in the course of 2018 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.

2.5.3. Validation of the accounting system

No validation of the accounting system was performed in 2018 since there were no significant changes to the underlying financial systems. It is foreseen to carry out a validation in 2019 in order to assess the introduction of a paperless workflow for commitments and reimbursement of experts.

2.5.4. Procurement procedures

Apart from some cancelled or postponed procedures (see point 2.3.2), all procurement procedures foreseen in the Single Programming Document 2018 were launched and finalised.

2.5.5. Registration of non-conformities

In accordance with the Agency's 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 following the certification of the Agency against ISO 9001 standard for quality management system, the Agency is encouraging staff to report any type of non-conformities, including non-financial.

In 2019, **37** nonconformities (NC) have been registered. They can be segregated by type:

- › **8** ex-ante NC (i.e. exceptions) (out of which 3 were rejected). Out of the 5 ex-ante NC approved, 2 relate to deviation from MB rules and had a financial impact (i.e. rules on reimbursement of experts) and three to internal rules (i.e. extension of traineeship beyond the legal duration, issuing Agency recommendation without following the proper internal approval workflow).
- › **29** ex-post NC (i.e. non-compliances) :
- › 18 events had a financial impact of the errors;
 - *4 had an impact ≥ 15.000 euros; out of which 3 events are not systemic and in principle should not reoccur (in the first event the Commission (DIGIT) signed a specific contract on Agency behalf (part of a FWC) before the budgetary commitment –miscommunication issue; in the second event, the Agency did not timely estimate the number of working hours to be invoiced to the Commission (DIGIT) for a contract – in 2019 a financial commitment will be prepared and a ceiling agreed with DIGIT; in the third event the financial nominations and delegations was not duly updated the fourth event (global NC) refers to numerous errors regarding approval ex-post of mission orders, leave request and occasional teleworking. Mitigating measures at the level of the IT systems designed to manage these systems shall be put in place in 2019 in order to reduce significantly the amount. Also 'refresh' info sessions on mission rules shall be carried out in 2019 (also due to the changes of the mission rules in 2018)*
 - *Out of the 14 events with an impact ≤ 15.000 euros¹, 7 events are due to non-compliance with the rules on commitments (i.e. legal commitment without budgetary commitment); awareness info sessions on financial rules shall be repeated in 2019; also the AODs responsible for the budget line impacted by the error should also heighten the awareness to their staff and improve the internal controls at unit level; 4 events are due to unique type of events (i.e. extension of a contract duration beyond the duration foreseen, non-compliance with the procurement rules on awarding contracts of low value).*
- › 11 events referred to breach of internal procedures (i.e. 3 events refer to non-compliance regarding internal rules on selection procedures, the other 8 refers to unique type of events related to IMS (i.e. internal) procedures on opinions, recommendations, project management, stakeholder perception management. Info session on these procedures were carried out in 2018.

Other remarks: 40% of all NC refer to deviations to non-financial processes and procedures a confirmation of the tendency to encourage staff to register also this type of NC.

¹ To be noted that the financial impact for each single event was low. The financial impact is used to determine the appropriate level of approval of NC (AO for ≥ 15.000 euros; AOD for ≤ 15.000 euros).

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 2018 and follow up of audit recommendations

2.7.1. Internal Audit Service (IAS)

In 2018, IAS carried out an audit on project and service management (PPSM) including IT. The final report was issued in February 2019. Three recommendations were issued:

- › one very important on PPS Governance (clarify roles/ responsibilities, alignment of ERA activities with SPD, planning based on realistic metrics) and
- › two important recommendations on Update and Implementation of PPS (improve project documentation, control of changes, monitoring of projects/services; ensure structured & consistent stakeholder management) and on the Use of Agency MS project (reliability, consistency, facilitate planning and monitoring).

In parallel, the Agency continued the implementation of audit recommendations stemming from the Audit on *HR management and competency management* (2017) as follows: one very important audit recommendation on *Performance Appraisal* and one important recommendation on *HR strategy and reporting* have been implemented².

The implementation date of one very important recommendation on *Staff Allocation –competency framework* has been revised to 30/06/2019 (compared to the original date of 30/12/2018). The Agency needs to finalise the workload analysis and functional review at Agency level, making MS project a corporate tool for planning and monitoring resources and implement the eCV tool to manage competencies.

The last two recommendations (one very important on *Organisational Structure* and one important on *Learning and Development*) are scheduled to be completed in Q1 and Q2 of 2019.

2.7.2. European Court of Auditors (ECA)

In its report on the annual accounts of the European Union Agency for Railways for the financial year 2017, 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 2018 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.

› *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 which ended 31 December 2018, are legal and regular in all material respects.

2.8 Follow up of recommendations and action plans for audits

European Court of Auditors:

² The implementation was completed in Q1 2019. IAS has formally closed the recommendation on Performance Appraisal on 12/04/2019 (see ARES(2019)2586657).

- › The European Court of Auditors visited the Agency in November 2018 and made a desk review in February 2019 in relation to the budget year 2018; the report of the European Court of Auditors has not yet been received.
- › In the meantime, a financial audit on budget year 2018 was performed by an external auditor (Bakertilly) leading to no findings nor recommendations; Bakertilly's opinion is that the provisional annual accounts of the Agency present fairly, in all material aspects, its financial position as at December 31, 2018,

Internal Audit Service:

- › Audit on Human Resources and Competency Management in ERA; The IAS issued its report in December 2017 and ERA's action plan was agreed in January 2018; the state of play is the following:
 - 1 critical and 2 Very important recommendations closed;
 - 1 Important recommendation ready for review;
 - 2 Very important and 1 Important recommendations to be completed;
- › Audit on Programme, Project and Service Management (including IT) in ERA; the IAS issued a report in October 2018; the state of play is the following:
 - 2 Very Important and 1 Important recommendations issued

2.9 Follow up of observations from the Discharge authority

The European Parliament adopted a provisional edition of the Discharge 2017 for the European Union Agency for Railways on 26 March 2019 (P8_TA-PROV(2019)0275). But the final report has not yet been published in the Official Journal.

Part 3 – Assessment of the effectiveness of the Internal Control Systems

3.1 Risk Management

3.1.1 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 Agency philosophy is to keep track of all risks having a potential impact on the achievement its objectives irrespective of whether the risk is under its full control or not. The objective is to increase transparency towards its stakeholder and being able to demonstrate that the Agency is taking effective steps to manage risks. Above all, even in cases of risks outside its control, the Agency could still implement some mitigating measures to help reducing the risk. 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 SPD 2018. In parallel, the Agency conducted the risk management exercise as part of the SPD 2019 process.

As a result of these processes:

- › Two risks are proposed to be closed:
 - Risk on Higher number of applications (SC, VA) than planned. The risk is proposed to be closed for the time being because the residual level is very low on short and medium term
 - Risk on Strategic alignment of the sector in ERTMS because of the relatively low significance at residual level and the risk is accepted.
- › Two risks are no longer consider relevant to be closely monitored at corporate level and are 'downgraded' at project level.
 - The risk on targets for Noise not achieved - The Noise TSI has been agreed by the Member States (the main mitigating measure implemented -next steps MS responsibility; so the likelihood has decreased); the Agency will assist the Commission in drafting a report on the consequences of the implementation of NOISE TSI in 2020; only then the results of the new Noise TSI can be assessed, and the risk re-evaluated
 - If the risk occurs the reputational impact on the agency will be low (the Agency has done what was under its remits).
 - The risk on unsatisfactory process for ERTMS pre-approval- the Pool of experts expected to assist the Agency is in the process of being established.

The mitigating measures taken to reduce the risk exposure for the following three risks impacting 4RP objectives from the SPD are estimated to reduce the risk at an acceptable level and the likelihood of their closure in the near future is very probable. However, to increase the assurance, these risks shall continue to be closely monitored until June 2019:

- › *Risk on Failure to conclude bilateral cooperation agreements;*
- › *Risk on Contingency/back-up procedures for One Stop shop not yet established;*
- › *Risk of ineffective procedures for issuing authorisations related to ERTMS.*

The Agency continued to implement the mitigating measures regarding the following risks related to the internal environment of the Agency. In spite of the progress in the implementation process, the residual level continued to be significant for the Agency. In addition, the management wishes to be regularly informed about the evolution:

- › Risk on Stakeholder alignment and mobilisation;

- › Risk on Unjustified carry-overs higher than the acceptable levels of the CoA;
- › Risk on Business Continuity;
- › Risk of Non-compliance with the rules on Ethics and prevention of fraud;
- › Risk on information security.

The following five risks which are mainly related to the external environment of the Agency but if occurring could affect the achievement of the SPD objectives continue to be monitored at corporate level. Although, not able to fully anticipate the evolution of the risks, the Agency has put in place mitigating measures to reduce the risks which are under its control:

- › Risk on inconsistent/incorrect transposition of the 4th RP legislation;
- › Risk on lower number of applications (SC, VA) than planned;
- › Risk of absence of a working language regime in the Agency;
- › Risk on security requirements develop by Member states creating new barriers for interoperability;
- › Risk of misalignment between S2R activities and regulatory provisions;
- › Risk of Loss of interoperability after GSM-R
- › *Risk on EU's railway acquis undermined as global reference for standardisation and regulation.*

3.1.2. Fraud prevention and detection

The Management Board approved the Framework for Good Administrative behaviour a key element of the Antifraud Strategy because it encompasses strict measures on management of conflict of interests regarding individuals involved in the new tasks under 4RP, clarifies the rules on gifts and hospitality and the use of Social media. The application of the MB decision encountered practical difficulties with regards to the part regarding the management of conflict of interests due to on one hand on the divergent interests of the stakeholders regarding the right approach to achieve the right balance between ensuring the impartiality and independence of experts and securing the best possible railway expertise and on the other hand on the shortage of internal resources necessary to implement the practical aspects of the rules. As a result of the difficulties encountered, the management of the Agency decided to propose the revision of the Framework. The revised proposal shall be submitted to the Management Board in May 2019 in view of entering into force in June 2019, (including the practical aspects of the implementation).

The Agency continued the training on Ethics and Antifraud. The overall rate of participation including the inherent turnover of staff (i.e. staff members participating at least one time to this training since the training was first introduced in 2015) reached 67% for Antifraud (17% participation of staff in 2018) and 77% for Ethics (15% participation of staff in 2018). The assessment of the training effectiveness demonstrated that there is a need to allocate more time to Ethics due to the nature and complexity of the information (including the revision of the implementing acts as well as the changes provided by the Framework for Good Administrative Behaviour). There needs to be implemented a measure for all trainings in 2019.

The results of the risk review proved that it is necessary to enhance the measures regarding the protection of most critical assets and information in case of cyber-security attacks. The adequate measures to be put in place shall be discussed at management level in 2019.

In order to further enhance the transparency of its actions, the Agency is publishing on the website the list of all meetings held by the Executive Director with organisations or self-employed individuals³. No cases of suspicion of fraud has been transmitted by the Agency to OLAF. The case reported in 2017 is still under investigation by OLAF.

³ Any organisation or individual, irrespective of their legal status, engaged in activities carried out with the objective of directly or indirectly influencing the formulation or implementation of policy and the decision-making processes of the Agency.

3.2 Compliance and effectiveness of ERA management standards

The Agency's Administrative Board has adopted the ERA management standards in April 2016⁴. Compliance with these standards is a compulsory requirement, also in light of the Agency's financial regulation. It should be noted that the Agency has integrated the new Internal Control Framework of the European Commission⁵ into its standard to ensure consistency⁶. The concrete measures to implement the new system shall be done in 2019 and reported in the 2019 AAR.

The Agency has put in place the organisational structure and its management standards relevant 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.

In line with Agency's management standard 16, the Agency's Management assessed the adequacy of the design and effectiveness of the implementation of the management standards as part of the Agency Management system review.

The methodology used for assessing the effectiveness of the Integrated Management System took into account:

- › the progress with implementing the corrective/preventive actions necessary to reach compliance with the requirements of the management standards assessed in 2017;
- › the progress with implementing Agency's priority projects decided by the Management in 2018;
- › the opinion of the Quality Coordinators (responsible for implementing the IMS in their respective unit);
- › a desk review of the implementation of ECA/IAS audit recommendations, the Agency's procedures, management reports, risk register, Non-conformity register.

The assessment pointed out some areas where specific actions need to be implemented to ensure compliance and effectiveness. All identified areas for improvement/actions are already addressed or will be addressed under the Integrated Management System of the Agency. The summary of the results of the assessment including the justifications and the actions to be taken are reflected in the following table.

⁴ Decision 116/2015 of the AB - [ERA management standards](#)

⁵ Communication to the Commission from Commissioner Oettinger C (2017) 2373

⁶ Decision 191/2019 adopting the revised Agency Management Standards

ERA Management Standard	Assessment	Actions implemented in 2018	Actions planned in 2019	Justifications for the actions
ERA MS 1 Mission and values	In order to be effective some improvements are needed	Following Agency re-organisation and the revision of the Agency's structure, Units' role descriptions including mission statements have been revised	Ensure consistency between level 1 mission statements at unit level and level 2 mission statements at function level	Agency reorganisation, due to align the Agency 's structure to the 4RP tasks
ERA MS 2 Leadership and commitment	N.a.	No further action needed to ensure compliance	N/A	N/A
ERA MS 3 - Ethical and organisational values	In order to be effective some improvements are needed	see section 2.5	See section 2.5	Due to the new activities embedded in the 4RP, staff need to be constantly aware of ethics/antifraud rules; Need to reinforce rules on conflict of interest
ERA MS 4 - Objectives, strategic planning and reporting	Compliance with the standards, only minor improvements are needed	The Agency has revised its strategic planning document. SPD 2019 sets out clearly the Agency objectives/outputs/outcomes on the basis of an analysis of the resources allocated. The majority of objectives are SMART and include indicators and targets.	Define road-maps for critical multi-annual activities Establish reporting structures (i.e. portfolio dashboard) at corporate level to ensure effective monitoring of Agency objectives	Alignment with the EU long term strategy and EU strategy for mobility of the future Monitoring of projects/services not always systematic. Need to improve the monitoring at management level of projects/services deliverables
ERA MS 5 - Business Continuity	In order to be effective some improvement are needed	Document and implement Business impact assessment (BIA) at operational level and put in place adequate measures to ensure continuity of the critical function in the Agency	The process exists for the core infrastructure supporting the Agency functions. In 2019 the Agency will extend this to cover key personnel.	Increased risk of business dis-continuity for key activities due to limited resources. The Agency needs to be prepared in case of major disruptions affecting its key activities, informations, assets.
ERA MS 6 – Risk management	Compliance with the standards, only minor improvements are needed	No further action needed to ensure compliance	Improve the monitoring process by regularly discussing and reviewing corporate risks at management level (once every two months)	The Agency needs to further strengthen the risk management process considering the nature of Agency risks when preparing and implementing the new tasks under 4RP Significant risks may affecting operational objectives may not be captured
ERA MS 7 – Governance	In order to be effective significant improvements are needed	The Agency has developed a new organisation structure adapted to the importance of the decision making process for the 4RP. However, the new Agency structure is only temporary.	Finalise the Agency reorganisation and Revision of the governance process	The Agency has yet to finalise the reorganisation process (i.e. Agency's structure, processes and procedures). However a new monitoring process has been implemented in 2018 for the allocation and prioritisation of resources across the Agency. In 2019 a more comprehensive review process will be implemented to give greater control and transparency.
ERA MS 8 - Stakeholder relation management	In order to be effective some improvement are needed	Reviewing and improving the internal communication methods. Implement an effective stakeholder management process	The action has been postponed for 2019. To include a wider reflection on how we gather data and feedback from stakeholders so as to minimise their administrative burden.	Need to improve internal communication as well as ensuring systematic and structured stakeholder feedback.

ERA MS 9 - Process management	In order to be effective some improvement are needed	The Agency has developed/revised core procedures related to project management as well as to the delivery of the new tasks under the 4RP	Finalise the documentation of all procedures necessary for the delivery of the new tasks under the 4RP	Alignment with 4RP
ERA MS 10 – Human resources management	In order to be effective some improvement are needed	The Agency has implemented several corrective measures after IAS audit on HR management (see sections 2.7.1)	See section on the action plan addressing the recommendation from IAS audit on HR and Competency management	Need to implement all actions agreed with IAS
ERA MS 11 - Infrastructure management	In order to be effective some/significant improvement are needed.	N/A	Introduce an Information Security Management System	Missing effective measures regarding information security management
ERA MS 12 – Accounting, finance and procurement management	Compliance with the standards, only minor improvements are needed	N/A	To implement a budget management by project.	
ERA MS 13 - Data and information management	In order to be effective some/significant improvement are needed	N/A	Introduce an Information Security Management System including handling non-classified sensitive information Revise the DMS rules Alignment of the Agency to the new data protection framework	Need to reinforce the implementation of DMS rules to structure all related data and documentation for each project in the relevant electronic repository ensuring ease of access, business continuity, data security and auditability The Agency needs to ensure full implementation of the new data protection framework No formal rules have been developed yet regarding how to handle non-classified sensitive information
ERA MS 14 Evaluation of activities		No further action needed to ensure compliance	N/A	
ERA MS 15 Audits	In order to be effective some improvement are needed	No further action needed to ensure compliance	Plan and allocate resources to meet the ISO requirement to cover all Agency processes in a three year period	The resources allocated to Quality audits under ISO requirements are limited.
ERA MS 16 Integrated management system assessment and improvement	In order to be effective some improvement are needed	Revision of the ERA management standards to ensure alignment with the new framework of internal control	Implement the new system deriving from the adoption of the new Agency management standards	

Actions plans to ensure adequate implementation of the prioritised Agency Management Standards have been developed and monitored throughout 2018. As part of the measurement, analysis and improvement process and in view of evaluating the compatibility and alignment of the Integrated Management System with Agency management standards, quality audits are carried out on an annual basis. The quality audits are complementing those carried out by the IAS. In line with the 2018 audit programme, the scope of the audits was all the Agency's activities, taking a sample of the outputs included in the Single Programming Document 2018. 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 2019. Any issues which were identified will be addressed in the course of 2019.

In the light of the preliminary results of the assessment of the compliance and effectiveness of the internal control against the Agency 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. The Agency has been certified against ISO 9001 standard for its Integrated Management System in July 2017. This is a formal and independent acknowledgement that the Agency is focused on enhancing customer satisfaction and achieve continual improvement of its performance.

Part 4 – Management assurance**4.1. Review of the elements supporting assurance**

The information reported in Parts 2 and 3 stems from:

- › the assurance given by the Agency management (via the biannual management review of the internal control system, the monthly internal reports provided by the HoUs to the Executive Director regarding the internal controls put in place to mitigate the main risks and issues) ;
- › the results of the Integrated Management System review,
- › the results of the Commission's services and Court of Auditors' audits and implementation of the measures to address weaknesses identified;
- › the reporting on exceptions and preventive/corrective actions implemented;
- › the mitigated actions implemented following the annual risk assessment exercise;
- › the ex-ante and ex-post controls.

From the information available from ex-ante controls conducted in the area of financial transactions assessed with high level of risks (all commitments and payments higher than 1.000 €), 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.

Ex-post controls conducted for financial transactions assessed with low level of risks (i.e. payments lower than 1.000 € i.e. staff missions and experts attending working parties) detected an overall error rate lower than the control objective of 2%. The financial impact represents less than 1% of the Agency payments made during 2018.

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 expressed.

4.3 Declaration of assurance from the Authorising Officer

I, the undersigned, Executive Director of the European Union Agency for Railways,

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 – Core business statistics**

	<i>Key Performance Indicators set up in SPD 2018</i>	<i>Level of achievement</i>
1	90% achievement of all outputs using financial and human resource planning 2018	79.75%
2	95% timely delivery of issuing reports, advice and opinions	92% Technical opinions: 3 out of 4 delivered on time Advice: 2 out of 2 Recommendations: all TSI revision RECs within the agreed deadlines (6 out of 6)
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	100% Different mock up versions have been developed and proposed to the OSS user group for taking into account their inputs via users acceptance tests (UAT) - UAT on version 0.1 in June; UAT on version 0.3 in November In addition, intermediate versions have been subjected to factory acceptance tests (made by the development teams) and by site acceptance tests (quality tests made by the business teams).
4	95% implementation of the establishment plan	89%
5	100% delivery of the priority countries programme to key milestones 2018 and to programme 2019 to contribute to the improved safety performance of those countries	
6	Proposal and impact assessment published for the Common Occurrence Reporting system	100% The system proposal and impact assessment that were discussed during the workshop in Jan 2018 were published on our webpage in the COR area
7	Assistance to MS and progress monitoring on the “cleaning-up” of national technical and safety rules	100% Progress reports delivered periodically and final one endorsed at RISC 83 (Nov 2018)
8	Effective operation of the ERTMS Stakeholder Platform through the successful organization of an annual board meeting	100% Platform Board meeting organised 26/10/2018; minutes distributed via SRM
9	Future communication system for rail operation – timely release of the documentation for consultation	100% Report with stakeholders comments send by email from the Executive Director to the EC on 17/11/2019
10	More than 75% of the ERA finalized strategies complemented with an early impact assessment	Achieved. Fast Track B/C delivered covering the early impact assessment for the SPD 2018 objectives
11	Impact assessments accompanying 100% of the issued recommendations and opinions	Achieved (100%)
12	More than 80% of Railway Indicators measured in the Railway System Report	Achieved (100% measured)
13	Documenting processes and procedures, and internal audit reports 100% in line with the roadmaps, programmes and timetables	Partially achieved: adoption of some IMS documents for new processes postponed for 2019
14	Carry-over of <10% of payment appropriations for Title 1, <20% for Title 2, and <30% for Title 3	Carry-over T1: 1% Carry-over T2: 18% Carry-over T3: 35%
15	95% of ICT services disruption recovered within the recovery targets defined in the Business Continuity Plan	100%

Annex II – Statistics on financial management and annual accounts**II.1. Implementation of the budget 2018****II.1.1. Budget implementation 2018**

<i>Fund Source : C1</i>							
	<i>Chapter</i>	<i>Final appropriations (1)</i>	<i>Committed (2)</i>	<i>% Committed = (2) / (1)</i>	<i>Balance not committed = (1) - (2)</i>	<i>Total Paid (3)</i>	<i>% Paid = (3) / (1)</i>
11	Staff in active employment	18 270 933	18 270 933	100%	0	18 227 283	100%
13	Missions and travel	84 232	84 232	100%	0	78 944	94%
14	Socio-medical infrastructure	298 008	298 008	100%	0	202 800	68%
15	Staff exchange between the ERA and the public sector	127 737	127 737	100%	0	127 737	100%
17	Entertainment and representation exp.	2 112	2 112	100%	0	1 707	81%
	Title I	18 783 023	18 783 023	100%	0	18 638 471	99%
20	Investments in immovable property, rental of buildings and associated cost	1 368 651	1 368 651	100%	0	1 214 568	89%
21	Data processing	952 603	952 227	100%	377	689 563	72%
22	Movable property and associated costs	140 974	140 974	100%	0	110 292	78%
23	Current administrative expenditure	87 722	85 722	98%	2 000	71 189	81%
24	Post and telecommunications	137 770	137 770	100%	0	121 371	88%
	Title II	2 687 721	2 685 344	100%	2 377	2 206 983	82%
30	Operational Activities directly linked to the Reg. n°881/2004	5 274 340	5 274 340	100%	0	3 509 411	67%
31	Operational expenditures	2 048 160	2 044 917	100%	3 243	1 258 528	61%
	Title III	7 322 499	7 319 257	100%	3 243	4 767 939	65%
	Total Budget	28 793 243	28 787 624	100%	5 619	25 613 394	89%

II.1.2. Appropriations carried over 2017/2018

<i>Fund Source : C8</i>					
	<i>Chapter</i>	<i>Amount carried over 2017/2018</i>	<i>Payments made</i>	<i>Balance not paid at the end of the year 2018</i>	<i>% of Balance</i>
11	Staff in active employment	103 717	91 426	12 291	12%
13	Missions and travel	2 864	1 931	933	33%
14	Socio-medical infrastructure	86 231	84 552	1 679	2%
15	Seconded National Experts	467	0	467	100%
	Title I	193 278	177 909	15 370	8%
20	Investments in immovable property, rental of buildings and associated cost	166 342	161 733	4 609	3%
21	Data processing	441 853	441 796	56	0%
22	Movable property and associated costs	46 976	46 976	0	0%
23	Current administrative expenditure	10 140	8 016	2 124	21%
24	Post and telecommunications	1 422	1 402	19	1%
	Title II	666 732	659 923	6 809	1%
30	Operational Activities directly linked to the Regulation n°881/2004	2 569 822	2 471 349	98 473	4%
31	Operational expenditures	510 646	508 584	2 063	0%
	Title III	3 080 469	2 979 932	100 536	3%
	Grandtotal	3 940 479	3 817 764	122 715	3%

II.1.3. Use of appropriations 2018

<i>Fund Source : C1</i>						
	<i>Chapter</i>	<i>Budget adopted</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	18 115 000	155 933	18 270 933	18 270 933	100%
13	Missions and travel	140 000	-55 768	84 232	84 232	100%
14	Socio-medical infrastructure	370 000	-71 992	298 008	298 008	100%
15	Staff exchange between the ERA and the public sector	160 000	-32 263	127 737	127 737	100%
17	Entertainment and representation expenses	5 000	-2 888	2 112	2 112	100%
	Title I	18 790 000	-6 977	18 783 023	18 783 023	100%
20	Investments in immovable property, rental of buildings and associated cost	1 350 000	18 651	1 368 651	1 368 651	100%
21	Data processing	700 000	252 603	952 603	952 227	100%
22	Movable property and associated costs	295 000	-154 026	140 974	140 974	100%
23	Current administrative expenditure	220 000	-132 278	87 722	85 722	98%
24	Post and telecommunications	185 000	-47 230	137 770	137 770	100%
	Title II	2 750 000	-62 280	2 687 721	2 685 344	100%
30	Operational Activities directly linked to the Regulation n°881/2004	5 613 000	-338 660	5 274 340	5 274 340	100%
31	Operational expenditures	1 640 243	407 917	2 048 160	2 044 917	100%
	Title III	7 253 243	69 256	7 322 499	7 319 257	100%
	Total Budget	28 793 243	0	28 793 243	28 787 624	100%

II.1.4. Appropriations carried over 2018/2019

	<i>Chapter</i>	<i>Amount carried over 2018/2019</i>	<i>% Amount carried over 2018/2019</i>
11	Staff in active employment	43 650	0%
13	Missions and travel	5 288	6%
14	Socio-medical infrastructure	95 208	32%
15	Seconded national experts	406	19%
	Title I	144 552	1%
20	Investments in immovable property, rental of buildings and associated cost	154 082	11%
21	Data processing	262 664	28%
22	Movable property and associated costs	30 682	22%
23	Current administrative expenditure	14 534	17%
24	Post and telecommunications	16 399	12%
	Title II	478 361	18%
30	Operational Activities directly linked to the Regulation n°881/2004	1 764 928	33%
31	Operational expenditures	786 389	38%
	Title III	2 551 317	35%
	Total Budget	3 174 230	11%

II.1.5. Budget outturn

	2018	2017
Revenue		
Commission subsidy DG MOVE	28 793 243	30 732 000
Phare funds from Commission	0	1 110 000
Fee income	0	0
Other revenue	57 169	88 147
Total revenue (a)	28 850 412	31 930 147
Expenditure		
Personnel expenses – Budget Title I		
Payments	18 722 601	18 221 210
Automatic carry-overs	146 692	206 057
Administrative expenses – Budget Title II		
Payments	2 219 079	2 051 503
Automatic carry-overs	478 361	676 337
Operational expenses – Budget Title III		
Payments	5 444 434	6 870 624
Automatic carry-overs	2 884 535	4 066 027
Total expenditure (b)	29 895 702	32 091 758
Outturn for the financial year (a-b)	-1 045 290	-161 611
Cancellation of unused carry-overs	122 715	64 813
Adjustment for carry-over from the previous year of appropriations available at 31.12 arising from assigned revenue	1 045 234	179 832
Exchange differences for the year	-2 780	-2 312
Balance carried over from year N-1	80 722	378 215
Positive balance from year N-1 reimbursed in year N to the Commission	-80 722	-378 215
Balance of the outturn account for the financial year	119 879	80 722

II.1.6. Reconciliation budget and economic outturn

	2018	2017
Economic result (+ for surplus and - for deficit) of the consolidation reporting package	359 537	2 642 378
Adjustment for accrual items (items not in the budgetary result but included in the economic result)		
Adjustments for Accrual Cut-off (reversal 31.12.N-1)	-1 320 835	-1 233 606
Adjustments for Accrual Cut-off (cut- off 31.12.N)	1 319 150	1 308 815
Amount from liaison account with Commission booked in the economic revenue	0	0
Unpaid invoices at year end but booked in charges (class 6)	16 515	74 312
Depreciation of intangible and tangible assets (1)	1 081 754	1 231 866
Provisions (1)	0	0
Value reductions (1)	0	0
Recovery Orders issued in 2018 in class 7 and not yet cashed	-15 220	-40 183
Prefinancing given in previous year and cleared in the year	0	0
Prefinancing received in previous year and cleared in the year	-693 699	0
Payments made from carry over of payment appropriations	3 780 473	1 976 668
Other *)	-171 282	-437 576
Adjustment for budgetary items (item included in the budgetary result but not in the economic result)		
Asset acquisitions (less unpaid amounts)	-2 032 937	-1 677 759
New pre-financing paid in the year 2018 and remaining open as at 31.12.2018	0	0
New pre-financing received in the year 2018 and remaining open as at. 31.12.2018	119 879	926 587
Budgetary recovery orders issued before 2018 and cashed in the year	18 183	12 997
Budgetary recovery orders issued in 2018 on balance sheet accounts (not 7 or 6 accounts) and cashed	0	0
Capital payments on financial leasing (they are budgetary payments but not in the economic result)	0	0
Payment appropriations carried over to 2019	-3 509 588	-4 948 422
Cancellation of unused carried over payment appropriations from previous year	122 715	64 813
Adjustment for carry-over from the previous year of appropriations available at 31.12 arising from assigned revenue	1 045 234	179 832
Payments for pensions (they are budgetary payments but booked against provisions)	0	0
Payments for stocks of leave and supplementary hours (they are budgetary payments but booked against provisions)	0	0
Other **)	0	0
Budget outturn for the year	119 879	80 722

II.2 Negotiated procedures

Contracts ≤ € 15 000 Contracts ≥ € 144 000

- Count: 5
- Total Amount: 427382,53€

II.3 Summary of procedures

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

Supply	0
Services	17
Works	0
TOTAL	17

Open	6	2669350€
Restricted	0	
Negotiated	9	985282€
Negotiated Competing	0	
Other - Reopening of competition	2	113768€
TOTAL	17	3768400€

II.4 Real estate contracts

	Name, location and type of building	Other Comment
Information to be provided per building:	ERA HQ, Valenciennes, 120 rue Marc Lefrancq	1. ERA is the only tenant of the building
Surface area (in square metres) Of which office space Of which non-office space	5.250 M ² de Surface Hors Oeuvre Nette (S.H.O.N)	
Annual rent (in EUR)	In 2018: EUR 434.659,96 HT/year	The new INSEE indicator will be published during the 1st Quarter 2019.
Type and duration of rental contract	1 year with tacit renewal	
Host country grant or support	No	
Present value of the building	If the Agency owns the building	

	Name, location and type of building	Other Comment
Information to be provided per building:	Rental of 95 parking places from SAEM Valenciennes	
Surface area (in square metres) Of which office space Of which non-office space	95 parking places	
Annual rent (in EUR)	In 2018: EUR 24.175,00 HT/year	
Type and duration of rental contract	1 year with tacit renewal	
Host country grant or support	No	
Present value of the building	If the Agency owns the building	

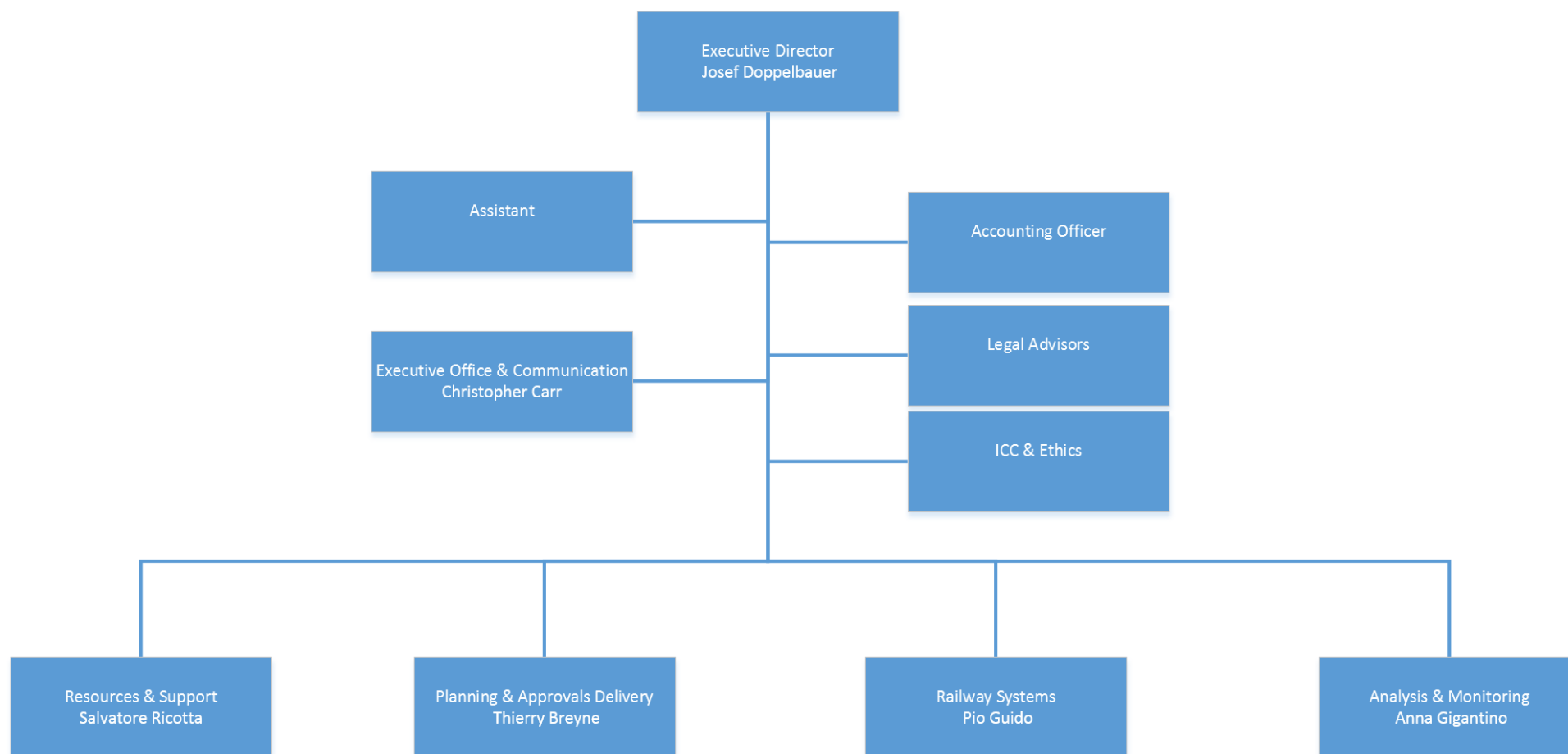
	Name, location and type of building	Other Comment
Information to be provided per building:	ERA meeting premises, 299, Boulevard de Leeds – Lille	
Surface area (in square metres)	602,62 M ²	
Annual rent (in EUR)	In 2018: EUR 108.762,83 HT/year	The new INSEE indicator will be published during the 1st Quarter 2019.
Type and duration of rental contract	Contract will end on 31/12/2023.	
Host country grant or support	No	
Present value of the building	If the Agency owns the building	

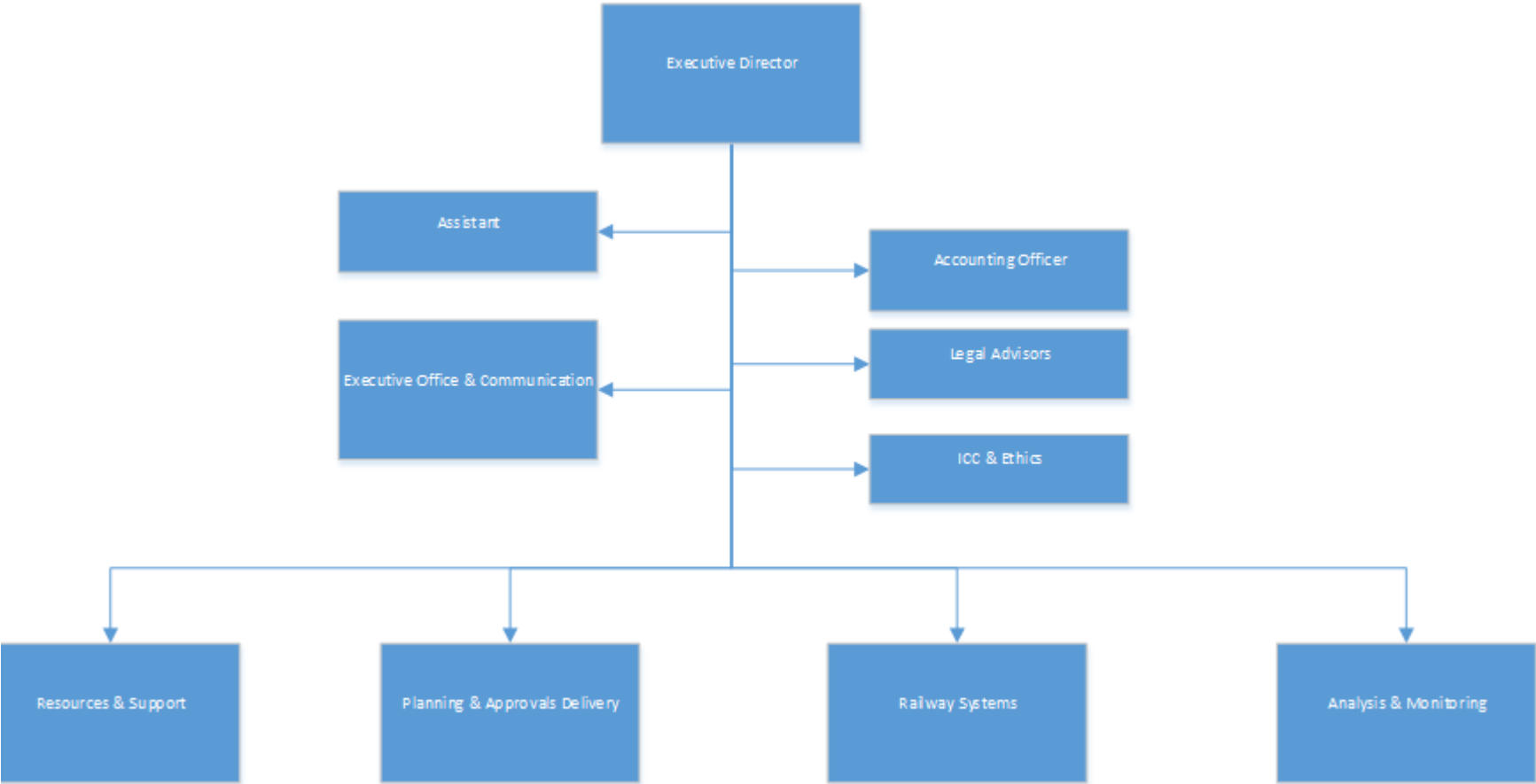
	Name, location and type of building	Other Comment
Information to be provided per building:	Rental of 8 parking places from Espace International	
Surface area (in square metres) Of which office space Of which non-office space	8 parking places	
Annual rent (in EUR)	In 2018: EUR 20.625,72 HT/year	The new INSEE indicator will be published during the 1st Quarter 2019
Type and duration of rental contract	Contract will end on 31/12/2023.	
Host country grant or support	No	
Present value of the building	If the Agency owns the building	

Building project in the planning phase

Due to the growth of the Agency, the current building in Valenciennes is becoming tight. The Agency is currently re-allocating staff members in double office spaces as a short-term solution. The Agency and Valenciennes Métropole have started defining the requirements related to the current and future estimated building's needs to make viable proposals for the headquarters.

Annex III – Organisational chart 2018





Annex IV – Establishment plan and additional information on Human Resources management**IV.1.a. Establishment plan 2018-2022**

Function group and grade	2018		2018	2019		2020		2021		2022	
	Authorised under the EU Budget		Staff population at 31/12/2018	Authorised under the EU Budget		Authorised under the EU Budget		Request of the Agency		Request of the Agency	
	Permanent posts	Temporary posts		Permanent posts	Temporary posts	Permanent posts	Temporary posts	Permanent posts	Temporary posts	Permanent posts	Temporary posts
AD 16											
AD 15					0		0		0		0
AD 14		1	1		1		1		1		1
AD 13											
AD 12		2			4		4		4		4
AD 11		6	2		7		8		10		10
AD 10		18	15		19		20		24		24
AD 9		32	22		32		34		32		32
AD 8		22	19		21		25		24		24
AD 7		15	22		15		12		12		12
AD 6		15	16		12		9		6		6
AD 5									5		5
AD TOTAL		111	97		111		113		118		118
AST 11											
AST 10											
AST 9		3	1		3		2		3		3
AST 8		5	1		5		6		7		7
AST 7		4	3		5		6		7		7
AST 6		3	3		3		5		6		6
AST 5		8	6		8		9		9		9
AST 4		9	6		9		7		1		1
AST 3		4	13		4		0		0		0
AST 2		1	2						0		0
AST 1											
AST TOTAL		37	35		37		35		35		35
AST/SC 6											
AST/SC 5											
AST/SC 4											
AST/SC 3											
AST/SC 2											
AST/SC 1											
AST/SC TOTAL			0								
TOTAL		148	132		148		148		153		153

IV.1.b. Staff composition in 2018

Staff population		Staff population in voted Budget 2018	Staff population at 31/12/2018
Officials	AD		
	AST		
	AST/SC		
TA	AD	111	97
	AST	37	35
	AST/SC	0	0
Total TA		148	132
CA GFIV		19	13
CA GF III		8	8
CA GF II		10	7
CA GFI		3	3
Total CA*		40	31
SNE		4	2
Structural service		15	14
Total		207	179

IV.2. Result of the Agency's job screening exercise

Job Type (sub) category	Year N-1 (%)	Year N (%)	Year N	Year N-1	Difference
Administrative support and coordination	18,18	18,41	35,9	34,9	1
Administrative support	15,31	14,31	27,9	29,4	-1,5
Coordination	2,86	4,41	8,6	5,5	3,1
Operational	70,16	69,69	135,9	134,7	1,2
Top level Operational Coordination	5,21	3,74	7,3	10	-2,7
Programme Management & Implementation	54,06	54,10	105,5	103,8	1,7
Evaluation & impact assessment	7,24	6,26	12,2	13,9	-1,7
General operational	3,65	5,59	10,9	7	3,9
Neutral	11,67	11,90	23,2	22,4	0,8
Finance/control	11,67	11,90	23,2	22,4	0,8
Linguistics	0,00	0,00	0	0	0
total			195	192	3

Annex V – Human and financial resources by activity

In 2018 the Agency carried out a reorganisation which has resulted in a clearer SPD structure for 2019 that will make the comparison of planned vs actual easier to achieve.

Planned

Activity	Unit Staff	Direct Costs	Indirect Costs		TOTAL BUDGET 2018 PER ACTIVITY
		CHAPTER 30	CHAPTER 31	TITLE 1 & TITLE 2	
	FTE	Activities			
Harmonized Safety Framework	48.00	1,355,000.00	410,060.00	5,385,000.00	7,150,060.00
Removing Technical Barriers	50.00	528,000.00	427,146.00	5,609,375.00	6,564,521.00
Single EU Train Control and Communication System	28.00	580,000.00	239,202.00	3,141,250.00	3,960,452.00
Simplified Access for Customers	14.00	1,550,000.00	119,602.00	1,570,625.00	3,240,227.00
Evaluation, Management and Resources	52.00	1,600,000.00	444,233.00	5,833,750.00	7,877,983.00
Grand total	192.00	5,613,000.00	1,640,243.00	21,540,000.00	28,793,243.00

Actual

Activity	Unit Staff	Direct Costs	Indirect Costs		TOTAL BUDGET 2018 PER ACTIVITY
		CHAPTER 30	CHAPTER 31	TITLE 1 & TITLE 2	
	FTE	Activities			
Harmonized Safety Framework	37.00	999,372.00	291,034.55	4,820,511.31	6,110,917.86
Removing Technical Barriers	37.00	593,355.00	291,034.55	4,820,511.31	5,704,900.86
Single EU Train Control and Communication System	14.00	301,784.00	110,121.18	1,823,977.70	2,235,882.88
Simplified Access for Customers	9.00	814,781.00	70,792.19	1,172,556.80	2,058,129.99
Evaluation, Management and Resources	63.00	800,120.00	495,545.32	8,207,896.63	9,503,561.95
Grand total	160.00	3,509,412.00	1,258,527.80	20,845,454.30	25,613,393.55

Annex VI – Final annual accounts**VI.1. Financial statements****VI.1.1. Balance sheet (assets, liabilities)**

	31/12/2018	31/12/2017
A. NON CURRENT ASSETS		
Intangible assets	3 598 262	2 096 449
Property, plant and equipment	1 369 459	1 904 393
Land and buildings	1 912	2 471
Plant and equipment	9 843	14 435
Computer hardware	1 203 232	1 684 697
Furniture and vehicles	97 827	90 816
Other fixtures and fittings	56 645	111 974
Non-current receivables	31 898	31 898
TOTAL NON-CURRENT ASSETS	4 999 619	4 032 739
B. CURRENT ASSETS		
Pre-financing	492 422	587 911
Pre-financing with consolidated entities	492 422	587 911
Exchange receivables and recoverables	232 794	65 669
Current receivables	22 000	22 000
Sundry receivables	43 369	25 486
Current receivables with consolidated entities	0	0
Other receivables	0	0
Accrued income with consolidated entities	14 963	18 183
Deferred charges	152 462	0
Non - exchange receivables and recoverables	254 900	371 314
Current receivables Member States	254 900	371 314
Other receivables	0	0
Cash and cash equivalents	3 294 240	4 562 520
TOTAL CURRENT ASSETS	4 274 355	5 587 414
TOTAL ASSETS	9 273 974	9 620 153

	31/12/2018	31/12/2017
A. NET ASSETS	7 524 503	7 164 966
Accumulated surplus/deficit	7 164 966	4 522 588
Economic result of the year-profit+/loss-	359 537	2 642 378
B. NON CURRENT LIABILITIES	0	0
Pension and other employee benefits	0	0
Provisions for risks and liabilities	0	0
TOTAL NON-CURRENT LIABILITIES (A+B)	7 524 503	7 164 966
C. CURRENT LIABILITIES	1 749 471	2 455 187

Provisions for risks and liabilities	0	0
Accounts payable	433 029	1 205 651
Current payables	22 026	66 885
Sundry payables	1 456	2 658
Accounts payable with consolidated EC entities	409 547	1 136 107
.....Prefinancing received from consolidated EC entities	409 547	1 066 587
.....Other accounts payable against consolidated EC entities	0	69 520
Accrued charges and deferred income	1 316 442	1 249 537
Accrued charges	1 115 065	1 010 418
Deferred income	0	0
Other passive accruals & deferrals	0	0
Deferrals and accruals with consolidated EC entities	201 377	239 118
TOTAL CURRENT LIABILITIES	1 749 471	2 455 187
TOTAL LIABILITIES	9 273 974	9 620 153

VI.1.2. Statement of financial performance

STATEMENT OF FINANCIAL PERFORMANCE	31/12/2018	31/12/2017
Subsidy received	29 367 063	30 915 413
Title 1&2	21 540 000	21 122 200
Title 3	7 253 243	9 609 800
Part of Phare Funds subsidy used in current year	89 794	137 501
Part of EUMEDRAIL pre-financing used in current year	603 905	126 633
To be reimbursed (Budget outturn)	-119 879	-80 722
Revenue from adjustment/provisions	0	0
NON-EXCHANGE REVENUES	29 367 063	30 915 413
Fixed Assets related income	-321	0
Exchange rate differences gains	837	382
Bank interest	2	0
Income from other exchange operations (3rd parties)	3 976	33 914
Income from consolidated EU entities	50 230	81 419
EXCHANGE REVENUES	54 725	115 716
TOTAL REVENUES	29 421 788	31 031 128
Operational expenses	5 245 542	6 011 829
Staff and Pension costs	18 152 968	17 853 576
Finance costs	30	106
Finance costs	0	24
Other financial expenses	30	82
Other expenses	5 663 709	4 523 240
Property, plant and equipment related expenses	2 429 345	2 540 477
Other Expenses	3 230 747	1 980 070
Exchange rate differences losses	3 617	2 694
TOTAL EXPENSES	29 062 250	28 388 751
SURPLUS (DEFICIT) FROM ORDINARY ACTIVITIES	359 537	2 642 378
ECONOMIC RESULT OF THE YEAR	359 537	2 642 378

VI.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>			
Balance as of 31 December 2017	0	0	4 522 588	2 642 378	7 164 966
Changes in accounting policies	0	0	0	0	0
Balance as of 1 January 2018 (if restated)	0	0	4 522 588	2 642 378	7 164 966
Allocation of the Economic Result of Previous Year	0	0	2 642 378	-2 642 378	0
Economic result of the year	0	0	0	359 537	359 537
Balance as of 31 December 2018	0	0	7 164 966	359 537	7 524 503

VI.1.4. Cash flow statement

	<i>2018</i>	<i>2017</i>
Cash Flows from ordinary activities		
Economic result of the year	359 537	2 642 378
Operating activities		
Amortization (intangible fixed assets) +	223 687	366 870
Depreciation (tangible fixed assets) +	857 745	864 814
Increase/(decrease) in Provisions for risks and liabilities	0	0
Increase/(decrease) in Value reduction for doubtful debts	0	0
(Increase)/decrease in Stock	0	0
(Increase)/decrease in Long term Pre-financing	0	0
(Increase)/decrease in Short term Pre-financing	95 489	-509 100
(Increase)/decrease in Long term Receivables	0	3 933
(Increase)/decrease in Short term Receivables	-167 125	62 058
(Increase)/decrease in Receivables related to consolidated EC entities	116 414	-280 832
Increase/(decrease) in Other Long term liabilities	0	0
Increase/(decrease) in Accounts payable	20 844	68 165
Increase/(decrease) in Liabilities related to consolidated EC entities	-726 560	617 893
(Gains)/losses on sale of Property, plant and equipment	0	0
Extraordinary items	0	0
Net cash Flow from operating activities	780 032	3 836 179
Cash Flows from investing activities		
Purchase of tangible and intangible fixed assets (-)	-2 048 633	-1 714 697
Proceeds from tangible and intangible fixed assets (+)	321	1 011
Net cash flow from investing activities	-2 048 312	-1 713 686
Net increase/(decrease) in cash and cash equivalents	-1 268 281	2 122 493
Cash and cash equivalents at the beginning of the period	4 562 520	2 440 027
Cash and cash equivalents at the end of the period	3 294 240	4 562 520

Glossary

4th RP	4 th Railway Package
AAR	Annual Activity Report
AOD	Delegated Authorising Officers
ATO	Automatic Train Operation
BoA	Board of Appeal
CCM	Change Control Management
CCS	Control-Command and Signalling subsystem
CEN	European Committee for Standardisation
CENELEC	European Committee for Electro technical Standardisation
COR	Common Occurrence Reporting
CR	Change Request
CSIs	Common Safety Indicators
CSMs	Common Safety Methods
CSTs	Common Safety Targets
EC	European Commission
ECM	Entity in charge of maintenance
ECVVR	European Centralised Virtual Vehicle Register
ENE	Energy subsystem
ERADIS	ERA Database on Interoperability and Safety
ERAIL	European Railway Accident Information Links
ERATV	European Register of Authorised Types of Vehicles
ERTMS	European Rail Traffic Management System
ETCS	European Train Control System
EU	European Union
FAQ	Frequently Asked Questions
F&C	Fees and charges
GSM-R	Global System for Mobile Communications (Railway)
HOF	Human and Organisational Factors
HR	Human Resources
ICS	Internal Control Standards
IM	Infrastructure manager
IMS	Integrated Management System
INEA	Innovation and Networks Executive Agency
INF	Infrastructure subsystem
IPA	EC Instrument for Pre-accession Assistance
IT	Information Technology
JNS	Joint Network Secretariat
LOC	Locomotives and traction units
KPI	Key Performance Indicator
MB	Management Board
MoU	Memorandum of understanding
MS(s)	Member State(s)
NIB	National Investigation Body
NB(-)Rail	Coordination group of Notified Bodies (Rail)
NoBo(s)	Notified body(ies)
NOI	Noise (TSI)
NSA(s)	National Safety Authority(ies)
NSR(s)	National safety rule(s)

NTR(s)	National technical rule(s)
NVR	National Vehicle Register
OPE	Traffic operation and management subsystem
OSJD	Organisation for Cooperation of Railways
OSS	One-stop Shop
OTIF	Organisation for International Carriage by Rail
PAS	Passenger vehicles (carriages)
PoE	Pool of experts
PRM	Persons with reduced mobility
RASCOP	Rail Standardisation Coordination Platform for Europe
RDD	Reference Document Database
RISC	Railway Interoperability and Safety Committee
RST	Rolling stock subsystem
RU	Railway undertaking
S2R	Shift2Rail Programme
SAIT	Safety Alert IT Tool
SMS	Safety Management System
SPD	Single Programming Document
SRD	Single Rules Database
SRT	Safety in railway tunnels
SSC	Single Safety Certificate
TAF	Telematics application for freight services
TAP	Telematics application for passenger services
TDG	Transport of Dangerous Goods
TF	Task Force
TSI	Technical Specification for Interoperability
VA	Vehicle Authorisation
VVR	Virtual Vehicle Register
WAG	Freight wagons
WG	Working Group
WP	Working Party