

DECISION n° 113
of the Administrative Board of the European Railway Agency adopting the assessment of the Annual Activity Report 2014

THE ADMINISTRATIVE BOARD OF THE EUROPEAN RAILWAY AGENCY,

Having regard to Regulation (EC) N° 881/2004¹ of the European Parliament and of the Council establishing a European Railway Agency (hereinafter referred to as "the Agency") in particular article 25§2 (b) thereof,

Having regard to the Decision n°93 of the Administrative Board of the European Railway Agency adopting the Financial Regulation of the Agency adopted on 31 December 2013, and in particular, article 47 thereof;

Whereas:

The Administrative Board should to carry out an analysis and an assessment of the Agency's Annual Report and forward it to the Budgetary Authority and the Court of Auditors by 1 July;

HAS DECIDED AS FOLLOWS:

Article 1

The assessment of the Annual Activity Report 2014 is adopted as set out in Annex of this decision.

Article 2

The present decision shall enter into force on the day following that of its adoption. It will be published on the Agency website.

Done at Lille, 24-03-2015

For the Administrative Board

The Chairman

Mats ANDERSSON

Annex: Analysis and assessment of the Annual Activity Report 2014

¹ OJ L 220, 21.6.2004, p. 3

Annual Activity Report 2014 Analysis and Assessment by the Agency's Administrative Board

1. Background

Article 25 of ERA Regulation (EC) n° 881/2004 and Article 47 of the Financial Regulation, applicable to the budget of the Agency, requires the Executive Director to present the Annual Activity Report for the previous year for adoption by the Administrative Board by 30 April each year. The report describes the performance of the Agency, together with financial and management information for the previous financial year.

The Financial Regulation also requires the Administrative Board to carry out an analysis and an assessment of the Annual Activity Report and forward it to the Budgetary Authority and the Court of Auditors by 1 July (Article 47).

2. Assessment and analysis

The Agency's Administrative Board has analysed and assessed the Executive Director's report on the achievements and results for 2014. The Board acknowledges the Agency's performance, and notes in particular that:

General observations

- The Administrative Board observes a high level of achievements of the Agency's Work Programme 2014, both in terms of outputs and Key Performance Indicators (KPI's).
- Some outputs were only partially achieved, sometimes due to a lack of time to consider them fully achieved, sometimes due to subjects that need further discussions with or between the stakeholders, and sometimes due to the lack of resources.
- The lack of resources, combined with a low priority given to some outputs, is also the main reason why a few outputs could not be achieved.
- The report is mostly related to the outputs by the Agency, and less on the effects these outputs will give to the railway sector. Given the size of the report, the large number of outputs (240) and KPI's (41), it is difficult for the reader to get a good overview of the Agency's work.
- Apart from its core duties in the existing Agency Regulation, the Agency continued to support the European Commission in the development of the future role of the Agency, especially in the context of the Fourth Railway Package and Shift²Rail.

Observations on strategic priorities and governance activities

- The priority and activities regarding the harmonisation of the Safety Regulatory Framework are closely linked to the changes that will be brought by the Fourth Railway Package, for which the Agency has been preparing in 2014. This link with the future competencies of the Agency gives a strategic importance to the realisation of the different outputs identified for the Agency's work in 2014 relating to the Safety Regulatory Framework.

- The steps toward a Single Safety Certificate, the monitoring of safety performances and risk management at all levels and with all actors (NIB, NSA, ECM, EA...), and the development of common regulatory frameworks and common understanding of these frameworks are the main activities of the Agency in this context.
- The Agency has worked with member states to simplify vehicle authorisation. In 2014 this was achieved by removing the need to apply national rules in the authorisation process for new vehicles.
- The Agency increased the amount of training relating to the vehicle authorisation process and worked with the Commission to produce guidance to complete the understanding of how it's all supposed to work.
- As vehicle authorisation has been identified as a barrier to the competitive position of the railway, the opening of the markets for equipment supply and railway operations, the Agency has taken a number of steps to simplify the process in 2014. These steps include, inter alia, the maintaining and updating the Agency Reference Document Database (RDD), providing clarification on the authorisation process with the aim of achieving a common approach, publishing new and revised TSIs, their application guides on the Agency website and continuing to work on closing out any outstanding points.
- As part of monitoring the framework implementation and performance for vehicle authorisation, the Agency produces a report every 2 years on progress with interoperability across the different member states. As databases and registers are still being populated, the Agency collects data from a variety of sources. In 2014 the Agency focused on continuing the NSA cross audit programme (6 audits started in 2014) and participated in case studies to assess the level of progress on vehicle authorisation and cross acceptance by NSAs.
- As part of their role in facilitating the improved performance of the framework for vehicle authorisation, the Agency supports stakeholders in their implementation of the common authorisation and certification processes, on TSIs and on the use of Registers. In 2014 the Agency provided training on framework for vehicle authorisation for stakeholders, facilitated parallel and simultaneous authorisations with member states and facilitated the updating of national rules, including publishing all known rules, and updated information already published on authorisation of vehicles. The Agency also clarified the purpose of the various registers by providing application guides and workshops.
- Regarding ERTMS, the Administrative Board welcomes the closing of open points. The Board stresses the need to intensify cooperation with NSA's on developing effective testing and authorisation strategies, focusing on the railway freight corridors. The Board also welcomes the work to spread best practices for GSM-R. Version management remains a critical issue in view of preparations for maintenance release 2 for Baseline 3, including backwards compatibility. Both rail freight corridors and national wide implementations of ERTMS must be supported.
- The TSI TAP and TAF frameworks are well elaborated. The Agency has taken on a critical role in this implementation. Working with National Contact Points in the Member States remains of critical importance to facilitate the implementation phase.
- The Administrative Board appointed Mr Josef Doppelbauer as Executive Director for the period 1 January, 2015 until 31 December, 2019.
- The composition of the Administrative Board and the Sub-Committee for financial, budgetary and staff-related issues changed during 2014, with new chairpersons elected and new members appointed.

- The Administrative Board adopted the Implementing Rules to the Agency Financial Regulation.
- The Administrative Board decided on communication principles for the Agency and acknowledges the need to take this forward in 2015 involving the railway sector stakeholders.
- The Administrative Board discussed a Conflict of Interest policy and an Anti-Fraud strategy in the end of 2014 with a possible adoption in the beginning of 2015.
- The Board welcomed the close and regular monitoring of the 2014 budget to ensure optimal and sound management of the Agency's financial resources. The level of commitment execution (C1) reached nearly 98 %, i.e. the level of 2013. All titles were in compliance with the 95 % target applied by the European Commission.
- In terms of payment appropriations (C1), the Agency complied with the threshold of 90 % for Title 1, but failed to reach the thresholds for Titles 2 and 3 (80 respectively 70 %) applied by the Court of Auditors. Unforeseen delays related to the renewal of the laptop fleet have had significant impact on Title 2, while late invoicing of translation services and IT related purchases contributed to not reaching the target for Title 3.
- The assessment of the internal control standards (ICS) showed a 50 % full compliance with the ICS and a 50 % partial compliance.
- The Administrative Board welcome the recruitment of an internal control coordinator during 2014 to support the development of an integrated management system and the implementation of the internal control standards, which will enhance the quality and relevance of the Agency's work.
- No critical recommendations were issued by the Internal Audit Services and one very important recommendation were issued and closed during the financial year. A number of outstanding recommendations have been submitted to the IAS for closure in the beginning of 2015.

3. Conclusions and recommendations

- The information provided in the Annual Activity Report 2014 gives the Administrative Board sufficient assurance that the resources assigned to the Agency in 2014 have been used for their intended purpose and 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.
- To improve the monitoring of achievements, the Administrative Board acknowledges that the foundation for this is laid down in the drafting of objectives in the Agency Work Programme. The Board will therefore pay larger attention to this in the process leading up to the adoption of the Work Programme.
- In the drafting of the Annual Activity Report for 2015, the Administrative Board recommends the Agency to further highlight the impact of the Agency's outputs on the European railway sector.
- The Administrative Board will specifically monitor the development of commitments and payments, in order to reach the targets set by the relevant authorities.
- Regarding the ICS, special attention in 2015 will be given to the development of competence and document management systems and to improve the prioritisation of the Agency's activities. The Administrative Board will pay extra attention to these measures and the overall effectiveness of the ICS.

- The Board will also follow the development of the Agency's communication strategy and the continued preparation for the new tasks foreseen for the Agency in the Fourth Railway Package.
- Finally, the Administrative Board expresses its appreciation to the Executive Director and his staff for their commitment and achievements throughout the year.
- The Administrative Board adopted the Annual Activity Report *on 24 March 2015*. In light of the above analysis and assessment, the Board requests to forward the Report, together with this analysis, to the European Commission, the European Parliament, the Council, the Permanent Representations of the Member States and the Court of Auditors.