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**SHIFT2RAIL JOINT UNDERTAKING**

**CALL FOR EXPRESSIONS OF INTEREST TO  
BECOME ASSOCIATED MEMBER OF THE  
SHIFT2RAIL JOINT UNDERTAKING**

*Ref. S2R JU/AM/01/2014*

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*6 October 2014*

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# 1. The Shift2Rail Joint Undertaking

The Shift2Rail Joint Undertaking (S2R JU) was established by Council Regulation (EU) No 642/2014 of 16 June 2014 (S2R Regulation)<sup>1</sup> until 31 December 2024. It is a new public-private partnership in the rail sector established under Article 187 of the Treaty on the Functioning of the European Union, providing a platform for the rail sector as a whole to work together with a view to driving innovation in the years to come. Rail research conducted within Shift2Rail must contribute to addressing the challenges faced by the rail sector, through a comprehensive and coordinated approach to research and innovation focusing on the needs of the rail system and of its users. In particular, it should prioritise the following objectives:

- Achieve the Single European Railway Area through the removal of remaining technical obstacles holding back the rail sector in terms of interoperability and through the transition to a more integrated, efficient and safe EU railway market, guaranteeing the proper interconnection of technical solutions.
- Radically enhance the attractiveness and competitiveness of the European railway system to ensure a modal shift towards rail through a faster and less costly transition to a more attractive, user-friendly (including for persons with reduced mobility), efficient, reliable, and sustainable European rail system.
- Help the European rail industry to retain and consolidate its leadership on the global market for rail products and services by ensuring that R&I activities and results can provide a competitive advantage to EU industries and by stimulating and accelerating the market uptake of innovative technologies.

In accordance with Articles 1(4) and 2(a) of Annex I to the S2R Regulation, the Governing Board of the S2R JU has approved a draft strategic Master Plan<sup>2</sup>, which identifies the key priorities of Shift2Rail and indicates the main operational and technological innovations that are required to achieve the objectives of the JU. The S2R Master Plan shall be endorsed by the Council, acting on a proposal from the Commission, and communicated to the European Parliament, prior to its adoption by the Governing Board of the S2R JU.

The S2R JU will be tasked with the prioritisation and execution of the S2R Master Plan. In this respect, the S2R JU will be responsible to carry out the following tasks:

- mobilise public and private sector funds for financing the activities in each of the Innovation Programmes defined in the S2R Master Plan;

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<sup>1</sup> OJ L 177, 17.6.2014, p. 9.

<sup>2</sup> This draft S2R Master Plan has been developed by the Commission services in close cooperation with the 8 Shift2Rail founding members other than the Union and incorporates comments received from stakeholders during numerous individual meetings with sector representatives and a public consultation meeting held on 20 June 2014, to which close to 200 stakeholders took part. It was approved by the S2R JU Governing Board in September 2014 and will subsequently be endorsed by the Council before its final adoption by the S2R JU Governing Board. The S2R Master Plan is a living document that may be updated by the Governing Board of the S2R Joint Undertaking once the associated members have been selected, in accordance with the procedure set out in the S2R Regulation. The document is available at: [http://ec.europa.eu/transport/modes/rail/shift2rail\\_en.htm](http://ec.europa.eu/transport/modes/rail/shift2rail_en.htm)

- translate the S2R Master Plan into a detailed multi-annual action plan and into result-oriented annual work plans, accompanied by detailed investment plans, that allow for continuity, synchronicity, and long-term investment, and ensure its effective and efficient implementation;
- ensure the supervision of activities related to the development of common products duly identified in the S2R Master Plan;
- financially support indirect actions on research and innovation, mainly through grants to its members and to participants through the most appropriate measures, such as procurement or the award of grants following calls for proposals to achieve the objectives of Shift2Rail, in accordance with Regulation (EU) No 1290/2013 of the European Parliament and of the Council of 11 December 2013 laying down the rules for participation and dissemination in Horizon 2020<sup>3</sup>;
- organise the technical work of research, development, validation and study, to be carried out under its authority while avoiding fragmentation of such activities;
- ensure the effectiveness and efficiency of rail research and innovation activities and follow progress towards the achievement of the S2R JU objectives through adequate monitoring and evaluation processes.

## 2. Basic principles

### *2.1. S2R JU as Public-Private Partnership*

The S2R JU fulfils the criteria for public-private partnerships (PPP) listed in Regulation (EU) No 1291/2013 of the European Parliament and of the Council of 11 December 2013 establishing Horizon 2020<sup>4</sup> ("Horizon 2020 Regulation") and Council Decision (EU) No 2013/743/EU of 3 December 2013 establishing the specific programme implementing Horizon 2020 (2014-2020)<sup>5</sup>.

The Horizon 2020 Regulation emphasises the achievement of a greater impact on research and innovation by combining the Horizon 2020 Framework Programme and private-sector funds in public-private partnerships in key areas where research and innovation can contribute to the Union's wider competitiveness goals, leverage private investment, and help tackle societal challenges.

Accordingly, such partnerships should be based on a long-term commitment, including a balanced contribution from all partners, be accountable for the achievement of their objectives and be aligned with the Union's strategic goals relating to research, development and innovation. The governance and functioning of those partnerships should be open, transparent, effective and efficient and give the opportunity to a wide range of stakeholders active in their specific areas to participate.

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<sup>3</sup> OJ L 347, 20.12.2013, p. 81.

<sup>4</sup> OJ L 347, 20.12.2013, p. 104

<sup>5</sup> OJ L 347, 20.12.2013, p. 965.

The European Union involvement in these partnerships can take the form of financial contributions to joint undertakings established on the basis of Article 187 of the Treaty and in accordance with Regulation (EU) No 1291/2013 and Council Decision 2013/743/EU.

## ***2.2. Membership of the S2R JU and other forms of participation***

The S2R JU has nine founding members: the European Union, represented by the European Commission, and eight members from the rail industry, consisting of rail equipment manufacturers Alstom, Ansaldo STS, Bombardier, Construcciones y Auxiliar de Ferrocarriles (CAF), Siemens AG, Thales and infrastructure managers Trafikverket and Network Rail.

Besides the founding members, associated membership is open to any legal entity, grouping or consortium of legal entities established in a Member State or in a country associated to the Horizon 2020 Framework Programme<sup>6</sup>. The selection of associated members will be subject to an evaluation of the candidates' expressions of interest by the Governing Board and to a final decision of the Commission, with a view to ensuring geographical balance, as well as balanced participation of SMEs, of the research community and of actors from the entire rail value chain, including from outside the traditional rail sector.

Associated members should demonstrate a strategic long-term commitment to the implementation of the S2R Master Plan, as well as added value in achieving the objectives of the S2R JU, and bring key competences / capabilities necessary to carry out strategic activities of Shift2Rail, such as the development of major elements of one or several demonstrators.

The Union, the founding members and the associated members shall jointly be referred to as the members of the S2R JU. The founding members and the associated members shall jointly be referred to as the members of the S2R JU other than the Union

Involvement in the Shift2Rail initiative is not limited to members of the S2R JU. Indeed, at least 30% of the Union contribution to the S2R JU budget should be implemented by outsourcing tasks through competitive calls for proposals and calls for tenders for non-JU members. S2R JU members may also subcontract certain tasks, subject to Regulation (EU) No 1290/2013. This means that the initiative will also be open to participants that may not have the capacity to make a strategic long-term commitment to the implementation of the S2R programme but who are still able to contribute key competences / capabilities necessary to complement the strategic activities of the programme.

In addition, the S2R JU will establish a number of working groups to ensure the wide participation and close involvement of experts from all relevant stakeholders from the full rail value chain and from outside the traditional rail industry. In particular, it is foreseen that these working groups should be open to non JU members in order to gather expertise from a wide range of actors including the rail operating community and other rail private and public stakeholders, bodies representing customers (passengers and freight), and actors outside the traditional rail sector.

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<sup>6</sup> The list of countries currently associated to the Horizon 2020 Framework Programme and related information can be found at: [http://ec.europa.eu/research/participants/data/ref/h2020/grants\\_manual/hi/3cpart/h2020-hi-list-ac\\_en.pdf](http://ec.europa.eu/research/participants/data/ref/h2020/grants_manual/hi/3cpart/h2020-hi-list-ac_en.pdf)

## ***2.3. Financing of the S2R JU***

Total contributions to the Shift2Rail initiative should amount to at least EUR 920 million for the duration of the S2R JU. This includes the Union financial contribution and the contributions of the founding and associated members.

### ***2.3.1. Union financial contribution***

The Union financial contribution to the Shift2Rail initiative will amount to up to EUR 450 million for the duration of the S2R JU. This includes EUR 52 million that has already been earmarked under the Horizon 2020 Transport Work Programme 2014-2015<sup>7</sup>, the management of which may be taken over by the S2R JU once it achieves the operational capacity to implement its own budget.

The Union financial contribution will come from the Horizon 2020 Framework Programme and will be used to co-fund the S2R indirect actions as well as the administrative costs of the S2R JU (with a maximum contribution of EUR 13.5 million for the duration of the S2R JU). The usage of these funds by the S2R JU shall comply with the rules of Horizon 2020. As regards the award of grants, these concern in particular the principles of scientific excellence and competition, eligibility of costs, co-financing and non-profit, reporting, audit and facilitating the participation of a wide range of participants, in particular SMEs.

Additional funding complementing this contribution may be allocated from other Union instruments, such as the Connecting Europe Facility or the European Structural and Investment Funds, to support actions for the deployment of innovative solutions.

### ***2.3.2. Contributions of the founding members other than the Union***

The 8 founding members other than the Union have made a collective commitment of at least EUR 270 million. This amount includes:

- (a) at least EUR 200 million in cash or in-kind contributions, ventilated as follows:
  - (i) in-kind contributions consisting of the costs incurred by the founding members and their affiliated entities in implementing indirect actions within the work plan of the S2R JU and which are financially supported by the S2R JU (**Indirect Actions**) not taking into account the contribution of the S2R JU and any other EU contribution to those costs;
  - (ii) a cash contribution to cover the **administrative costs** of the S2R JU, which will be determined proportionately to the respective budget commitment of each member of the S2R JU; it being understood that the administrative costs of the S2R JU should not exceed EUR 27 million in total, and that they should be divided equally on an annual basis between the Union and the members of the S2R JU other than the Union.
- (b) at least EUR 70 million in in-kind contributions, consisting of the costs incurred by the founding members and their affiliated entities in implementing additional activities

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<sup>7</sup> The outcome of the call H2020-MG-2014-TwoStages will not yet be known at the time of launching the present call for expression of interest to become associated member to the S2R JU.

outside the work plan of the S2R JU, which are complementary to this work plan and contribute to the overall objectives of the S2R Master Plan not taking into account any EU contribution to those costs (**Additional Activities**).

Each of the founding members other than the Union has committed individually to a contribution of at least EUR 30 million for the duration to the S2R JU. This amount is understood to be the total own contribution to the Shift2Rail initiative, including contributions to Indirect Actions (excluding the contribution of the S2R JU and any other EU contribution to those costs), to administrative costs of the S2R JU and to Additional Activities.

### *2.3.3. Contributions of the associated members*

The associated members are collectively expected to commit to a contribution of at least EUR 200 million. This amount will include:

- (a) at least EUR 150 million in cash or in-kind contributions, ventilated as follows:
  - (i) in-kind contributions consisting of the costs incurred by the associated members and their affiliated entities in implementing indirect actions within the work plan of the S2R JU and which are financially supported by the S2R JU (**Indirect Actions**) not taking into account the contribution of the S2R JU and any other EU contribution to those costs;
  - (ii) a cash contribution to cover the **administrative costs** of the S2R JU, which should be determined proportionately to the respective budget commitment of each member of the S2R JU other than research centres and universities; it being understood that the administrative costs of the S2R JU shall not exceed EUR 27 million in total, and that they should be divided equally on an annual basis between the Union and the members of the S2R JU other than the Union.
- (b) at least EUR 50 million in in-kind contributions, consisting of the costs incurred by the associated members and their affiliated entities in implementing additional activities outside the work plan of the S2R JU, which are complementary to this work plan and contribute to the overall objectives of the S2R Master Plan not taking into account any EU contribution to those costs (**Additional Activities**).

### *2.3.4. Allocation of the Union contribution*

In accordance with Article 17 of the S2R Statutes, the JU will carry out its work plan through two mechanisms:

- Up to 70% of the Union financial contribution to the S2R JU will be implemented through financial support to S2R JU members other than the Union, through appropriate measures such as the award of grants following calls for proposals, of which:
  - up to 40% of the Union financial contribution will be allocated to the founding members other than the Union and their affiliated entities;
  - up to 30% of the Union financial contribution will be allocated to the associated members and their affiliated entities;
- At least 30% of the Union contribution to the S2R JU budget will be implemented by outsourcing tasks through competitive calls for proposals and calls for tenders for non-JU members.



### **3. Scope**

This call for expression of interest to become associated member of the S2R JU is addressed to public or private entities or groupings or consortia of legal entities, established in a Member State or in a country associated to the Horizon 2020 Framework Programme, who wish to become associated members of the S2R JU and who are not already listed as founding members of the S2R JU in Annex II to the S2R Regulation, or an affiliated entity of one of these founding members.

The S2R JU is open to and encourages the widest possible participation and representation of stakeholders from all Member States and countries associated to the Horizon 2020 Framework Programme.

### **4. Initial description of activities**

An initial description of the activities expected to be performed by the S2R JU is provided in the draft S2R Master Plan, as approved by the Governing Board of the S2R JU in September 2014, which is available at the following link:

[http://ec.europa.eu/transport/modes/rail/shift2rail\\_en.htm](http://ec.europa.eu/transport/modes/rail/shift2rail_en.htm).

It is important to note that the S2R activities will not be limited to the theoretical development of concepts and the experimental proof of technologies (TRL 1-3), but an important focus will be given to the demonstration of the performance and the maturity of the technologies developed by the S2R JU ((i.e. from technology development in lab to system prototype demonstration in operational environment, corresponding to TRL 4-7). In doing so, the S2R JU should ensure the involvement of all relevant stakeholders from the full rail value chain (including input and feedback from operators and end-users) and from outside the traditional rail industry.

### **5. Membership principles**

The principles governing the S2R JU membership will comply with the Horizon 2020 Regulation and Regulation (EU) No 1290/2013, as well as with the following basic principles:

- In line with the S2R Statutes, membership of the S2R JU will be subject to the acceptance of the S2R Statutes and to the successful conclusion of a membership agreement. The membership agreements will be negotiated with the Executive Director of the S2R JU and transmitted to the Governing Board for approval. They will govern the bilateral relationship that each member will have with the S2R JU and contain an initial quantitative and qualitative description of the member's multiannual contributions to the S2R JU, including an estimation of their in-kind contributions to indirect actions launched by the S2R JU, their financial contribution towards the administrative costs of the S2R JU, and a plan of their additional activities.

- Members contribute to the implementation of the S2R JU's activities in support of the S2R Master Plan by bringing their technical and managerial expertise to the S2R JU and through the performance of the R&D activities within S2R. They also contribute financially to the administrative costs of the S2R JU.
- The members of the S2R JU are responsible for ensuring a sound and transparent management of the S2R JU. The S2R JU should ensure that the public and private sector funding provided by all its members is combined and used in accordance with the principle of sound financial management in order to achieve the objectives of the S2R JU. The S2R JU will apply Horizon 2020 rules governing the eligibility of costs, in particular those set out in Regulation (EU) No 1290/2013, in particular, Article 26 thereof. The S2R JU and its members should endeavour to keep administrative and management costs to a minimum ensuring, however, the sound and efficient management of the S2R JU while optimising usage of S2R JU resources for research, development and validation activities.
- In accordance with Article 9(5) of the Horizon 2020 rules for participation and dissemination (Regulation (EU) No 1290/2013) and in order to reflect the spirit of Article 17 of the S2R Statutes, the members of the S2R JU and their affiliated entities cannot apply to the competitive calls for proposals and calls for tenders that will be launched by the JU representing at least 30% of the Union contribution to the S2R JU budget. For consortia or groupings, this condition also applies to the individual constituent entities of the consortium or grouping. Nevertheless, this condition does not apply to competitive calls for proposals that have already been launched prior to the establishment of the S2R JU under the Horizon 2020 Transport Work Programme 2014-2015, the management of which may be taken over by the S2R JU once it achieves the operational capacity to implement its own budget.
- The maximum co-financing available for actions supported by the JU is subject to a double cap, since it must comply with both the H2020 rules (and in particular Regulation (EU) No 1290/2013) and the specific provisions of the S2R Regulation. This means that the funding rate for grants will be limited to a maximum of 100% of the total eligible costs for research and innovation actions and a maximum of 70% of the total eligible costs for innovation actions.<sup>8</sup> At the same time, the S2R JU financial contribution to each indirect action must not exceed 47.6% of the total costs for carrying out that action, in accordance with Articles 3 and 4 of the S2R Regulation, which provide the details for the Union financial contribution and the contributions of the members of the S2R JU other than the Union. Also, in no circumstance can the co-financing provided by the S2R JU give rise to any profit.
- As regards subcontracting, the S2R JU will apply the Horizon 2020 rules for participation and dissemination (Regulation (EU) No 1290/2013), and the relevant grant agreements (see section 6.3).
- The S2R JU's IPR policy should be governed by the rules of Horizon 2020 and be without prejudice to the European Union competition rules. This policy should

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<sup>8</sup> As set out in Art. 28(5) of Regulation (EU) No 1290/2013, the 70% upper limit for innovation actions does not apply to non-profit legal entities.

promote competition in the market of railway transportation products while ensuring inter-operability and facilitating application of the EU Technical Standards for Interoperability ("TSI"), and promoting the further development of the TSIs and other relevant standards. It should ensure that standards, including IPR they might contain, are used by market operators on fair, reasonable and non-discriminatory conditions.

## 6. Selection process

The selection process for associated members to the S2R JU will consist of two stages: the first stage will serve to identify candidate associated members following an initial evaluation on the basis of the eligibility, exclusion and selection criteria outlined in section 7. The second stage will consist of the final selection of associated members following the submission, evaluation and negotiation of detailed technical proposals (see section 6.2). Once the membership of the S2R JU is constituted, the JU will initiate the procedure for awarding grants to its members (see section 6.3).

The below table provides an indicative timeline for the procedure:

Launch of the call for expression of interest to become associated member of the S2R JU	6 October 2014
Closing date for the receipt of stage 1 applications	12 November 2014
Notification to all applicants of results of initial evaluation on the basis of the eligibility, exclusion and selection criteria and invitation to those successful in the initial evaluation ("candidate associated members") to submit a detailed technical proposal in stage 2	December 2014
Submission of detailed technical proposals by candidate associated members	January 2015
Consultations between the Executive Director and the candidate associated members on the content of the detailed technical proposals and evaluation thereof	January – February 2015
Negotiations with the candidate associated members and the founding members on the content of the S2R multi-annual action plan implementing the S2R Master Plan.	February 2015
Closure of the negotiations and signature of the membership agreements with the successful candidate members	March 2015
Grant award procedure, including the independent evaluation of proposals for actions submitted by S2R JU members, with a view to starting S2R activities	April – June 2015

### **6.1. First stage: identification of candidate associated members**

First-stage applications will be evaluated, on the basis of the eligibility, exclusion and selection criteria defined in section 7, by an expert panel appointed by the S2R JU's Governing Board.

In case of consortia and grouping, each constituent entity of the consortium or grouping should fulfil these criteria.

Only the candidates who satisfy the eligibility criteria will be evaluated on the basis of the exclusion criteria and only those who fulfil the exclusion criteria will be further examined on the basis of the selection criteria.

Following the evaluation on the basis of the selection criteria, only the candidates meeting the thresholds outlined in section 7.4.1 will be invited to submit detailed technical proposals in a second stage.

## **6.2. *Second stage: evaluation of detailed technical proposals***

Candidates invited to the second stage will receive from the Executive Director of the S2R JU a template for the submission of detailed technical proposals, as well as a scoping paper providing an overview of the structure and content of the draft multiannual action plan and an indication of the areas of interest of the founding members. This process will enable pre-selected associated members to make an informed choice on the areas that they wish to submit detailed technical proposals for.

During this second stage, candidates may submit proposals in areas:

- that are described in the draft multiannual action plan and complementary to the activities proposed by the founding members;
- that are not yet identified in the draft multiannual action plan, so long as they clearly justify their contribution to the draft S2R Master Plan and their relevance to the Shift2Rail objectives;
- that are identified as being of interest to the founding members. In this case, the relative merits of the proposals of the founding and associated members will be subject to a competitive review carried out under the responsibility of the Executive Director with a view to pursuing the proposals best meeting the objectives of the S2R initiative.

Technical proposals should demonstrate the added value of the candidate associated member in achieving the objectives of the S2R initiative. The proposed activities will be evaluated by an expert panel appointed by the S2R JU's Governing Board, inter alia according to the following criteria:

- Scale of impact on the Shift2Rail objectives of improved services for users and customer quality, reduced system costs, simplified business processes and enhanced interoperability, in particular;
- Business benefits in terms of market uptake and accelerated deployment in Europe and globally;
- Available resources;
- Proportionality, feasibility and acceptability;
- Value-added of action at EU level;

- Link to ongoing research and innovation activities, in particular to projects funded under previous EU Research Framework Programmes;
- Potential synergies with other sectors.

The Executive Director may consult the candidates on the content of their detailed technical proposals as submitted during the second stage of the call, namely with a view to identifying synergies and/or overlaps between proposals and to increasing the coherence and complementarity of the proposed technical activities.

Final negotiations will be organised with candidate associated members on an individual basis to conclude their draft membership agreement, outlining their multiannual quantitative and qualitative contribution to the S2R JU.

The negotiations will deal, inter alia, with the following aspects:

- definition of roles / contributions for the duration of the S2R JU
- detailed definition of the activities across the first years (deliverables, milestones, technical description of work packages), subject to the award of the relevant grant agreements
- set-up of the management structure within the Innovation Programmes and other aspects

At the end of this process, the Commission will decide on the final list of associated members with a view to ensuring geographical balance, as well as balanced participation of SMEs, of the research community and of actors from the entire rail value chain, including from outside the traditional rail sector.

### **6.3. *Grant award procedure***

Once the membership of the S2R JU is constituted, the JU will initiate the procedure for awarding grants to its members.

The award of grants will be done in accordance with the rules of Horizon 2020, following an independent evaluation of proposals for actions by the S2R JU members.

The grant agreements will define the rules, rights, obligations and the technical and financial details relating to the Members' participation in actions implemented by the JU. They will be based on the Model General Grant Agreement, which can be consulted at: [http://ec.europa.eu/research/participants/data/ref/h2020/grants\\_manual/amga/h2020-amga\\_en.pdf](http://ec.europa.eu/research/participants/data/ref/h2020/grants_manual/amga/h2020-amga_en.pdf)

## **7. Evaluation criteria**

This section describes the detailed minimum criteria and the required evidence enabling the Governing Board of the S2R JU to evaluate the applications for associated membership submitted in stage 1. The Governing Board, however, reserves the right to request any

additional evidence in relation to the applications submitted for evaluation or verification purposes.

Applications from the interested entities should contain all the information required in the below sections, follow the structure and include all the elements detailed in Annexes I.1 (template cover letter) and I.2 (template operational capacity).

Multiple applications to the same Innovation Programme will not be accepted. This applies to single legal entities and to the individual constituent legal entities of consortia or groupings, as well as to their affiliated entities<sup>9</sup>.

Entities may submit one application per Innovation Programme or one application for several Innovation Programmes. Notwithstanding this, entities that would like to become an associated member in more than one Innovation Programme, using different formations to apply<sup>10</sup>, must submit one application per Innovation Programme.

Furthermore, candidates entitled to one of the exceptions to the general rule, as described in section 7.2.2, should make a single application across all Innovation Programmes.

### **7.1. Eligibility criteria**

The following eligibility criteria apply to the candidate associated members:

- Any single legal entity (SMEs, large industries, public entities, research organisations, universities etc.), or grouping or consortium of legal entities<sup>11</sup>, established in a Member State or in a country associated to the Horizon 2020 Framework Programme is eligible to become an associated member of the S2R JU. However, entities identified as founding members of the S2R JU in Annex II of the S2R Regulation, or their affiliated entities<sup>12</sup>, may not apply for associated membership, whether as a single legal entity or as a member of a grouping or consortium.

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<sup>9</sup> This means that the affiliated entity of a legal entity may not be in competition with that same legal entity within a same Innovation Programme.

<sup>10</sup> i.e. it would be possible for an entity to apply as a single legal entity to one Innovation Programme, and as a member of a consortium or grouping to another Innovation Programme – or as a part of different consortia for different Innovation Programmes.

<sup>11</sup> Consortia or groupings of legal entities may apply as a single entity on behalf of their members to perform technical work jointly based on an internal agreement. The difference between a consortium and a grouping is that, in a grouping, the members have established a legal link among themselves so that the grouping constitutes a single legal entity. If the grouping is not a legal entity, its members may apply jointly in the form of a consortium. Consortia should appoint, at application stage, a "Consortium Leader" who should be authorised to act as single point of contact vis-à-vis the S2R JU. If the candidate associated member is selected, the Consortium Leader should perform the following tasks:

- ensure on behalf of the Consortium that the work is delivered and manage all operational aspects with its members related to the implementation of the Innovation Programme;
- ensure central coordination of reports and deliverables of the Consortium as a whole;
- centralise and receive the payments for the whole Consortium;
- execute the payments to the respective members of the Consortium, collect and provide any financial information;
- centralise and execute the payment of the administrative costs to the S2R JU for the Consortium as a whole.

<sup>12</sup> Affiliated entity means any legal entity that:

- is under the direct or indirect control of a Member, or

- The undertakings or grouping or consortium of legal entities applying for membership must have the legal capacity to conclude a membership agreement with the S2R JU and ensure clear accountability for the related obligations.
- Candidates must declare that if they are selected they will accept the provisions of Regulation (EC) 642/2014 establishing the Shift2Rail Joint Undertaking and its Statutes.
- Candidates must demonstrate that they meet the minimum contributions for accession established in section 7.2 of this document.

To this respect candidate members are required to present the following documentation:

- *A cover letter, signed by the authorised representative of the entity (or of the consortium/grouping leader, in case of a consortium/grouping applying), identifying the entity/-ies applying (see Annex I-1).*
- *The duly filled in and signed legal entities' form that can be downloaded from the following website of the European Commission<sup>13</sup>. It is imperative that the form is accompanied by all the supporting documents requested at the bottom of this form. Furthermore, consortia should provide a signed memorandum of understanding defining the relationship between constituent entities of the consortia and mandating the consortium leader. Groupings should provide proof of the legal link among involved entities.*
- *A statement certifying that the candidate (or, in the case of consortia and groupings, any of their members) is not an affiliate to a founding member of the S2R JU.*
- *A statement that the candidate (or, in the case of consortia and groupings, all of their members) is not involved in any other applications on the same Innovation Programme.*
- *A statement of acceptance, confirming the acceptance of the candidate member of the provisions of the S2R Statutes contained in Annex I of the S2R Regulation (see Annex I-2).*
- *A summary of the estimated financial contributions indicating the foreseen breakdown between indirect actions (in kind and/or in cash), administrative costs (in cash) and additional activities (in kind) as described in section 7.2.1 of this document. When communicating the estimated contributions for indirect actions, the candidates should identify the Innovation Programme(s) to which they wish to contribute and the indicative R&I contribution they wish to make. For railway undertakings or consortia composed of railway undertakings and/or infrastructure managers, candidates should indicate how they meet the thresholds of respectively EUR 12 million and EUR 15*

- 
- is under the same direct or indirect control as the Member, or
  - directly or indirectly controls a Member.

'Control' may take any of the following forms:

- the direct or indirect holding of more than 50% of the nominal value of the issued share capital in the legal entity concerned, or of a majority of the voting rights of the shareholders or associates of that entity or
- the direct or indirect holding, in fact or in law, of decision-making powers in the legal entity concerned.

However, the following relationships between legal entities do not constitute control relationships:

- the same public investment corporation, institutional investor or venture-capital company has a direct or indirect holding of more than 50% of the nominal value of the issued share capital or a majority of voting rights of the shareholders or associates;
- the legal entities concerned are owned or supervised by the same public body.

<sup>13</sup> [http://ec.europa.eu/budget/contracts\\_grants/info\\_contracts/legal\\_entities/legal\\_entities\\_en.cfm](http://ec.europa.eu/budget/contracts_grants/info_contracts/legal_entities/legal_entities_en.cfm)

million across the different Innovation Programmes and identify the indicative R&I technical contribution per Innovation Programme.

## **7.2. Minimum contribution for accession**

### **7.2.1. General rule**

#### **a. Indirect Actions**

The minimum own contribution required in order to become an associated member is 2.5% of the total budget of the Innovation Programme in which the potential member intends to participate. This minimum contribution to the Innovation Programme (IP) does not include the cash contribution to cover the administrative costs of the S2R JU nor the costs incurred to undertake the additional activities complementing the work plan of the S2R JU.

The following table presents the indicative total budget of each IP and the minimum contribution to apply as associated member for each IP:

Activities	Indicative value (in Mio EUR)	Minimum contribution for participation in IP (in Mio EUR)
IP1: Cost-efficient and Reliable Trains, including high capacity trains and high speed trains	240.00	6.00
IP2: Advanced Traffic Management & Control Systems	180.00	4.50
IP3: Cost-efficient, Sustainable and Reliable High Capacity Infrastructure	150.00	3.75
IP4: IT Solutions for Attractive Railway Services	90.00	2.25
IP5: Technologies for Sustainable & Attractive European Freight	80.00	2.00
<b>TOTAL for all 5 IPs</b>	<b>740.00</b>	<b>18.50</b>
Cross-cutting activities	33.00	
Additional activities	120.00	
Administrative activities	27.00	
<b>TOTAL budget of S2R JU</b>	<b>920.00</b>	

Applications to several Innovation Programmes are subject to the attainment by the candidate of the minimum contribution for each Innovation Programme applied for. Applications to all five Innovation Programmes therefore represent a commitment to a total minimum own contribution to Indirect Actions worth EUR 18.5 million. Notwithstanding this condition, successful candidates to one Innovation Programme may be granted the right to carry out a limited number of complementary activities within another Innovation Programme even if they do not meet the minimum contribution for that Innovation Programme, if this is deemed to be in the interest of the S2R JU. This will be determined during the negotiation of the content of the draft S2R multi-annual action plan implementing the S2R Master Plan and of the individual membership agreements.



## **b. Administrative costs**

With the exception of research centres and universities, all S2R JU members will be required to provide a financial contribution to the administrative costs of the S2R JU. This contribution will be equivalent to approximately 4.5% of the member's total own contribution to the Indirect Actions of the S2R JU (subject to a detailed calculation following the principles established in Article 16(2) of the S2R Statutes).

For consortia or groupings, each constituent entity of the consortium or grouping will be required to make a contribution equivalent to approximately 4.5% of their individual overall contribution to the Indirect Actions carried out by the S2R JU (subject to a detailed calculation following the principles established in Article 16(2) of the S2R Statutes), with the exception of research centres and universities.

If part of the contribution for administrative costs is not used, it may be made available to cover the operational costs of the S2R JU.

## **c. Additional activities**

All S2R JU members will be required to contribute to additional activities of a value of approximately one third of the value of the sum of their total own contribution to the Indirect Actions of the S2R JU. Contributions to additional activities are valued as in-kind contributions outside the work plan of the S2R JU but complementary to this work plan and contributing to the objectives of the strategic Master Plan. The costs related to additional activities should not be eligible for financial support by the S2R JU. For the purpose of valuing additional activities, the S2R JU members should only take into account the costs related to additional activities that occur after their membership takes effect. Other Union funding programmes may support those costs but Union financing is not to be considered as an in-kind contribution.

Examples of additional activities include:

- Activities still in progress whose results will be mature throughout Shift2Rail's execution, thus making Shift2Rail demonstrations more ambitious and complete;
- Activities concerning advanced equipment and system technologies with higher risk and lower maturity than in Shift2Rail for continuation and expansion of Shift2Rail research efforts;
- Activities concerning further Research and Technology efforts which extend beyond the scope and budget of Shift2Rail but nonetheless lie on the critical path to the research and technology readiness process; for instance endurance testing, feasibility of manufacturing processes for full batch rate, application of commercially representative conditions, as well as [appropriate] Research and Technology activities such as testing, investigations, development, prototyping, dissemination and knowledge build-up.
- Activities related to investments (infrastructures / facilities / tools / durable equipment) triggered by the existence of the JU and contributing to execute the Shift2Rail Programme.

The plan of additional activities shall be laid down in the individual membership agreement.

#### **d. Total own contribution**

The following table presents the indicative minimum total own contribution to apply as associated member for each IP:

<b>Activities</b>	<b>Minimum contribution to Indirect Actions</b>	<b>Indicative contribution to Administrative costs*</b>	<b>Indicative contribution to Additional Activities**</b>	<b>Total own contribution</b>
IP1: Cost-efficient and Reliable Trains, including high capacity trains and high speed trains	6.00	0.27	1.98	8.25
IP2: Advanced Traffic Management & Control Systems	4.50	0.20	1.49	6.19
IP3: Cost-efficient, Sustainable and Reliable High Capacity Infrastructure	3.75	0.17	1.24	5.16
IP4: IT Solutions for Attractive Railway Services	2.25	0.10	0.74	3.09
IP5: Technologies for Sustainable & Attractive European Freight	2.00	0.09	0.66	2.75

\* With the exception of research centres and universities who are not required to provide a financial contribution to the administrative costs of the S2R JU. These figures are calculated as 4.5% of the candidate's planned contribution to the indirect actions

\*\* These figures are calculated as one third of the candidate's planned contribution to the indirect actions

#### *7.2.2. Exceptions to the general rule*

The S2R Regulation foresees the two following exceptions to the general rules outlined in section 7.2.1.

##### **a. Railway undertakings and infrastructure managers**

In accordance with Article 4(5) of Annex I of the S2R Regulation, a special threshold will apply to railway undertakings and/or infrastructure managers, as the end users of the solutions that will be produced by Shift2Rail.

For railway undertakings in the form of a single legal entity, the minimum contribution to apply as an associated member across all Innovation Programmes is reduced to EUR 12 million.

For consortia composed solely of railway undertakings and/or infrastructure managers, the minimum contribution to apply as an associated member across all Innovation Programmes is reduced to EUR 15 million.

This means that these entities or consortia do not have to reach the minimum threshold of 2.5% for each Innovation Programme in which they intend to participate.

These special thresholds are understood as the total own contribution to the S2R JU, including contributions to Indirect Actions (excluding the contribution of the S2R JU and any other EU contribution to those costs), to administrative costs and to Additional Activities.

An indicative breakdown of these contributions is as follows:

<b>Exception (in Mio EUR)</b>	<b>Contribution to Indirect Actions</b>	<b>Contribution to Administrative costs</b>	<b>Contribution in Additional Activities</b>	<b>Total own contribution</b>
Railway undertakings in the form of a single legal entity	8.50	0.38	3.12	12.00
Consortia composed solely of railway undertakings and/or infrastructure managers	10.62	0.48	3.9	15.00

#### **b. Candidates fulfilling the same criteria as a founding member**

In accordance with Article 6(1)(c) of Annex I of the S2R Regulation, those single legal entities that fulfil the same financial criteria as the founding members (i.e. an own contribution of at least EUR 30 million for the duration of the S2R JU) are not subject to the attainment by the candidate of the minimum contribution of 2.5% for each Innovation Programme in which they intend to participate. Instead, they have the right to be involved across all Innovation Programmes. Furthermore, in accordance with Article 6(1)(c) of the S2R Statutes, these candidate associated members, if selected, will each have one representative on the Governing Board of the S2R JU.

Similarly to founding members, this contribution of EUR 30 million is understood to be the total own contribution to the S2R JU, including contributions to Indirect Actions (excluding the contribution of the S2R JU and any other EU contribution to those costs), to administrative costs and to Additional Activities.

An indicative breakdown of these contributions is as follows:

<b>Exception (in Mio EUR)</b>	<b>Contribution to Indirect Actions</b>	<b>Contribution to Administrative costs</b>	<b>Contribution in Additional Activities</b>	<b>Total own contribution</b>
Single legal entities fulfilling the same criteria as a founding member	21.24	0.96	7.80	30.00

### **7.3. Exclusion criteria**

Only the candidates who satisfy the eligibility criteria shall be examined on the basis of the exclusion criteria.

The candidate (the coordinator, and each consortium member, in case of a consortium) should provide evidence of not being in any of the following situations:

- a) being bankrupt or wound up, having its affairs administered by the courts, having entered into an arrangement with creditors, having suspended business activities, being the subject of proceedings concerning those matters, or being in any analogous situation arising from a similar procedure provided for in national legislation or regulations;
- b) has been convicted of an offence concerning professional conduct by a judgment which has the force of *res judicata*;
- c) has been guilty of grave professional misconduct proven by any means which the S2R JU can justify;
- d) has not fulfilled all its obligations relating to the payment of social security contributions and the payment of taxes in accordance with the legal provisions of the country in which it is established, with those of the country of the S2R Joint Undertaking and those of the country where the activities are to be carried out;
- e) has been the subject of a judgement which has the force of *res judicata* for fraud, corruption, involvement in a criminal organisation or any other illegal activity detrimental to the S2R JU/Union's financial interests;
- f) is subject of the administrative penalty for being guilty of misrepresentation in supplying the information required by the S2R JU as a condition of participation in a grant award procedure or procurement procedure or failing to supply an information, or being declared to be in serious breach of his obligation under contracts or agreements covered by the EU budget.

*Accordingly, the candidate (the coordinator and each consortium member) must provide a Declaration on honour (see Annex I-3), duly signed and dated, stating that they are not in one of the situations referred to above.*

The candidate member (the coordinator and each consortium member) to which the membership will be awarded will be required to provide before the signature of the membership agreement the original Declaration on honour (if provided in copy) and the relevant documentary proofs (originals) confirming this Declaration (see Annex I-3).

The S2R JU, however, reserves the right to request the documentary proof from the candidate member in case of doubt at the stage of the present procedure.

Exclusion of one or/and several of the consortium members on these grounds might result in the exclusion of the whole consortium.

## **7.4. Selection criteria**

Only those candidates who fulfil the eligibility and exclusion criteria will be further examined on the basis of the selection criteria.

The selection criteria, as set out in sections 7.4.2 and 7.4.3 will make it possible to assess the relevance and potential added value of the candidate for the achievement of the objectives of the S2R Joint Undertaking (operational capacity) and the financial soundness of the candidate (financial and economic capacity).

### *7.4.1. Scoring and thresholds*

For each of the sub-criteria set out in sections 7.4.2 (financial and economic capacity criterion) and 7.4.3 (operational capacity criterion), the application will be given scores of 0 to 5 (half marks are possible), as follows:

- 0 - The application fails to address the criterion or cannot be assessed due to missing or incomplete information (unless the result of an ‘obvious clerical error’);
- 1 - Poor: the criterion is inadequately addressed or there are serious inherent weaknesses;
- 2 - Fair: the application broadly addresses the criterion but there are significant weaknesses;
- 3 - Good: the application addresses the criterion well but with a number of shortcomings;
- 4 - Very good: the application addresses the criterion very well but with a small number of shortcomings;
- 5 - Excellent: the application successfully addresses all relevant aspects of the criterion; any shortcomings are minor.

In order to be considered for the second stage, the application must fulfil both of the following conditions:

- Achieve a score 3 or more out of 5 for each sub-criterion of the financial and economic capacity criterion and for each sub-criterion of the operational capacity criterion;
- Achieve a score above 8 out of 10 as the overall threshold for the financial and economic capacity criterion and above 20 out of 25 as the overall threshold for the operational capacity criterion.

*If on the basis of the documents submitted, the S2R Governing Board considers that a candidate meets the minimal thresholds of 3 out of 5 for each sub-criterion, without achieving the overall thresholds regarding the financial and economic and/or operational capacity criteria, it may require, where appropriate, that the candidate take corrective measures or provide additional documentation.*

#### 7.4.2. Financial and economic capacity [Maximum score of 10 points]

The candidate members shall be able to prove their financial solidity and soundness and their long term commitment and capacity to co-finance the activities they propose as contribution to the S2R JU for the entire duration of the Innovation Programme.

*To this respect the candidate members (each consortium member in case of a consortium) should:*

- A. provide proof of their financial and economic capacity by means of the following documents:*
- the balance sheets or extracts from balance sheets for the last five financial years,*
  - a statement of overall turnover and turnover relating to the relevant services (including research and innovation activities) for the last five financial years.*

*[Maximum score of 5 points; Threshold 3]*

- B. indicate clearly the Innovation Programmes to which they wish to contribute and the split between dedicated applied research and pre-industrial development and very large scale demonstrations. In addition, the estimated contribution should provide a split between the candidate's contribution and those of the affiliated entities. In the case of groupings or consortia, the description should indicate the split between the contributions of the individual members of the consortium or grouping, taking into account that each member of the consortium should make a significant contribution to the overall activities proposed by the consortium. To this respect the candidate members should provide the information required in Annex I-4 [Chapter 4, Part 2] and any additional relevant document.*

*[Maximum score of 5 points; Threshold 3]*

#### 7.4.3. Operational capacity [Maximum score of 25]

The candidate members will have their operational capacity evaluated in terms of:

- General description of the candidate's profile *[see Annex I-4, Chapter 1]*
  - Documented knowledge and experience of the rail sector, and/or the manufacture and/or supply of equipment and/or services of relevance to the European rail sector.
  - Expected contribution to the European competitiveness of the sector.
  - The existence of potential conflicts of interest which may affect their quality as member of the S2R JU and their contribution to the objectives of the Shift2Rail initiative, which are: the promotion of the Single European Railway Area, the attractiveness and competitiveness of the European railway system, and the competitiveness of the European rail industry.

*[Maximum score of 5 points; Threshold 3]*

- Proof of the candidate's research and innovation capability and technical excellence, including *[see Annex I-4, Chapter 2]*:
  - any participation in past R&D projects, in particular those funded at EU level,
  - evidence of products and technology references related to the draft Master Plan objectives,
  - proof of relevant capabilities (such as research labs, test vehicles, test tracks or other) and of the availability of sufficient R&I capacities in the EU or in countries associated to Horizon 2020 to carry out the activities related to the draft S2R Master Plan;
  - history of R&D activities that have been implemented or taken up by the market,
  - contribution to the rationalisation of research, development and validation activities, including the optimal use of existing developments and enhancing interoperability of the rail system.

*[Maximum score of 5 points; Threshold 3]*

- Management capacity *[see Annex I-4, Chapter 3]*, including:
  - Capacity to manage, coordinate and carry out large-scale research, development and validation projects involving multiple participants, as well as competence in change management, in particular during the integration of new technical systems.
  - Capacity to collaborate with different types of organisations and stakeholders (e.g. private or public companies active in the rail sector or other relevant sectors, SMEs, research organisations, universities).

*[Maximum score of 5 points; Threshold 3]*

- The quality and level of contribution, and the potential added-value that the candidate can be expected to give to the execution of the draft S2R Master Plan, and to specific Innovation Programmes and, eventually, to the cross-cutting activities, on the basis of the description of activities contained in the draft S2R Master Plan. In case of groupings or consortia, applications should provide evidence of the technical complementarity of their individual members' skills/expertise/knowledge in relation to the relevant Innovation Programme(s), and individual members of the consortium should demonstrate their individual contribution, expertise and willingness to actively participate in the activities of the S2R JU for its full duration. Candidates applying to more than one Innovation Programme should indicate where applicable any links between the topics within these Innovation Programmes, demonstrating and highlighting any additional value that a common approach could bring, both for their proposal and for the Innovation Programmes concerned or Shift2Rail as a whole *[see Annex I-4, Chapter 4]*.

*[Maximum score of 5 points; Threshold 3]*

- Indicative plans for the exploitation of the results brought by their participation in Shift2Rail *[see Annex I-4, Chapter 5]*.

*[Maximum score of 5 points; Threshold 3]*

In addition, candidate associated members are requested to provide indicative information on the Linked Third Parties, subcontractors and/or any other entities with which they intend to collaborate with for the execution of their technical activities.

*To this respect the candidate members should provide the information required in Annex I-4 and any additional relevant document in order to allow the S2R JU to assess their operational capacity.*

The evidence concerning technical and professional capacity, provided by each member of the consortium will be verified to ensure that the consortium as a whole fulfils the criteria.

Although there is not an established maximum number of associated members which can join the S2R JU, a significant expansion in membership could affect the efficient running of its governance. For this reason, the S2R JU will aim to involve a manageable number of members, namely by encouraging the participation of groupings or consortia of stakeholders, and by encouraging other forms of participation, in particular through the competitive calls for proposals and calls for tenders for non-S2R JU members or through the involvement in relevant working groups established by the S2R Governing Board.

## **8. Application procedure**

### ***8.1. Deadline and format for the submission of applications***

Entities, interested in this call for expression of interest to become member of the S2R JU, shall submit their applications for stage 1 either by registered mail, private courier or in-hand delivery.

The applications including all its supporting documents detailed in the sections above and in Annex must be sent to the European Commission, **not later than 12 November 2014 at noon (12.00 pm) (Brussels time)**. The postmark will constitute proof of the date of sending. Candidate members are strongly advised to use the delivery service offering tracking option of the sent items. Any application received after the deadline will not be examined. The applications have to be submitted to the following address:

**European Commission DG MOVE C2 / Shift2Rail Joint Undertaking  
Call for Associated Members - 2014  
Rue Demot 28, DM28 [07/065]  
B-1040 Brussels  
Belgium**

Applications must be submitted using the templates in Annex and should comply with the following requirements:



- (1) Applications should be submitted in paper format in one (1) original and four (4) copies and in electronic copy (USB, CDROM or equivalent) strictly respecting the templates provided in the annexes to this document.
- (2) The applications must be placed inside two sealed envelopes:
  - a. The outer envelope or parcel should be sealed with adhesive tape and signed across the seal and carry the following information:
    - the reference number of the call (Ref.),
    - the name of the candidate member,
    - the indication “Application - NOT to be opened by the internal mail service”.
  - b. The inner envelope must contain the paper copies and the electronic copy.

## **8.2. *Contacts between the S2R JU and the candidate member***

Contacts are allowed during this procedure under the following conditions only:

### Before the deadline for receipt of the applications:

The Commission and/or the S2R JU may, on their own initiative, inform potential candidates of any error, inaccuracy, omission or any other clerical error in the text of the present call.

At the request of the potential candidate, the Commission and/or the S2R JU is available to clarify the content of this call. Any requests for clarification must be made in writing only and sent to the following e-mail address: [MOVE-SHIFT2RAIL-CALLASSOCIATEDMEMBERS@ec.europa.eu](mailto:MOVE-SHIFT2RAIL-CALLASSOCIATEDMEMBERS@ec.europa.eu). Requests for clarification should indicate the reference number of the call and its title.

Requests received less than ten (10) calendar days before the final date for receipt of applications will not be processed.

Clarifications will be issued by the S2R JU no later than six (6) calendar days before the closing date for receipt of applications.

In order to ensure equal access to information and treatment of all applicants, any information, including the answers to requests for clarification or/and corrigenda, will be posted on the following website: [http://ec.europa.eu/transport/modes/rail/shift2rail\\_en.htm](http://ec.europa.eu/transport/modes/rail/shift2rail_en.htm). Accordingly, potential candidates are invited to make regular visits to this website to check for updates or potential questions and answers raised in the context of the present procedure.

There will be no bilateral contacts pertaining to the present call between the Commission and/or the S2R JU, on the one hand, and the potential candidate on the other hand.

### After the opening of the applications:

If clarification is required or if obvious clerical errors in the applications need to be corrected, the Commission and/or the S2R JU may contact the candidate member and request clarifications or any additional documentation.