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**Annex to the Report from the Commission to the Council and the European Parliament
on the development of the second generation Schengen Information System (SIS II)
Progress Report July – December 2007**

[COM(2008)239 final]

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1. INTRODUCTION

This progress report describes the work carried out by the Commission in the second semester of 2007 on the development of the second generation Schengen Information System (SIS II). It is presented to the Council and the European Parliament in accordance with Article 6 of Regulation (EC) No 2424/2001 of 6 December 2001[1] on the development of the second generation Schengen Information System (SIS II). The Council has mandated responsibility for developing SIS II to the Commission, assisted by the SIS II Committee[2] composed of representatives of the Member States.

The SIS II Project is divided into three phases. Phase 1 was concerned with system design and was formally completed prior to this reporting period. Phase 2 deals with development and testing of the Central System which is a significant part of the current work load. Phase 3 addresses the issue of migration of data from the currently used SIS+1 to the SIS II system. The preparatory work for successful migration is already underway. In order to provide a complete picture of the range of activities associated with this ambitious SIS II project, this report also addresses potential risks, financial, operational and project management as well as implementing measures.

2. PROJECT STATUS

2.1. Progress during the period under review

2.1.1. *Network Installation and Testing:*

The SIS II project includes the provision of a wide area communications network, meeting the requirements of availability, security, geographical coverage and level of service, to all the national and central systems to communicate.[3] The Central Unit (CU) and the Backup Central Unit (BCU) have been accessible since early July 2007. All Member States have had their main sites and the vast majority of back-up sites connected to the s-Testa network since November 2007.

2.1.2. *Central SIS II*

The System Solution Tests (SST) are designed to verify that the central SIS II on the central sites is compliant with the technical specification. The tests, conducted without national systems, commenced in July 2007, and were carried out by the main development contractor under Commission supervision. The test phase ('SST') was formally completed and accepted by the Commission on 14 December 2007. A number of remaining bugs will be resolved prior to the start of the next test phase, Operational System Testing. All Member States will be required to test the compliance of their national systems with the central system by June 2008.

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[1] OJ L 328, 13 December 2001, modified by Council Regulation N° 1988/2006, OJ L 411/1 of 30.12.2006 (the modifications in the 2006 regulation do not concern Article 6).

[2] Article 2 of Council Decision 2001/886/JHA of 6 December 2001 on the development of the second generation Schengen Information System (SIS II), OJ L 328, 13.12.2001, p. 1-3 and Article 2 of Council Regulation (EC) N° 2424/2001

[3] The necessary arrangements for the use of the encryption box for SIS II have to be completed.

As of 17 December 2007, the levels of participation of Member States in informal testing towards this goal were as follows: <u>Nineteen</u> Member States / users have completed the basic tests for connection to the SIS II network, of which <u>fourteen</u> have moved on to informally testing their national systems against the central system (PT, IT, DE, EL, IS, FI, AT, NL, HU, DK, SE, SL, LU and CY). Five of these Member States (IT, PT, SE, NL, HU) have volunteered to assist the Commission with further testing of the central system, and are therefore the most advanced to date in testing the compliance of their national systems with the central system. Four MS (UK, EE, BE, FR) and Europol are in the process of doing the basic tests. Four MS (LV, IE, MT, PL) and Eurojust have not yet started the basic tests.

2.1.3. *Preparations for Migration and Integration*

In 2006 a migration plan was prepared in co operation with Member States' experts, for the move from SIS1+ to SIS II. This migration plan involved the existing 15 Schengen Member States. Following months of preparation the move in this 'overnight migration' scenario would take place within eight hours. It was chosen in order to accelerate the migration of new Member States and remove border controls as quickly as possible.

With the completion of the SISone4All project this integration pressure was removed. However, the number of Member States increased, as did the complexity of managing the migration. Accordingly, in the SIS II Committee, the need for a reassessment of the migration strategy was identified. On 13 September 2007 an advisory working group (the Migration Working Group) of the SIS II Committee was created to examine specific issues regarding the SIS II migration and to advise the SIS II Committee on the decisions to be taken in the preparation thereof. The Migration Working Group is mandated to make concrete proposals for a global and coherent strategy and high-level plan for the timely preparation and execution of migration from SIS 1+ to SIS II, including risk analysis and a contingency plan.

On 17 of October the first meeting of the Migration Working Group was held with participation of Member State representatives, C.SIS including representatives of those Member States that will host the SIS II, contractors and the Commission services. The high risk nature of the 'overnight migration' strategy prompted the discussion of an alternative approach for migration whereby a longer period could be provided for those Member States failing to complete the process within the eight hour timeframe.

In December 2007, Member States' experts agreed on a lower risk approach. It is anticipated that on the date of start of operations, SIS 1+ is not switched off, but SIS 1+ and SIS II operate in parallel for a limited period. This fall-back plan is needed in case any Member State experiences a problem during the planned eight hour switchover. A gradual migration, during a very short time period (1-2 months) can provide this fall back. There is still a need to work on the detail.

Switzerland has indicated that it wishes to join SIS 1+ using the SISone4All solution. It is envisaged that Switzerland could be "technically ready" in May 2008. All SIS 1+ users, including Switzerland if it participates in SISone4All, will have to migrate on time to SIS II.

2.1.4. *Operational management*

The French authorities have confirmed their commitment to participating in operational management during the transitional period. This period represents the time between SIS II go-live and the establishment of the management authority that will be entrusted with the long term management of SIS II. The first of a series of four service contracts was signed in July

2007, covering the provision of serviced work space in prefabricated buildings within the Strasbourg complex as from November 2007.

The Commission is currently in the final stages of negotiating the second contract with France, covering the provision of staff at the central site that will be trained in SIS II operations as from 1st April 2008. France has now clarified its role during final SIS II tests.

The Austrian authorities have committed to provision of space and 24/7 security monitoring. Discussions are on going on how the back-up central unit administrator tasks will be carried out.

3. MANAGEMENT

3.1. Project Management

3.1.1. Scheduling (Release Phase)

Between July 2007 and September 2007, timeframes for testing were adapted to ensure sufficient time for error correction between test phases. This accommodated the various national development time constraints while maintaining the overall schedule.

3.1.2. Risks

In accordance with best practice, monitoring of potential risks is a continuous activity. An overview is given here of the major risks identified at the end of this reporting period which have the potential to negatively affect the project schedule.

Main risks under Commission responsibility:

- Insufficient number of Member States ready to commence the test phase requiring Member States' involvement (Operational System Tests - OST). See point 5.1.1

- Delays in setting up the practical arrangements regarding operational management of the Central SIS II.

- Uncertainties linked to the Test Decision. See Point 4.1.1

Main risks under joint responsibility of the Commission and Member States:

- Risk of delay of the go-live date as margins built into the SIS II project have been reduced.

- Time for correction of issues is limited, especially after the major central SIS II tests and national compliance tests have been completed

- Unpredictable duration of SIS II final tests (global tests)

- Uncertainty on how migration impacts on project schedule

- New SIS users close to the migration process

3.1.3.   Project management board

In addition to Commission services and the project contractors, representatives of the German, Portuguese, Slovenian and French Presidencies as well as a representative of the C.SIS are invited to participate in the Project Management Board. This board met <u>four times</u> during the period covered by this report.

3.1.4.   Financial Management

The total appropriations for SIS II activities provided for in the 2007 General Budget amount to €20,000,000 (of which €5,000,000 were entered into the reserve). A financing decision with a total budget of €19,000,000 was adopted by the Commission on 22 February 2007. The main components of expenditure during 2007 are site preparation, the network, preparation for operations, external assistance for developing monitoring and quality control, security audit, studies, preparatory work for the SIS II information campaign and changes to SIS II due to the impact of SISone4All.

70.09% of the total SIS II appropriations have been committed and payments corresponding to 35.73% of payment appropriations have been made.

3.2.   Meetings

The SIS II project involves both the Commission and the Member States and can only be achieved if the SIS II national systems are developed and connected on time. Regular meetings and reporting mechanisms are fundamental constituents for effective project management.

3.2.1.   SIS II Committee meetings

The Commission is assisted in the development of SIS II by the SIS II Committee, in accordance with the management and regulatory procedures prescribed in the Council Decision and Council Regulation of 6 December 2001. The Committee is composed of delegates from the 27 EU Member States, Norway, Iceland, Eurojust and Europol. Switzerland has participated in the SIS II Committee meetings since 17 November 2004. Since October 2004, the SIS II Committee has also been competent for Visa Information System (VIS) issues, in accordance with Council Decision 2004/512. There were <u>five</u> <u>meetings</u> of the SIS II Committee in the period July – December 2007.

In addition to regular SIS II Committee meetings, meetings with Member States' experts are organised to discuss detailed technical issues. These meetings generally focus on issues arising from specific project deliverables.

- The SIS II Committee has created a working group known as the "Test Advisory Group" (TAG), in order to provide it with an opinion on issues relating to the organisation, implementation and interpretation of tests. This group (composed of representatives from AT, DE, NL, PT, SE, the Commission, the main development contractor and third party experts) held <u>seven meetings</u> in this reporting period.

- The SIS II Committee has also created a "Change Management Board" (CMB), in order to provide it with advice on classification, qualification and the potential impact of correction of reported issues. It also advises the Committee on possible solutions, the implementation

of issues which have been reported, requested changes and the scheduling of the release of updated software. This working group, which reports to the SIS II Committee, met <u>seven times</u> during the reporting period.

- The first meeting of the Migration Working Group took place on 17th October 2007 and a full description of its mandate is described in section 2.1.2. dealing with Project Status. <u>Four</u> meetings have taken place in this reporting period.

3.2.2. *National Planning and Coordination*

Each month a Working Group meeting for the Member States' national project managers (NPM) is organised within the framework of the SIS II Committee. The purpose of these NPM meetings is to deal with detailed planning issues, risks and activities both at the central and national project levels.

Member States have been asked to submit monthly reports, with a view to providing a detailed update on the state of development. There was an increasing trend in the level of Member State reporting on the status of national projects. Unfortunately this has tailed off. There are still some Member States whose state of development of national system is unknown which may impact on the completion of the SIS II tests. Of the existing SIS 1+ users five Member States submitted ten out of the ten reports expected. Three Member States submitted two out of the ten reports expected. The January NPM meeting will take place in Strasbourg and Member States will visit the main site that will host the central SIS II.

3.2.3. *Council meetings*

Commission services take part in the meetings of the Council Working Groups responsible for the Schengen Information System, presenting them with an oral report on the progress of the SIS II project and the associated risks on a monthly basis. The Commission services also provide a monthly written report on the SIS II project covering progress with the project and risks. This report is primarily for the SIS II Committee but it is also transmitted to the Committee on Article 36 for the sake of transparency. The SIS II project was discussed at the JHA Council during the period under report.

4. IMPLEMENTING MEASURES

4.1. Legal Instruments

4.1.1. *Test Decision*

At its September 2007 meeting, the SIS II Committee delivered a negative opinion on the draft Commission Decision on SIS II tests, with the majority of Member States' delegations expressing the view that a legal instrument was not needed. The proposed test decision has been reviewed and transmitted to Council at the end of 2007.

4.1.2. *SIRENE Manual And Other Implementing Measures*

The new SIS/VIS regulatory committee, established on the basis of Regulation 1987/2006 and Decision 2007/533/JHA, gave a positive opinion on the draft Commission Decision for the SIS II SIRENE manual and other SIS II implementing measures.

5. **PRIORITIES FOR THE NEXT REPORTING PERIOD**

5.1. **Testing**

5.1.1. Operational System Tests (OST)

The Operational System Tests (OST) test the Central System with a set of connected national systems. This stage of **testing involves the Member States, leading to central system acceptance**, compliance of national systems developments with SIS II specifications and full alignment between the national systems and the central system. The Commission is relying on a number of volunteer Member States to be ready to take part in the first testing of the central system against their national systems. Preparation for this phase commenced in mid December 2007 and the tests are scheduled to be completed by May 2008.

5.1.2. Global Testing:

Discussions are ongoing on the timing for global testing – experience with SISone4All suggests that this test stage may take longer than originally agreed in SIS II Committee.

5.1.3. Migration Preparation:

Preparation for migration continues. Technical specifications of the identified migration approach will have to be worked out.

5.2. **Operational Management:**

Preparations for operational management for SIS II will continue, including negotiation on the service contracts with France and with Austria. Work with the main development contractor will also continue, with a view to facilitating a smooth competency transfer to the French (and, where applicable, the Austrian authorities), including the organisation of training.

Conclusions

The Central SIS II has completed the first phase of tests which is testing without Member State participation. Member States have commenced testing their national systems. Despite initial difficulties, which have negatively impacted the planning margins built into the overall project schedule, there is now a stable network between Member States and the two sites hosting the Central SIS II. The first contract with France to prepare the operational management tasks is signed and the contract with Austria is to be signed within this reporting period.

However, the project has encountered some set-backs in the past six months; the negative opinion of the SIS II regulatory Committee on the draft Commission Decision:on tests, the concerns relating to migration and the duration of the global tests. It will depend on and the outcome of ongoing discussions on these issues to which extent the overall planning will be impacted.

During the next reporting period the Commission will continue to work closely with the Member States, including those hosting the central SIS II, on the foreseen phases of testing and the planning, resourcing, organisation and scheduling of the move from SIS 1+ to SIS II.

Annex I

SIS II Committee and Working Group Meetings

a) Meetings held during the reporting period

JULY 2007	
3	Test Advisory Group
4	Change Management Board
10	Test Advisory Group
17	Test Advisory Group
25	Operational System Tests (OST) / Tests Advisory Group
26	SIS II Committee / National Projects Managers
31	Test Advisory Group

AUGUST 2007	
7	Test Advisory Group
21	Test Advisory Group
29	Change Management Group

SEPTEMBER 2007	
11	Test Advisory Group
12	SIS II Working Group 'National Project Managers' Meeting
13	SIS II Committee / Change Management Board
14	Project Management Board / Operational Systems Tests (OST) Working Group

OCTOBER 2007	
2	Change Management Board
10	Change Management Board
11	Project Management Board
17	Migration Working Group
18	'National Project Managers' Meeting
19	SIS II Committee

NOVEMBER 2007	
7	Change Management Board
8	Project Management Board
9	Migration Working Group
21	SIS II Working Group 'National Project Managers' Meeting
22	SIS II Committee / Migration Working Group

DECEMBER 2008	
6	Migration Working Group
12	Change Management Board
13	Project Management Board
18	National Projects Managers' Meeting
19	SIS II Committee

b) Meetings already scheduled for the forthcoming reporting period

JANUARY 2008	
10	Project Management Board
15	Change Management Board
23	SIS II National Project Managers (Strasbourg)
24	SIS II Committee (Strasbourg)

FEBRUARY 2008	
13	Change Management Board
14	Project Management Board
21	SIS II National Project Managers
22	SIS II Committee

MARCH 2008	
12	Change Management Board
13	Project Management Board

APRIL 2008	
9	SIS II National Projects Managers
17	Project Management Board