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COMMISSION STAFF WORKING DOCUMENT

**ON THE DEVELOPMENT OF THE SECOND GENERATION
SCHENGEN INFORMATION SYSTEM (SIS II)**

**Progress Report
June 2005**

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1. INTRODUCTION

This is a progress report on the work carried out by the Commission in the first half of 2005 on the development of the second generation Schengen Information System (SIS II). It also sets out the timetable for future activities.

It is the sixth report presented by the Commission to the Council and the European Parliament in accordance with Article 6 of Regulation (EC) No 2424/2001 of 6 December 2001¹ on the development of the second generation Schengen Information System (SIS II)².

The Council has mandated responsibility for developing SIS II to the Commission, assisted by the SIS II Committee³ composed of representatives of the Member States.

2. PROJECT STATUS

2.1. Progress

2.1.1. Achievements in the period under review (January to June 2005)

2.1.1.1. Court case on the contract for the development and implementation of SIS II

On 18 November 2004, the Court of First Instance ordered, as an interim measure, the suspension of the contract until further notice and decided on an expedited procedure following the application from Capgemini (Nederland N.V.) for the annulment of the Commission services' decision to award the SIS II/VIS contract to a consortium led by Steria, France, and Hewlett Packard, Belgium.

On 14 February 2005, Capgemini (Nederland NV) withdrew its application. The Court of First Instance therefore closed the entire procedure and ordered the applicant to pay the expenses.

During the suspension period, Commission Services have worked intensively on this Court case and on taking measures to minimise the risk of not delivering SIS II by the final date (March 2007). Commission services carried on working closely with Member State experts, but due to the suspension order could not have any contact with the contractor. A total of seven working sessions with Member State experts were organised between 9 February and 10 March on the definition of messages, transport protocols and security.

2.1.1.2. SIS II Project – Detailed Design (Phase 1)

The SIS II Project is divided into three phases. Phase 1 - Detailed Design - will deliver all the documents necessary to fully describe the SIS II from a technical perspective. The system will be developed and deployed during phase 2 – Development. Finally, during phase 3 – Migration and Integration – Member States will connect their national systems to the new SIS II central database.

¹ OJ L 328, 13 December 2001.

² For the first report see the Commission staff working paper of 18 February 2003 on the development of the second generation Schengen Information System (SIS II), SEC (2003) 206. The second report is included in the Commission's Communication of 13 December 2003, COM (2003) 771 final.

³ Article 2 of Decision 2001/886/JHA and Article 2 of Regulation No 2424/2001.

The project was in phase 1 during the current reporting period. The Commission's contractor is expected to produce five sets of deliverables by the end of phase 1:

- the documents required to manage the project (project management deliverables);
- the technical specifications describing the system to be built and tested and how Member States will communicate with the Central System;
- the documents explaining how the system will be implemented (migration and integration plan);
- the documents describing the risks and security measures and
- the helpdesk and training plan.

Project Management deliverables

In October and November 2004, a master project plan was developed, which sets out the project objectives, milestones and organisation as well as the master project schedule. The preliminary version of this plan and schedule could not be completed on time due to the suspension of the contract. The finalised master project plan was approved by Commission services on 17 June 2005 and will be used together with the Commission services' global plan as a baseline for the project.

The procedures to ensure quality and to deal with changes, issues and risks, were further formalised and implemented according to current project management practices.

Technical specifications

The specifications of the system are contained in the Interface Control Document, in the detailed specifications of the central system and in the test plan.

Interface Control Document

The Interface Control Document, which describes the way Member States can connect and use the SIS II, was expected to be delivered at the end of the first quarter of 2005. When work resumed after the suspension of the contract, the Interface Control Document (ICD) got the highest priority. This is because some of the information it contains is needed in the specifications for calls for tender to be launched by Member States for the development and implementation of their national systems or be used to begin the general preparation of their national projects.

A first version of the ICD was delivered on 28 February 2005, in accordance with the deadline set in the contract. However, this version of the ICD did not meet the expectations of Commission services and Member State experts. This is put down to the fact that Commission services and the contractor had been unable to communicate with each other during the suspension period of the contract.

The Commission services launched intensive discussions with Member States' experts, on one hand, and with the contractor, on the other hand, so that on 25 April 2005, the contractor could submit a new version of the ICD based on technical options which addressed the fundamental concerns.

This version of the ICD was further improved and culminated in the version issued to Member States on 10 June 2005. In the view of Commission services and the contractor employed by Commission services to assess the quality of deliverables, this version of the ICD contains the basic elements needed to launch a call for tender for national systems. For some Member States, however, the information contained in the released version is not as detailed as it needs to be and therefore constitutes an additional risk for the project. Moreover, other Member States agree that the released version of the ICD will allow them to launch an adequate call for tender for their national system and therefore meets their needs.

The final version of the ICD will only be released at the end of phase 1 of the project and will contain a complete description of all elements of the interface solution including details that are, in the opinion of Commission services, important for the overall solution but not indispensable for launching a national call for tender.

Detailed specifications

The development of the detailed specifications of the central part of the system, which the contractor must deliver, was directly affected by the suspension period. Once the suspension period was over, a series of meetings with Commission services was organised to allow the contractor fully to understand SIS II requirements before the detailed specifications were further developed. These requirements were also further refined in meetings with Member States experts, which involved the contractor. The process and schedule have been defined so as to receive delivery of the detailed specifications by the end of phase 1.

Test plan

The test plan (to be delivered during phase 1) develops the approach and schedule for testing compliance of the central system with its specifications and for ensuring that national systems and the central system exchange messages correctly through the interface defined in the ICD. These activities are currently ongoing with the contractor. Commission services have asked for comments from Member State experts on the initial version of the test plan. A consensus between the Commission services and the Member States on the progress and schedule for development of the test plan is expected by the end of 2005.

Migration and Integration

In autumn 2004 Member States experts agreed, in principle, on a four-step migration and integration scenario. In the first step, the new central SIS II database will be implemented and loaded with data from the current database. Member States currently using SIS will remain connected to the old database. During the second step, each Member State, currently using SIS, will connect to the new database via a device called an “adaptor”, which will allow the new database to be used without modification of the national systems. This will permit each Member State to adapt its national systems at its own pace. During the third step, all Member States currently using SIS, will stop using the adaptor at the same time and connect their own national system to the new central SIS II database. Finally, the fourth step involves those Member States using the SIS for the first time connecting their national system to the new central SIS II database.

Since autumn 2004 the agreed migration and integration scenario has become more detailed, this is because it affects the schedule of the delivery of specific software (the so-called “adaptor”) required to perform this migration. Activities are currently ongoing with the

contractor and have involved experts from Member States within the framework of working group sessions organised by Commission services. Migration and integration plans have been delivered in autumn 2005 but have not yet been approved.

Security deliverables

Security aspects are currently being studied carefully. The expected level of protection of the information assets of SIS II as regards confidentiality, integrity and availability of data is being evaluated using the Information Technology Baseline Protection Methodology of the German BSI (Bundesamt für Sicherheit in der Informationstechnik). The assessment of the required protection level has led to a more detailed risk analysis in the areas with the highest protection requirements and will also lead to the definition of a comprehensive set of security measures.

Helpdesk and training plan

A helpdesk will be available to assist Member States as they link up to SIS II. The training plan will be further developed, featuring a “train-the-trainer” approach.

2.1.1.3. Legal proposals

On 31 May 2005 the Commission adopted two legal proposals “on the establishment, operation and use of the second-generation Schengen Information System (SIS II)”^{4 5} and a third intended to allow access to specific SIS II data for the authorities in the Member States responsible for issuing vehicle registration certificates⁶. Once adopted by the Council and European Parliament (codecision for two of the three proposals), these new legal texts will replace the applicable provisions contained in the Schengen Convention.

2.1.1.4. National planning and coordination

SIS II will only become operational if the national systems are developed and connected on time, i.e. by March 2007. For each Member State, a contact person within the SIS II team of the Commission services was appointed to provide information and support to that Member State.

From the beginning of the project phase until now, Commission services have conducted visits to seven Member States in order to discuss the status of preparations.

A SIS II Project Manager’s Working Group was set up in March 2005 in order to have a regular exchange of information on national projects’ preparations. Meetings were held on at least a monthly basis.

⁴ Proposal for a Council Decision on the establishment, operation and use of the second generation Schengen information system (SIS II) – COM(2005) 230 final of 31.5.2005

⁵ Proposal for a Regulation of the European Parliament and of the Council on the establishment, operation and use of the second generation Schengen information system (SIS II) – COM (2005) 236 final of 31.5.2005

⁶ Proposal for a Regulation of the European Parliament and of the Council regarding access to the Second Generation Schengen Information System (SIS II) by the services in the Member States responsible for issuing vehicle registration certificates – COM (2005) 237 final of 31.5.2005

On 3 March 2005, a specific meeting hosted by Technical Assistance Information Exchange Unit of the European Commission (TAIEX) was organised and this focused on national preparations for the ten new Member States that joined the European Union in 2004, as well as Switzerland.

2.1.2. Results expected during the next reporting period (July to December 2005)

As regards the next reporting period, phase 1 should be completed by December 2005. This means that all project deliverables for phase 1 will have reached their final completion stage. Phase 2, the development phase, will begin as soon as is technically and contractually possible and will lead to a three-month overlap of phases 1 and 2.

2.2. Commission project management

2.2.1. Scope management

Technical specifications and the design of SIS II are based on the current functions of SIS and on further functionalities set out in the Council conclusions of 5 and 6 June 2003⁷, and 14 June 2004⁸.

Further discussions on functions have continued in the Council working groups. Commission services have repeatedly pointed out that in order to keep the deadline for the start of operations (March 2007), new additional functions or functionalities will have to be implemented after the SIS II go-live date. However, the impact of new functionalities in terms of cost and delay to the SIS II project could be assessed, if requested by the Council.

In this reporting period, Commission services, at the request of the competent Council working group, have only initiated the assessment of the feasibility of the insertion of forged and counterfeit identity documents in SIS II.

2.2.2. Planning and budget

The project phase 1 schedule was affected by the contract suspension, which lasted for 89 calendar days from 18 November 2004 until 14 February 2005. Due to a rescheduled timetable and rigorous project planning review, Commission services expect to be able to compensate for the negative impact of the contract suspension on overall planning, leaving the final project completion date unaffected. However, the project now has no “time buffers” left in its planning schedule, meaning that all project tasks must now keep rigorously to the allocated time periods.

The project is currently within the original budget forecast. Budget appropriations for SIS II have been secured from 2005 until the end of the project.

2.2.3. Synergy with VIS

Synergy between SIS II and VIS has been achieved by having both projects combined in the same call for tender and sharing the same technical infrastructure.

⁷ Conclusions adopted by the Justice and Home Affairs Council of 5 and 6 June 2004.

⁸ Conclusions adopted by the General and Foreign Affairs Council of 14 June 2004.

The Council Conclusions of 19 February 2004 on the development of the VIS stipulate that the technical and financial impact on the connection between SIS II and VIS should be further assessed and implemented, if justified by synergy effects. The draft version of a study on this issue, commissioned in April 2004, was delivered on 25 November 2004 and transmitted for discussion to the SIS II Committee. Discussions with Member State experts within the framework of the SIS II Committee reached no consensus on any technical option. During the suspension of the contract, Commission services did not continue any initiatives to implement a central connection between SIS II and VIS.

The Council of 7 March 2005 adopted conclusions in which it invited the Commission to present “at the latest by the end of 2005,” a proposal to make the VIS accessible to Member State authorities responsible for internal security. At national level, the same authorities may be entitled to access the SIS II and VIS. Therefore, Commission services have reopened the examination of various technical options that could allow the reciprocal access of SIS II and VIS data, but keeping the storage and access of data separate.

2.2.4. Procurement of services and equipment

This heading refers to any particular procurement required for carrying out the project.

Quality assurance assistance services

The project is supported by an independent quality assurance contractor whose main task is the independent evaluation of all deliverables completed by the main contractor for the SIS II and VIS projects in a fixed-price mode, and foresees the possibility of calling on specialised expertise when required by Commission services. The contract was awarded to Unisys Belgium N.V. in April 2005. Activities of the quality insurance contractor have so far covered the evaluation of the successive versions of all the deliverables provided by the contractor.

Communications infrastructure

Completion of the SIS II project also foresees the use of network services meeting the requirements of availability, security, geographical coverage and level of service.

Commission services will have to further detail these requirements during the next reporting period in order to select the appropriate network. It is anticipated that synergy effects will be important in the communications area for SIS II and VIS. The outcome of the s-TESTA project is expected to meet these requirements and expected synergy.

2.2.5. Risk analysis

A risk analysis is performed by the main SIS II/VIS contractor and assesses the risks that the part of the SIS II project (development of central system and NI, provision of support and training services) with which the contractor is entrusted is not delivered on time or within budget or that it is not of the required quality. These risks are constantly being reviewed by the Commission’s project team and the contractor.

Commission services assess overall risks of the project, comprising the tasks of the main contractor, the national projects, procurement of network services, preparation of the operational sites and adoption of the legal instruments.

The major risks for the moment are currently (1) significant changes to the functioning of the system due to amendments of the proposed legal instruments on SIS II requiring major revisions to the system design; (2) a risk related to the migration and integration of national systems, as the unavailability of one national system would impact the entire project; (3) that the current system would still undergo changes after the date of 15 October when the contractor has already started the development of the adaptor which is required to execute the migration plan; (4) the lack of “time buffers” in the planning for the development of the central part.

2.2.6. Project management board (PMB)

The Project Management Board was set up in October 2002 (see third progress report)⁹ and the Presidency of the Council is also invited to attend its meetings. Throughout the reporting period, the Project Management Board has met four times, discussing all project management issues with project stakeholders and the SIS II/VIS contractor.

2.3. SIS II Committee meetings

The SIS II Committee assists the Commission, in accordance with the management and regulatory procedures, depending on the measures to be taken as prescribed in the Council Decision and Council Regulation of 6 December 2001, in the development of SIS II.

Since 20 October 2004 the same Committee is also competent as regards VIS issues. Switzerland has participated in the SIS II Committee meetings since 17 November 2004. Following the signature of the treaty of accession of Bulgaria and Romania on 25 April 2005, these two countries have been invited to attend the SIS II Committee meetings as observers.

Due to the contract suspension, only three meetings of the SIS II Committee took place during the reporting period. These meetings mainly focused on the discussion of project evolution in general and on the measures on which the Committee’s opinion will be requested in accordance with comitology rules.

In addition to regular SIS II Committee meetings, twelve working groups composed of SIS II Committee members or Member State experts were organised by Commission services to discuss detailed technical issues. Some meetings focused for example on Member State requirements concerning messages, transport protocols and security issues. Once the contract suspension was lifted, the working group meetings were organised on the basis of an early version or a presentation of a specific deliverable.

3. COUNCIL MEETINGS

The Commission takes part in the meetings of the Council groups responsible for the Schengen Information System.

Commission services provide an oral report on the progress of the SIS II project at Council Working Group level on a monthly basis. During a working group meeting of 30 March, Commission services requested that the current SIS stay unchanged (“be frozen”) from

⁹ Commission Staff Working Paper on the development of the second generation Schengen Information System (SIS II) – Activity Report January – June 2004 – SEC(2004) 1129.

October 2005 onwards in order to allow the adaptor, which is required during the migration process of the current system to SIS II, to be developed with stable requirements.

Commission services have regularly informed the Article 36 Committee (“CATS”) about the progress of the SIS II project. On 24 June, in an informal CATS meeting a debate was held concerning SIS II progress. Issues that were discussed were reporting of the Commission to Member States, national coordination, the quality of the current ICD version, resource management and the choice of a network. Although diverging opinions on these issues became evident, all parties concerned reiterated their commitment to delivering an operational SIS II by March 2007.

However, the level of project risks, as mentioned in this report, led to the conclusion that Commission services and the relevant Council working groups should provide regular and detailed reports on the progress of the projects, both at Commission and national level, to every meeting of the Article 36 Committee and Strategic Committee for Immigration, Frontiers and Asylum (SCIFA). A clear and transparent reporting method should allow the examination of how the developments and risks across the entire project are being managed both at national and at Commission level. It should also clarify how the different project areas interact. Furthermore, the way to improve this coordination across the board needs to be further clarified.

4. CONCLUSIONS AND PERSPECTIVES

The first six months of 2005 were characterised by unexpected contract suspension which significantly disrupted both work and planning, followed by a heavy work programme to kick-start the SIS II design phase. The next six months will also be crucial: upon completion of the key design deliverables, the central project should move into the system development and deployment phases. In parallel with the central project, national preparations should have progressed substantially by the end of 2005.

Annex 1: Timetable from July to December 2005

Date	Description
13 July	SIS II Committee Meeting
25 August	SIS II Committee Meeting
28 September	SIS II Committee Meeting
26 October	SIS II Committee Meeting
30 November	SIS II Committee Meeting
14 December	SIS II Committee Meeting

Date	Description
14 July	SIS II Working Group
26 July	SIS II Working Group
2 September	SIS II Working Group
29-30 September	SIS II Working Group
October - December	SIS II Working Group planning will be communicated in September
Mid- August	Seminar on integration in SIS II for Switzerland

Deliverable	Delivery Date to Commission services by the Contractor
Business Continuity Plan	29 July
Migration Plan	16 August
Integration Plan	16 August
Test Plan	16 August
Security Plan	22 August
Training and Support Plan	9 September
ICD finalisation	17 October
Detailed Technical Specifications	12 December