



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 12.5.2006
SEC(2006) 618

COMMISSION STAFF WORKING DOCUMENT
ON THE DEVELOPMENT OF THE SECOND GENERATION
SCHENGEN INFORMATION SYSTEM (SIS II)
Progress Report
December 2005

COMMISSION STAFF WORKING DOCUMENT

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

Progress Report

December 2005

TABLE OF CONTENTS

1.	Introduction	- 3 -
2.	Project status	- 3 -
2.1.	Progress during the period under review	- 3 -
2.1.1.	Development of Central System	- 3 -
2.1.2.	Site Preparations.....	- 4 -
2.1.3.	Network.....	- 5 -
2.1.4.	National Planning and coordination.....	- 5 -
2.1.5.	System Acceptance	- 6 -
2.1.6.	Migration and Integration	- 6 -
2.1.7.	Legal proposals	- 6 -
2.2.	Results expected during the next reporting period (January to June 2006)	- 7 -
2.3.	Commission project management.....	- 7 -
2.3.1.	Scope management.....	- 7 -
2.3.2.	Planning and budget.....	- 7 -
2.3.3.	Synergy with VIS	- 8 -
2.3.4.	Risk analysis	- 8 -
2.3.5.	Communication.....	- 9 -
2.3.6.	Project management board (PMB).....	- 9 -
2.4.	SIS II Committee meetings	- 9 -
3.	Council meetings.....	- 10 -
4.	Conclusions and Perspectives	- 10 -

1. INTRODUCTION

This is a progress report on the work carried out by the Commission in the second 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 seventh 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.

As outlined in the previous progress report⁴, the nature of project risks prompted the conclusion that a clear and regular reporting method in the institutional framework would allow the examination of how developments and risks across the entire project were being managed at national and central levels. In the light of this a reporting structure has been developed in conjunction with the Member States which is now used in the various fora at which the SIS II project status is reported. This format is reflected in this current report.

2. PROJECT STATUS

2.1. Progress during the period under review

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. The project was in phase 1 during the current reporting period.

2.1.1. *Development of Central System*

The target is to have the central system developed and tested by end of October 2006. From that point onwards the central system becomes available for testing with the national systems.

The contractor was expected to produce the following set of deliverables which define the system to be developed during phase 1 of the project.

- Interface Control Document (ICD). The ICD describes how Member States can connect to and use the SIS II. The ICD was being finalised during the reporting period.

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.

⁴ Commission Staff Working Paper on the development of the second generation Schengen Information System (SIS II), Progress Report June 2005 – SEC (2005) 1493.

- Detailed specifications (DTS). This document contains the technical specifications which describe how the system is to be built and tested, and how Member States will communicate with the central system. The Member States' parts of the DTS was being finalised during the reporting.
- Both the ICD and Member States' parts of the DTS are fundamental design documents for the development of the national and central systems and, as such, presented no little challenge in their development. During the period under report the ICD and Member States' parts of the DTS were worked on intensively by Commission services, the main development contractor and the quality assurance contractor. Within the SIS II Committee framework, the Member States were also closely involved in reviewing the deliverables, including in a three-day review workshop in November. It is intended that the documents will remain "living documents" to the extent needed to accommodate the operational evolution of the system and that this status will be accompanied by a corresponding change management procedure to allow for specific amendments. The change management procedure, to be agreed between Commission services and the Member States, will set out the detail of a formal procedure to be followed in order to make changes to the content of the ICD and DTS, for example, to take account of additional functionalities that may be required in the future. It was not possible to finalise these deliverables during the period under report as Commission services were of the view that they had not been elaborated to an acceptable standard by the main development contractor. It was expected to finalise these deliverables early in 2006.
- Security deliverables. The three security deliverables (Protection Profile, Security Plan and Risk Analysis) were developed very carefully in the period under report and a comprehensive set of security measures has been produced. The documents had been finalised and were in the contractual acceptance process at the end of the period under report. It was intended to progress them in the comitology framework early in 2006.

2.1.2. Site Preparations

The SIS II will have its operational Central Unit (CU) located in Strasbourg, France and the Business Continuity Unit (BCU) will be located near Salzburg, Austria, pending a decision being taken on the future management and financing modalities of the SIS II. During the period under report Commission services had been in discussions with the French and Austrian authorities with a view to arrangements needed to facilitate the use of the sites.

The arrangements with France and Austria for the two sites had almost been finalised at the end of the reporting period.

There were no significant outstanding issues with the Salzburg site and it was expected to finalise arrangements early in 2006 so that installation work could begin shortly thereafter.

There remained three significant outstanding technical difficulties related to the physical conditions at the Strasbourg site (namely, the capacity of the existing air conditioning system, the sufficiency of the power supply to the site and the communications network cabling). The true extent of these deficiencies only became apparent at a late point in the process. Modifications to cater for the SIS II (and VIS) installations would require significant work to be carried out on site. Commission services and the French authorities were working closely together to resolve the outstanding issues and it was expected to reach a satisfactory outcome early in 2006.

2.1.3. Network

The scope of 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 allow the national and central systems to communicate. It was aimed to have the contract for network services concluded by the end of the period under report in order to have the network available for testing to begin in April 2006.

During the reporting period the network requirements were identified and elaborated. A call for tender for the network services was issued in accordance with the global schedule with the aim of having the contract for services concluded at the beginning of 2006. Difficulties presented themselves in the contract evaluation process following an award decision and the matter had to be revisited by Directorate-General Enterprise, the Commission service responsible. It was hoped, nonetheless, to conclude the award process and signature of the contract early in 2006.

As a contingency measure Commission services elaborated an alternative “plan B” scenario to provide network services in order to ensure the project deadline would not be compromised. The plan B, developed in consultation with the Member States, was intended to be deployed in the event that an excessive or other unforeseen delay were to arise in concluding the network contract. Arrangements were being put in place at the end of the reporting period to have the contingency arrangements available at the earliest moment should they be required.

2.1.4. National Planning and coordination

The target for the SIS II project is that it will be operational by March 2007. This can only be achieved if the national systems are developed and connected on time.

It is essential, therefore, to ensure that each Member State has its national system developed and tested by November 2006 in order to be in a position to start testing with the central system at that point.

Each month a Working Group meeting for the Member States’ national project managers is organised by the Commission’s SIS II Team within the framework of the SIS II Committee. The purpose of the NPM meetings is to deal with detailed planning issues, risks and activities both on the central project and national project levels.

During the reporting period Commission services developed, in consultation with the Member States, a new reporting mechanism to provide regular detailed updates on the status of the national projects with a view to having a clearer picture of their state of development. The Member States now provide updates on progress in their national projects on a monthly basis within the SIS II Committee framework. Each Member State reports progress on a set of key milestones for the national projects which are derived from the global project schedule. Some of the national project milestones depend solely on national factors and others are related to progress in the central project. The development of this reporting mechanism has enhanced the quality, consistency and usefulness of the information available.

The state of progress of the national projects varies as between the Member States, with some being more advanced in their projects than others. This is to be expected given the variations in circumstances as between the Member States. During the reporting period good progress has been made in the national projects when looked at overall. However, Commission services’ assessment at the end of the reporting period, based on information provided by the

Member States, was that about half of the Member States were on schedule to meet the project deadline. The other Member States could only be in a position to meet the deadline by taking additional measures with their national projects and, in some cases, significant efforts would be required.

2.1.5. System Acceptance

System acceptance refers to a phase in which the central system and the Member States' systems test whether the exchange of alerts functions as required. These tests do not use real data and are not performed in an operational environment. Once these tests are concluded, the migration of current SIS I+ users to the SIS II can start.

The test plan elaborates in detail the approach and schedule for testing the 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. Commission services and the Member States worked intensively on the progress and schedule for development of the test plan during the reporting period. Although not finalised by the end of the reporting period the Test Plan was expected to be finalised early in 2006.

2.1.6. Migration and Integration

In autumn 2004 Member States experts agreed, in principle, on a four-step migration and integration scenario. Since then 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 "adapter") required to perform this migration. Activities were ongoing with the contractor and have involved experts from Member States within the framework of working group sessions organised by Commission services. During the reporting period work was continued on developing the migration and integration plans. A constraining factor was the continuing development of the existing SIS I+ system since development of the adapter under the current scenario requires the existing SIS I+ system to be stable. The SIS I+ system was to have been "frozen" by 15 October 2005 in order to allow a stable reference point for the development of the adapter. However, development of the SIS I+ had continued until the end of the period under report. The migration and integration plans had not been finalised at the time of reporting. It was intended, however, that they would be finalised early in 2006.

2.1.7. 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)"^{5 6} and a third intended to allow access to specific SIS II data for the authorities in the Member States responsible for issuing vehicle registration certificates⁷. Once adopted by the Council and European Parliament (co-decision for two of the three proposals), these new legal texts will replace the applicable provisions contained in the Schengen Convention. In order to keep to

⁵ 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

⁶ 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

⁷ 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

the project deadlines, it is intended to have the legal proposals adopted by mid-2006 in order to allow Member States to fulfil any necessary national implementing procedures.

Discussions on the three legal proposals were conducted during the period under report. Substantial progress was made towards completing a first reading of the proposals by the end of the reporting period. It was intended that intensive discussions would continue on the legal proposals with the aim of having a first reading agreement followed by adoption by mid-2006.

2.2. Results expected during the next reporting period (January to June 2006)

In accordance with the global project schedule during the coming six month period, the development of the central system should have made significant progress and be nearing completion. In addition, the site preparations should be finished and the technical infrastructure should be installed. The contract for network services should be finalised early in 2006 and the required network connections should be at an advanced stage. Member States should have made important progress on their respective national projects and be in the process of developing their national systems.

As regards the legal proposal, it is expected that there will be a first reading agreement of the legal proposals by June 2006 with subsequent adoption.

2.3. Commission project management

2.3.1. 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 2003⁸, and 14 June 2004⁹.

Further discussions on functions have continued within the framework of the Council working groups. Commission services have indicated repeatedly 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 becomes operational. However, in the event that the Council required additional functionalities their impact on the cost and the timescale of the SIS II project could be assessed by Commission services.

During the reporting period, Commission services, at the request of the competent Council working group, have continued the assessment of the feasibility of the insertion of falsified identity documents in the SIS II and commenced a study related to the insertion of alerts on minors in the SIS II.

2.3.2. Planning and budget

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

⁸ Conclusions adopted by the Justice and Home Affairs Council of 5 and 6 June 2003.

⁹ Conclusions adopted by the General and Foreign Affairs Council of 14 June 2004.

2.3.3. *Synergy with VIS*

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

The Council Conclusions of 19 February 2004 on the development of the VIS stipulate that the technical and financial impact on the connection between the SIS II and the VIS should be further assessed and implemented, if justified by synergy effects. In the period under report a study on SIS II-VIS connectivity was finalised which investigated various technical scenarios for connectivity. The study concluded that central connectivity provided a high level of synergy at the financial and technical levels. The Council's Article 36 Committee concluded in October that connectivity between the two systems should be established centrally after the systems become operational.

The JHA 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 the VIS. Commission services 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. In November 2005 the Commission adopted a proposal for a Council Decision on access to the VIS by Member State authorities responsible for internal security. The proposal was presented by the Commission to the JHA Council Mixed Committee in December.

2.3.4. *Risk analysis*

Risks refer to issues which may not be completely in the control of the project stakeholders and which have the potential to impact on the schedule or outcome of the project. In accordance with best practice the project risks are identified, assessed and monitored on an ongoing basis.

A risk analysis is performed by the main SIS II 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, and with the Member States in the SIS II Committee framework.

The Member States also monitor the risks at their national project level in a similar fashion on an ongoing basis. The Member States' identify both risks which they "own", that is issues which arise within the confines of their national projects, and risks which they do not "own" entirely, that is, issues within their national projects which may depend on progress at the central level.

Commission services assess the overall risks to the project (global project risks), 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.

During the reporting period the following major risks for the project were identified: (1) possible significant changes to the functionalities of the system due to amendments of the proposed legal instruments on SIS II impacting on the system design; (2) a risk related to the migration and integration of national systems, as the unavailability of one national system

would impact on the entire project; (3) the risk of the network services contract not being finalised in time to allow the communications infrastructure to be set up in line with the project schedule; (4) the risk posed to the migration and integration strategy by changes to the current SIS after the date of 15 October 2005 when the contractor would have already started the development of the adapter which is required to execute the migration plan; (5) the lack of “time buffers” in the planning for the development of the central part.

2.3.5. Communication

Commission services report regularly on the status of the SIS II project to the Member States within the framework of the regular SIS II Committee meetings.

In another process of regular reporting to the Council on progress in the SIS II project a SIS II status report, following the format of this document, was given orally at the SIS-SIRENE meeting of 10 November 2005. Subsequently, a management version of the progress report was presented and discussed in the Article 36 Committee meeting of 15-16 November 2005. The Commission then presented a status report and updated Ministers on the project status at the JHA Council Mixed Committee on 1 December 2005.

2.3.6. Project management board (PMB)

The Project Management Board was set up in October 2002 (see third progress report)¹⁰ and the Presidency of the Council is also invited to attend its meetings. During the reporting period, the Project Management Board met six times, discussing all project management issues with project stakeholders and the SIS II/VIS contractor. It was decided during the period under report to include, in addition to the current Council Presidency, its immediate predecessor and its two successors in order to assist in ensuring continuity in the Council’s involvement.

2.4. SIS II Committee meetings

The Commission is assisted in the development of SIS II by the SIS Committee, in accordance with the management and regulatory procedures as prescribed in the Council Decision and Council Regulation of 6 December 2001. The Committee is comprised of delegates from the 25 EU Member States, Norway and Iceland. 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 states have been invited to attend the SIS II Committee meetings as observers.

Since October 2004 the SIS II Committee has also been competent as regards VIS issues, in accordance with Council Decision 2004/512.

There were seven meetings of the SIS II Committee in the period under report.

In addition to regular SIS II Committee meetings, working groups composed of SIS II Committee members or Member States’ experts are organised by Commission services to discuss detailed technical issues. These meetings generally focused on issues of concern to the

¹⁰ Commission Staff Working Paper on the development of the second generation Schengen Information System (SIS II) – Activity Report January – June 2004 – SEC(2004) 1129.

Member States and issues arising from specific project deliverables. There were 11 working group meetings held during the reporting period.

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.

Commission services also regularly inform the Article 36 Committee about the progress in the SIS II project. At the Article 36 Committee meeting in November 2005 Commission services presented a global project status report and there was a discussion on the project focusing mainly on the legal proposals and national project progress. Some Member States expressed a desire for the SIS II to be a more functional tool for police purposes and there was a restatement of commitment to concluding the negotiations on the legal proposals by mid-2006. Commitment to meeting the March 2007 deadline for the project was also expressed.

A status report on the SIS II project was presented to the Justice and Home Affairs Council on 1 December 2005. During the discussion some representatives emphasised the need for the SIS II to be at least as functional as the existing system and there were restatements of commitment to the March 2007 date for the SIS II to become operational, notably among the recently acceded Member States' representatives.

4. CONCLUSIONS AND PERSPECTIVES

The last six months of 2005 were characterised by progress towards completion of the key design deliverables and improved information exchange on the status of national preparations, issues and risks. During the next period the central project should move into the system development and deployment phases, provided that some critical risks do not materialise, which could seriously impact on the overall project schedule.

Annex 1: Timetable from January to June 2006

Date	Description
24 January	SIS II Committee Meeting
24 February	SIS II Committee Meeting
30 March	SIS II Committee Meeting
27 April	SIS II Committee Meeting
17 May	SIS II Committee Meeting
29 June	SIS II Committee Meeting

Date	Description
25 January	SIS II Working Group
22 & 23 February	SIS II Working Group
6 March	Seminar on integration in SIS II for Bulgaria and Romania
21 & 22 March	SIS II Working Group
28 April	SIS II Working Group
15 & 16 May	SIS II Working Group
27 & 28 June	SIS II Working Group