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COMMISSION STAFF WORKING PAPER
ON THE DEVELOPMENT OF THE SECOND GENERATION
SCHENGEN INFORMATION SYSTEM (SIS II)
December 2004 Progress Report

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1. INTRODUCTION

This is a progress report on the work carried out by the Commission in the second half of 2004 on the development of the second generation Schengen Information System (SIS II). It also sets out the timetable for future activities.

It is the fifth 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 (June to December 2004)

2.1.1.1. Call for tender for the development and implementation of SIS II

The tenders, received in response to the call for tender issued in December 2003, were evaluated during the period under review. As indicated in the call for tender documents, tenders were first evaluated on the quality of their technical solution, which included a benchmark, and then financially evaluated. The financial evaluation was only carried out on tenders which gained a minimum score for the technical evaluation. The complete evaluation was finalised by the end of August as planned.

On 13 September 2004, Commission services decided to award the SIS II/VIS contract to a consortium led by Steria France and Hewlett Packard Belgium and the contract was signed on 22 October 2004.

On 15 November, Commission services were informed that Capgemini (Nederland NV), who was second in the tendering procedure, had applied for the annulment of the decisions to reject their offer and to award the contract to another tenderer (principal case), together with judicial interim relief, in particular to suspend the execution of the contract (procedure for interim measures) to the Court of First Instance.

The Court of First Instance ordered the suspension of the contract until further notice and decided on an expedited procedure in the court case.⁴

Commission Services have worked intensively on this court case and on taking all measures to minimise the risk of not delivering SIS II by the final date (March 2007).

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 On 14 February 2005, Capgemini (Nederland NV) withdrew its application.

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 necessary documents 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.

Master Project Plan and Migration / Integration Scenario

The contractor's first task has been, in accordance with its contractual obligations, to develop a master project plan - a timeframe for the whole SIS II project.

A key element for the drafting of this master plan was the approach to migration and integration of existing and new Member States. As indicated in annex 2 of the previous report, Commission services therefore organised three successive workshops to discuss the possible migration and integration scenarios proposed by the contractor.

Member States have subsequently 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 any 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, foresees those Member States using the SIS for the first time connecting their national system to the new central SIS II database.

This four-step scenario is both workable for Member States and the Commission and reduces risk of failure. It is planned to obtain the formal opinion of the SIS II Committee on the migration and integration scenario in 2005 under the management procedure.

On the basis of this scenario, a draft version of the master project plan was quickly delivered by the contractor. However the suspension of the contract has stopped the Commission services from further reviewing this document, which had not yet reached a level of completeness to make it suitable for planning purposes.

Interface Control Document

The Interface Control Document, which describes the way Member States can connect and use the SIS II, is expected to be delivered at the end of the first quarter of 2005. The Commission services have, with the support of the contractor, organised two meetings for detailed discussions about the Interface Control Document since this document is necessary for issuing the calls for tender to adapt systems in Member States, if required.

SIS II Functions

The functions to be available in SIS II are defined in the conclusions of the Council of 14 June 2004⁵. These functions are the basis for the detailed specifications and design of SIS II.

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 functions or functionalities will be treated as change requests to be implemented after the go-live date of SIS II.

2.1.1.3. SIS II/VIS connectivity study

The Council Conclusions of 19 February 2004 on the development of the VIS stipulate that the technical and financial impact of the SIS II/VIS access modes should be further assessed and implemented, if justified by synergy effects.

Based on these conclusions, especially concerning the synergy effects of SIS II and VIS, a study, commissioned in April 2004, was conducted by Unisys. The study report was discussed at the SIS II Committee meetings of 20 October and 17 November 2004. An updated version of the report was delivered on 25 November 2004 and transmitted to the SIS II Committee. A final report will be delivered by Unisys at the beginning of 2005.

2.1.1.4. Feasibility Study on stolen cultural goods in SIS II

Council conclusions of 5/6 June 2003⁶ cited the search for stolen cultural goods as one possible future functionality of the SIS II. In 2004, Commission services commissioned a study on the feasibility of the possible addition of alerts on stolen cultural goods as a new functionality of SIS II. This study was closely followed up by Members States represented in the Europol working group on stolen goods and was concluded in August 2004. Commission services transmitted the final report of the feasibility study on this subject together with its recommendations to the Council and the European Parliament in September 2004.

The study concludes that “...storing alerts on cultural goods in SIS II would require very significant additional developments. The expected workload would exceed expectations that can be derived from the original by-line on a ‘possible new functionality’ with regard to cultural goods in earlier documents, and might negatively impact the SIS II development schedule if an attempt is made to include it from the outset”.

Commission services have recommended taking these conclusions into account, and not to include the alerts on stolen cultural goods in SIS II.

2.1.1.5. Legal proposals

The drafting of the proposals for the SIS II legal instruments continued and intensified throughout the reporting period. The Commission will submit the proposals concerning the SIS II legal instruments by the end of the first quarter of 2005.

⁵ Conclusions adopted by the General and Foreign Affairs Council of 14 June 2004 – Document 10125/04 – SIRIS 69

⁶ Conclusions of Justice and Home Affairs Council of 5/6 June 2003 – Document 9845/03

2.1.1.6. National planning and coordination

Successful implementation of SIS II also requires that Member States prepare linking their National Systems with the central system. Commission services have updated the information on the status of national preparations that had been gathered from each Member State for the first time in June 2004. The results of this updated version were communicated to the SIS II Committee on 17 November.

In order to better follow the developments of national preparations, Commission services have adapted the organisation of their own team in charge of the SIS II project, and have clearly identified a contact person for each participating Member State. This contact person is both in charge of providing information and support towards the Member States for which he or she is the contact person, as well as being responsible for monitoring progress. Although intended to help Member States, this support in no way discharges Member States from their responsibility for preparing their national system(s) for linking up into SIS II.

In October 2004, Commission services also formally invited each Member State to appoint a full time project manager for the SIS II project. The nomination of a project manager in each Member State is a fundamental condition for progressing with national preparations. Not all Member States have yet been able to indicate that such an appointment has taken place.

2.1.1.7. Call for Tender for Assistance

A call for tender was launched for the selection of a contractor who will assist the Commission with the acceptance procedures and in-depth quality checks of SIS II project deliverables. The same contract will also be available to cover specific assignments in relation to the development and implementation of VIS.

The first part of this restricted call for tender (the candidature phase) was completed by the end of August. The tender specifications were issued on 5 October and the tender answers received by 15 November. Opening and evaluation of the tenders, was completed before the Christmas break. The contract signature is currently scheduled for January 2005.

2.1.2. *Results expected in the next reporting period (January until June 2005)*

Commission Services remain deeply committed to delivering the SIS II on time and to budget. During the next reporting period, all necessary measures will be taken in order to compensate for the delays that were incurred due to the Court Case on the delivery of some key deliverables.

2.2. Commission Project Management

2.2.1. *Project Management Board*

Following common practice in the development of large-scale IT systems, a Project Management Board was set up in October 2002 to share in-house knowledge with other Commission services⁷ (see third progress report). Member States' interests are represented by

⁷ Commission Staff Working Paper on the development of the second generation Schengen Information System (SIS II) – Activity Report January – June 2004 – SEC(2004) 1129.

the current Presidency. Throughout the reporting period the Project Management Board has met a total of 4 times.

2.2.2. Project Management Team

During the reporting period, the project management team has not been reinforced with additional human resources. New resources are expected to be made available during the next reporting period.

2.2.3. Assistance to the Project

Current technical assistance is provided by an external contractor until April 2005. A new call for tender was issued (see 2.1.1.7) to cover the volume of work required for the assistance in the context of the development and implementation of SIS II. This project assistance will ensure that, as from the first quarter of 2005, an independent external quality evaluation is performed regularly and will provide the framework to supply any additional support when required.

2.2.4. Risk Analysis

A risk analysis log was updated on a regular basis and discussed within the SIS II Committee. Since the signature of the contract, the risk log has been split between the risks that the contractor will manage and report to Commission services and which may impact on contract execution, and the overall risks that are independent of the means used for the performance of the contract.

The major risks for the moment are (1) delays in project progress due to the suspension of the contract and (2) the delays on the Member State side as regards the preparation of the adopted migration scenario.

2.3. SIS II Committee Meetings

Council Decision 2004/512/EC provides that the Commission shall be assisted for the development of the VIS by the SIS II Committee as set up by Article 5(1) of Council Regulation (EC) No. 2424/2001 of 6 December 2001 on the development of the second generation Schengen Information System (SIS II)⁸.

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. The new rules of procedures adopted on 20 October 2004 foresee that the agenda of the Committee makes a distinction between SIS II subjects, VIS subjects and combined subjects. The Committee shall meet, as necessary, in two distinct formations, depending on the agenda.

During its meeting on 17 November 2004, the SIS II Committee supported the Commission services' proposal to create a SIS II working group where the technical discussions of any proposed draft measures will take place. Once a draft measure has been examined, the working group will then transmit it to the SIS II Committee in order to obtain Committee's formal opinion.

⁸ OJ L 328, 13.12.2001

The Committee has held 5 meetings over the past half year, including an extraordinary meeting to announce the contract award to the SIS II Committee.

The Agreement between the European Union, the European Community and the Swiss Confederation on the latter's association with the implementation, application and development of the Schengen *acquis*⁹, was signed on 26 October 2004. This Agreement provides for provisional application of certain provisions upon signature, in particular the participation of Switzerland in the committees dealing with the development of the Schengen *acquis*.

On this basis, Switzerland was invited to send a delegation with observer status for the SIS II Committee meetings with effect from 17 November 2004 onwards. After conclusion of the Agreement on the association of Switzerland (expected in 2005), Switzerland will be fully associated with the work of the SIS II Committee. In the meantime, Switzerland participates on a provisional basis.

2.4. Data Protection

Data protection issues linked to the SIS II are a permanent area of attention for Commission services. The draft legal instruments for SIS II will contain the necessary safeguards in this perspective and address the concerns expressed by the Joint Surveillance Authority^{10 11}.

3. IMPACT OF OTHER INSTITUTIONS' ACTIVITIES

The division of responsibilities between the Council and the Commission¹² is such that a large number of decisions essential to the development of SIS II, such as the functions¹³, types of access¹⁴ and the location of the future system, have to be taken at Council level.

The Commission takes part in the meetings of the Council groups responsible for the Schengen Information System. It keeps the Council regularly informed about the development of the system and answers questions raised by the Member States.

⁹ Council document 13054/04.

¹⁰ Authority inaugurated according to article 115 of the Schengen Application Convention

¹¹ Opinion of the Joint Surveillance Authority SHAC 2504/04 of 19 May 2004.

¹² See addendum of 29 January 2002 to the minutes of the Council (Justice, Home Affairs and Civil Protection) of 6 and 7 December 2001 (14997/01 ADD 1).

¹³ List of existing links between alerts, fields to be included or altered in alerts relating to documents, additional information and/or field to be included for certain alerts, practical conditions for storing photographs and fingerprints of the wanted persons.

¹⁴ New authorities that will have access to the system.

4. CONCLUSIONS AND PERSPECTIVES

As already stated above, the Commission is deeply committed delivering the SIS II on time and to budget. The measures taken by the Commission Services during the relatively short period of interruption due to the court case, have made it possible to keep the final project completion date unaffected.

5. ANNEX 1: TIMETABLE FROM JANUARY TO JUNE 2005

Date	Description
27 January	SIS II Committee Meeting
8 February	SIS II Committee Meeting
21 March	SIS II Committee Meeting
End of March	Commission presents a proposal for a legal basis for SIS II
End of March	Duration of court case clarified
21 April	SIS II Committee Meeting
8 June	SIS II Committee Meeting