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**REPORT FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT AND  
THE COUNCIL**

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

**January 2011 - June 2011**

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## **1. INTRODUCTION**

This progress report describes the work carried out in the first semester of 2011, concerning the development of the second generation Schengen Information System (SIS II) and preparations for migration from SIS 1+ to SIS II. It is presented to the Council and the European Parliament in accordance with Article 18 of Council Regulation (EC) No 1104/2008 and of Council Decision 2008/839/JHA on migration from the Schengen Information System (SIS 1+) to the SIS II.

## **2. PROJECT STATUS**

### **2.1. Overview of progress during the period under review**

The 2010 October JHA Council took note of the new SIS II global schedule and budget and called upon all stakeholders to capitalise on this new momentum and invest all necessary efforts in ensuring the implementation of the project.

Since the adoption of Council Conclusions in October 2010, all stakeholders have been doing their utmost to deliver their respective elements of SIS II. Technical development of the updated Central SIS II is on track with significant testing activities for both the central system and the Member States. Any potential issue is discussed with stakeholders so that risks can be addressed and mitigated at an early stage.

The agreement, late in 2010, on the final technical specifications that govern the interaction of the central system with the national systems, was a pre-requisite for finalising the technical development of the project. Accordingly, the process on accepting the specifications was pursued to a conclusion and closed. The contract with the main development contractor, including the final agreed updated requirements of SIS II, was signed on 29 November 2010.

Early in this reporting period two risks were highlighted to Member States: a) the availability of a SIS 1+ test environment, and b) the readiness of Member States to participate in the "extended compliance test" (CTE) campaigns. Early identification of these issues led to joint mitigation actions to tackle these two risks.

Following a development phase, where both the central and the national systems underwent upgrade to the new specifications, stakeholders progressed to testing activities:

- At central level, the "factory acceptance test" of the upgraded system was successful;
- At national level, the first series of CTE, which verify the coherence between the central and the national systems, started in April.

The further development of the project continues to be carried out smoothly, in a positive and constructive atmosphere.

### **2.2. Technical framework for finalising the project**

#### Additional Hardware for Entry into Operation

All additional hardware for the back-up central unit in Austria was delivered as planned. The remaining hardware for the central unit was delivered in Strasbourg on 25 January 2011, the bulk of the new hardware having been delivered in Strasbourg on 17 December 2010.

### Development of SIS II National Systems

On 22 December 2010, the Commission sent the Member States a letter reinforcing its confirmation of the final and stable status of Interface Control Document (ICD) 3.0. This version constitutes the reference document with which both the central and national systems must be aligned. Member States were urged to take the necessary actions as regards national development and test planning for SIS II in order to be ready for the first formal tests with the central system which started in May 2011.

### Tests

A workshop on testing took place on 11-12 January 2011 and focused on the Test Plan and Test Strategy. The Test Advisory Group (TAG) discussed and closed on 25 January 2011 the last outstanding comments made by Member States on the SIS II Test Strategy proposal. This permitted the Commission to put forward for approval the SIS II Test Plan as well as the SIS II Test Strategy proposal document to the SIS-VIS Committee on 23 February 2011. A positive opinion was achieved.

For the CTE campaign, the availability of eight test environments means that Member States can test in four groups, each group containing a maximum of eight Member States. At the start of the test period some difficulties were encountered in allocating Member States evenly throughout the groups.

Subsequently, in line with the global schedule, the first informal elements of CTE started for group 1 on 12 April 2011, with the formal elements commencing on 23 June 2011. These CTE tests allow Member States to demonstrate the compliance of their updated national systems with ICD 3.0. The further three groups will undertake tests in sequence until the end of 2011.

Should Member States not be able to complete these tests as planned, there is a risk of an impact on the project's global schedule as announced to the Council in October 2010. However, recognising this issue, and especially learning from the experiences of the first group, the Commission and the SIS II Task Force cooperated closely to ensure the greatest amount of flexibility in use of spare slots to seek to accommodate short notice changes in Member States' ability to test.

### **2.3. Preparations for the second milestone test**

The Global Programme Management Board (GPMB) members and the Commission started the preparations for the second milestone test. This will ultimately require the drafting of a requirements document that will serve as a basis for the second milestone test design descriptions during the next reporting period.

### **2.4. Preparation for the comprehensive test**

A meeting with GPMB members and the technical advisor to the Council Working Party on Schengen Matters (SIS-TECH formation) took place in Strasbourg on 8 February 2011. The

meeting concentrated on activities related to the comprehensive test, foreseen in the migration legal instruments.<sup>1</sup> The meeting achieved clarification, agreement, potential solutions to important issues, actions and timescales across a range of activities.

## **2.5. Preparations for migration**

### Testing the converter

In order to successfully perform the migration from SIS 1+ to SIS II an interim migration architecture will be put in place. This will include a converter designed to convert data in two directions between the current C.SIS and central SIS II and keep both systems synchronised for the period of time required for Member States to move from one system to the other<sup>2</sup>.

Such a key component of the migration architecture requires exhaustive testing. In order for this to take place a SIS 1+ test environment is required. It had been anticipated that an existing test environment of the C.SIS would be used. However, at the end of 2010 the Commission was informed by France that the environment that had been intended for these tests would no longer be available as it would be required for the upgrade of the SIS 1+, which was behind schedule.

The issue of the availability of the SIS 1+ test environment was identified as a critical risk to the SIS II global schedule. In order to mitigate the impact of this issue, the Commission and the French authorities discussed pragmatic and operational options that would include identifying available time slots in the existing environment in order to use it for SIS II testing during these free intervals. However, given the intensity and duration of testing, it became clear that a dedicated environment is the only real option.

The Commission, assisted by the GPMB, worked on finding a contingency solution. This analysis again concluded that there was no other viable option but to purchase a new SIS 1+ test environment (from the current SIS 1+ supplier). France's close cooperation was required as the French technical staff were best positioned to identify the precise requirements of the equipment needed and to ensure that this new testing environment can be fully aligned with the operating SIS 1+ should the latter evolve.

This contingency solution will necessarily have both budgetary and schedule implications.

- In terms of schedule, the deployment of such an environment requires 19 weeks. This time was accommodated within the global schedule by carrying out the activities in parallel with existing project tasks. The rather long deadline was due to the fact that the sole supplier gave priority to the upgrade of the SIS 1+ and would not set up a separate team for the SIS II project.

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<sup>1</sup> Council Regulation (EC) No 1104/2008 of 24 October 2008 on migration from the Schengen Information System (SIS 1+) to the second generation Schengen Information System (SIS II) (OJ L 299, 8.11.2008, p.1) and Council Decision 2008/839/JHA of 24 October 2008 on the migration from the Schengen Information System (SIS 1+) to the second generation Schengen Information System (SIS II) (OJ L 299, 8.11.2008, p.43).

<sup>2</sup> Common Article 10 (3) of Regulation (EC) No 1104/2008 and of Decision 2008/839/JHA

- In terms of budget, the new test environment will cost approximately EUR 3 million, to be paid from the EU budget. This price does not include the running costs related to the use of the system.

In addressing this risk, the Commission had two objectives: avoid any negative impact on the SIS II global schedule and avoid disruptions to the ongoing work being carried out by France on the upgrade of the SIS 1+. Both objectives were met and the risk mitigated. The contract award decision to the supplier for the procurement of the SIS 1+ environment was published on 11 June 2011. The procurement procedures were completed and the risk is continuously monitored.

Nevertheless, one fundamental aspect must be highlighted. Even if at this stage the impact on the global schedule was mitigated, it must be borne in mind that the solution of purchasing a new test environment does have budgetary implications for the central development activities, a sum not foreseen when the Commission reported on both the global budget and schedule in the Council in October 2010.

### Planning the migration

The Commission has been working closely with its main development contractor and with Member States' experts to specify the detailed plan for the migration from SIS 1+ to SIS II.

On 23 February 2011 the SIS-VIS Committee delivered a favourable opinion on three important documents paving the way for the migration activities; namely the SIS II Migration Plan, Test Strategy and Test Plan.

With regard to the Migration Plan, this has been designed to meet the technical needs of Member States' experts by reflecting their favoured technical approach. However, as such an approach is not fully in line with the migration legal instruments, the Commission intends to propose in early 2012 an amendment to the legal framework, with a view to aligning the legal provisions with this technical approach.

In order to ensure a smooth migration process, particular attention needs to be given to the issue of data quality. Indeed, only data meeting the data quality rules of SIS 1+ can be migrated to SIS II. Data which are not compliant with SIS 1+ data quality rules must be "*cleansed*" prior to the switchover to SIS II as they cannot be transferred in a non-compliant format. Technically this means that such data must either be brought up to standard or deleted. The Polish Presidency has made data cleansing a priority for the second half of 2011.

At working party meetings Member States have raised the issue of SIRENE migration. This is the change from the Member States' existing SIS 1+ SIRENE Bureaux systems to their new SIS II SIRENE systems. The migration legal instruments set out that the Member States participating in SIS 1+ shall conduct functional SIRENE tests<sup>3</sup>. The Commission recognises the vital nature of this work, being carried out within the framework of the Council, and its importance for the overall success of the project.

The Commission supported the Hungarian Presidency's proposal to analyse the issues, to work out what needs to be achieved and to investigate the legal situation. The Commission

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<sup>3</sup> Common Article 9 (1) of Regulation (EC) No 1104/2008 and of Decision 2008/839/JHA

will make Central SIS II and its communication infrastructure available during the execution of the test on supplementary information<sup>4</sup>.

## **2.6. SIS II network**

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 enable the national and central systems to communicate.

The SIS II basic legal instruments describe the communication infrastructure, dedicated to SIS II data and the exchange of data between SIRENE Bureaux<sup>5</sup>. During the reporting period Member States confirmed, to the Commission, the technical specifications of the SIS II SIRENE mail relay, necessary for the correct routing and delivery of the data exchanged between the bureaux. The Commission subsequently commenced the procurement procedures.

## **2.7. Operational management**

Following joint statements of the Council and the European Parliament when adopting the SIS II and VIS legal instruments, in June 2009 the Commission proposed to set up an Agency for the operational management of large-scale IT systems in the area of freedom, security and justice. The Regulation establishing the Agency was adopted on 26 October 2011. The Agency will take up its responsibilities as regards the operational management of the systems on 1<sup>st</sup> December 2012.

The core mission of the Agency will be to carry out the tasks related to the operational management of SIS II (once brought into operation), VIS and EURODAC. In future the Agency could also be entrusted with other large-scale IT systems if so provided by relevant legislative instruments.

## **2.8. Security**

A network security workshop was held in Bratislava on 17-18 January 2011. The workshop discussed concerns on the possibility of access to SIS II data by the sTESTA network servicing organization (SOC – Security Operating Centre, operated by HP/ Orange Business Services). The conclusion of the workshop and the Commission proposal in the SIS-VIS committee on 26 January 2011 have led the Commission to initiate a study on the implementation of an encryption layer on top of the network layer of the SIS II. Member States were invited to comment on the terms of reference for the study and several useful suggestions were received.

The outcome of the study on additional network security for SIS II was presented to the SIS-VIS Committee on 25 May 2011. One technical solution, complying with all requirements, was identified. The next step will be to perform a pilot study, for which the participation of

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<sup>4</sup> Common Article 9 (2) of Regulation (EC) No 1104/2008 and of Decision 2008/839/JHA

<sup>5</sup> Common Article 4 of Regulation (EC) No 1987/2006 of the European Parliament and of the Council of 20 December 2006 on the establishment, operation and use of the second generation Schengen Information System (SIS II) (OJ L 381, 28.12.2006, p. 4) and of Council Decision 2007/533/JHA of 12 June 2007 on the establishment, operation and use of the second generation Schengen Information System (SIS II) (OJ L 205, 7.8.2007, p. 63).

three volunteer Member States will be needed. Germany and Austria have already volunteered to participate.

### 3. MANAGEMENT

#### 3.1. Financial implications

By the end of the reporting period, the total budgetary commitments made by the Commission on the SIS II project since 2002, amounted to EUR 135 146 000. The corresponding contracts include feasibility studies, the development of the Central SIS II itself, support and quality assurance, the SIS II network, preparation for operational management in Strasbourg, security, biometrics preparations, communication and experts' mission expenses.

Of this amount, EUR 72 661 169 had actually been paid between 2002 and the end of June 2011. The main expenditure items were development (EUR 34 867 228), the network (EUR 21 520 620), support and quality assurance (EUR 8 592 178) and preparation for operational management in Strasbourg (EUR 6 236 058).

<b>Budget execution</b>				
	<b>From 2002 to June 2011</b>		<b>From January to June 2011</b>	
<i>(EUR)</i>	<b>Commitments</b>	<b>Payments</b>	<b>Commitments</b>	<b>Payments</b>
Development	80 458 863	34 867 228	81 407	1 431 933
Support & quality assurance	11 068 521	8 592 178	1 081 180	467 791
Network	32 375 954	21 520 620	0	1 149 233
Operational management preparation	7 675 715	6 236 058	207 500	1 398 107
Security	1 354 283	217 712	479 568	0
Studies / Consultancy	961 131	942 261	20 650	20 650
Information Campaign	33 373	33 373	0	0
Experts Mission Expenses	1 203 286	236 866	0	40 745
Others	14 874	14 874	0	0
<b>TOTAL:</b>	<b>135 146 000</b>	<b>72 661 169</b>	<b>1 870 304</b>	<b>4 508 459</b>

At the conclusion of the budgetary procedure for 2011, a third of the commitment and payment appropriations for SIS II in the EU budget were placed in the reserve. This amounted



to EUR 10 million in commitment appropriations and EUR 6 642 473 in payment appropriations. The release of these resources was subject to the provision of detailed information by the Commission to the Budgetary Authority on the SIS II schedule, including technical steps required, costs, responsibility for each step and full access to the contract with the service provider for the development of the SIS II system.

In addition to the information addressed to the European Parliament at the end of the last reporting period, further written information on these matters was sent in January, May and June 2011 and technical briefings of European Parliament members took place on 12 January 2011 and 31 May 2011 to respond to specific questions and provide an update on the status of the project. During the meeting of the Committee on Budgets of 14 June 2011, it was decided to lift the reserve.

In light of the growing concern over the need for additional funding for SIS II national developments, expressed at the end of 2010, the Commission followed up the results of the questionnaire sent to Member States at the end of 2010, in order to identify their respective national needs and to accommodate these within the existing allocations for the European External Borders Fund (EBF) to the extent possible. Discussions are currently in progress on the options for the possible provision of complementary resources.

## **3.2. Project management**

### **3.2.1. Global Programme Management Board (GPMB)**

The amendments to the migration legal instruments adopted on 3 June 2010 formalised the GPMB as an advisory body for assistance to the central SIS II project to facilitate consistency between central and national SIS II projects.<sup>6</sup> The Board has neither decision-making power nor any mandate to represent the Commission or Member States.

The Terms of Reference of the GPMB took effect after a favourable opinion was given by the Director-General of the responsible Directorate-General of the Commission and by Member States meeting within the framework of the SIS-VIS Committee of 23 March 2011.

The GPMB met 21 times during the period covered by this report.

### **3.2.2. SIS-VIS Committee (SIS II)**

The Commission is assisted in the development of SIS II by the SIS-VIS Committee. There were five meetings of the SIS-VIS Committee on SIS II technical matters in the period January – June 2011. As has been reported, several key approvals were achieved on migration, testing and the rules of procedure of the GPMB.

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<sup>6</sup> Council Regulation (EU) No 541/2010 of 3 June 2010 amending Regulation (EC) No 1104/2008 on migration from the Schengen Information System (SIS 1+) to the second generation Schengen Information System (SIS II) (OJ L 155, 22.6.2010, p. 19) and Council Regulation (EU) No 542/2010 of 3 June 2010 amending Decision 2008/839/JHA on migration from the Schengen Information System (SIS 1+) to the second generation Schengen Information System (SIS II) (OJ L 155, 22.6.2010, p. 23) introducing an Article 17a into the migration legal instruments.

In addition to regular SIS-VIS Committee meetings, working groups of the Committee and workshops, involving Member States' experts, are organised to discuss detailed technical issues. These meetings generally focus on issues arising from specific project deliverables:

- The "Test Advisory Group" (TAG), provides the SIS-VIS Committee with an opinion on issues related to the organisation, implementation and interpretation of tests. This group held 18 meetings in the reporting period.
- The "Change Management Board" (CMB), provides advice on classification, qualification and the potential impact of correction of reported issues. Due to the amount of effort expended on agreeing the updated technical specifications of the central system in 2010 and the subsequent stabilisation of requirements, this working group, which also reports to the SIS-VIS Committee, has not been formally convened during the reporting period.
- Three SIS II Migration Workshops/meetings were held during this period, to advise the SIS-VIS Committee and pursue activities on this critical topic.

### **3.2.3. National planning and coordination**

A working group composed of the Member States' national project managers (NPM) is organised to advise the Commission project team. The purpose of the NPM meetings is to deal with detailed planning issues, risks and activities both at the central and national project levels. During this reporting period five NPM meetings took place.

### **3.2.4. Council**

In the Council, meetings have been characterised by a positive atmosphere.

As expressed in Council Conclusions and in line with the wishes of all parties in the project to maintain complete transparency, the Commission keeps the Council informed, regularly, on the implementation of the global schedule for SIS II and expenditure on the central project.

The Commission takes part in the meetings of the preparatory bodies of the Council responsible for the Schengen Information System and of each Council of Ministers session where SIS II is included on the agenda. The Commission has presented reports on the state of play of the SIS II project and the next steps envisaged.

The Commission circulates a weekly flash report, summarising technical developments, to colleagues engaged in the project at national level.

### **3.2.5. European Parliament**

The Commission continues to keep the European Parliament informed on the state of play of SIS II on the basis of reliable, verifiable and up-to-date facts and data. In addition to fulfilling the reporting obligations provided by the SIS II legal instruments<sup>7</sup>, the Commission provided the European Parliament with further information on financial, contractual and scheduling matters and the status of the project in the context of the discussions on the release of SIS II

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<sup>7</sup> Common Article 18 of Council Regulation (EC) No 1104/2008 and of Council Decision 2008/839/JHA on migration from the Schengen Information System (SIS 1+) to the SIS II.

appropriations for 2011 from the reserve (see point 3.1). Updates on the state of play of SIS II were also made in the LIBE Committee.

Finally, the Commission responded to two parliamentary questions on SIS related matters.

#### **4. PRIORITIES FOR THE NEXT REPORTING PERIOD**

During the next reporting period there will be three principal areas of activity:

- the cycles of testing and related "bug fixing" with a view to preparing for the second milestone test and the comprehensive test in 2012;
- ongoing work on security matters will continue, leading to a security audit in the second and third quarter of 2012;
- tests on the converter, anticipating the first rehearsal of migration between SIS 1+ and SIS II in the second quarter of 2012, the global rehearsal in the second and third quarter of 2012 and the live data migration to SIS II prior to entry into operation in 2013.

#### **5. CONCLUSIONS**

This reporting period has not been without incident. However, due in large part to a cooperative approach by the key actors and open communication between EU institutions, significant risks and issues have been identified early and mitigating or corrective action was taken. In the second half of 2011 intensive testing between the Member States and the central system will pave the way for a series of critical tests in 2012 – the second milestone test and the comprehensive test. The ability to keep to the overall timeframe for the project will also largely depend on a successful conclusion of the intensive testing phase throughout 2011.

Work will also take place to ensure that the system complies with the requirements of the security audit, also due in 2012.

Finally, preparation for migration between SIS 1+ and SIS II will continue, with intensive testing of the converter which should allow the entire process to take place with the required degree of confidence.

**SIS-VIS Committee (SIS II) and Working Group Meetings****Meetings held during the reporting period**

<b>JANUARY 2011</b>	
12, 19, 25	SIS II Global Programme Management Board
18	SIS II Migration Workshop
26	SIS II National Project Managers' Meeting
26	SIS-VIS Committee (SIS II Technical Formation Meeting)
11	SIS II Test Strategy Workshop
4, 18, 25	SIS II TAG meeting (Test Advisory Group)

<b>FEBRUARY 2011</b>	
2, 9, 22	SIS II Global Programme Management Board
23	SIS II National Project Managers' Meeting
23	SIS-VIS Committee (SIS II Technical Formation Meeting)
1, 15, 22	SIS II TAG meeting (Test Advisory Group)

<b>MARCH 2011</b>	
2, 9, 16, 22, 30	SIS II Global Programme Management Board
23	SIS-VIS Committee (SIS II Technical Formation Meeting)
23	SIS II National Project Managers' Meeting
29	SIS II TAG meeting (Test Advisory Group)
22	SIS II Workshop on Compliance Test (Extended) TDDs
24	SIS II Migration Workshop

<b>APRIL 2011</b>	
6, 13, 27	SIS II Global Programme Management Board

5, 12, 19, 26	SIS II TAG meeting (Test Advisory Group)
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MAY 2011	
10, 18, 24	SIS II Global Programme Management Board
25	SIS-VIS Committee (SIS II Technical Formation Meeting)
25	SIS II National Project Managers' Meeting
17	SIS II Migration meeting
12, 17, 24, 31	SIS II TAG meeting (Test Advisory Group)

JUNE 2011	
1, 8, 15, 28	SIS II Global Programme Management Board
23	SIS II CTE Workshop
29	SIS-VIS Committee (SIS II Technical Formation Meeting)
29	SIS II National Project Managers' Meeting
7, 14, 21	SIS II TAG meeting (Test Advisory Group)

### **SIS-VIS Committee (SIS II) and Working Group Meetings**

#### **b) Meetings provisionally scheduled during the forthcoming reporting period**

JULY 2011	
6, 12, 19, 27	SIS II Global Programme Management Board
20	SIS-VIS Committee (SIS II Technical Formation Meeting)
20	SIS II National Project Managers' Meeting
5, 12, 19, 26	SIS II TAG meeting (Test Advisory Group)
14	SIS II M2 Test Preparation Meeting

AUGUST 2011	
10, 23	SIS II Global Programme Management Board

2 , 9 , 16 , 23 , 30	SIS II TAG meeting (Test Advisory Group)
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<b>SEPTEMBER 2011</b>	
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7 , 14 , 21 , 28	SIS II Global Programme Management Board
21	SIS-VIS Committee (SIS II Technical Formation Meeting))
21	SIS II National Project Managers' Meeting
6 , 13 , 20 , 27	SIS II TAG meeting (Test Advisory Group)

<b>OCTOBER 2011</b>	
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5 , 19 , 26	SIS II Global Programme Management Board
24	SIS-VIS Committee (SIS II Technical Formation Meeting))
24	SIS II National Project Managers' Meeting
4 , 11 , 18 , 25	SIS II TAG meeting (Test Advisory Group)

<b>NOVEMBER 2011</b>	
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9 , 16 , 23 ,	SIS II Global Programme Management Board
23	SIS-VIS Committee (SIS II Technical Formation Meeting))
23	SIS II National Project Managers' Meeting
8 , 15 , 22 , 29	SIS II TAG meeting (Test Advisory Group)

<b>DECEMBER 2011</b>	
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7 , 14 , 21	SIS II Global Programme Management Board
21	SIS-VIS Committee (SIS II Technical Formation Meeting))
21	SIS II National Project Managers' Meeting
6 , 13 , 20	SIS II TAG meeting (Test Advisory Group)