

RENATO MAZZONCINI

92ND GENERAL ASSEMBLY, MADRID -04/07/2018

REPORT FROM THE CHAIRMAN

Dear Mr. Loubinoux, dear members of the General Assembly of the International Union of Railways.

It is a great pleasure to be here in Madrid for the 92nd General Assembly of the UIC. Before I commence my report, please let me pay my compliments to Ms Isabel Pardo de Vera Posada new ADIF Chairwoman and to Mr Isaia Táboas new RENFE Chairman.

We wish all the best to Mr Bravo Riviera Juan and to Mr Juan Alfaro Grande. A special thanks in particular to RENFE for the organization of our General Assembly and the warm hospitality.

DG Recruitment

One year ago we started discussing the issue of the succession of the Director General of the UIC. This will be the next point in the agenda.

General Assembly.

The performance of the General Director of Services

Now allow me to go to the performance of our current GDS, as I am pleased to share with you the **key area of appreciation** that we have set in agreement with Jean Pierre for the year 2018. The KPIs that we have set are meant to boost some of the main activities that we have requested in the framework of the performances of Jean Pierre Loubinoux. They cover Management and Governance for a 40%; Standardisation for a 15%, Technical competence for 15% and the Strategic achievements in 2018 for 30% which include the Agreements with UTP, with CEN-CENELEC and with Chinese Investment Bank, the development of Ecoscoring Scheme, the deliverables of Economic Footprint and last but not least important the Confirmation of Quality Certification.

Strategic achievements to further develop: certifications and climate

At a later stage, in the Agenda we are going to approve the **Memorandum of Understanding between UIC and UITP**. Jean Pierre Loubinoux and the President of UITP Pere Calvet, have finally signed the MoU on the last April.

It will therefore enter in force once that our General Assembly and the UITP Executive Board have approved it.

The cooperation between the two organisations will focus on Security, Environment, Digital, Intermodal and Accessible Stations, Regional and Suburban Transport Services, Skills Development, Workforce Planning, and Training, and our common goals will be to promote sustainable urban mobility worldwide.

In order to be capable of coping with the compelling need to decarbonise transport and fight road congestion and pollution, we need to offer to our customers a growing number of integrated solutions and smart urban mobility.

Having in mind the Sustainable Development goals, the UIC and UITP jointly have a considerably increased potential to foster the enhancement of attractiveness of public transport versus private cars. Therefore, I hope this MoU will give us the opportunity to organize soon a joint event that might help bringing into focus the main challenges we have ahead.

On the 6th of December 2017 the UIC European General Assembly approved the revised Technical Cooperation Agreement between UIC and CEN_CENELEC and now the CEN_CENELEC consultation process is undergoing. Improved standards that embrace innovation are key elements to boost the competitiveness of the railway sector and the Agreement with **CEN-CENELEC** represents an important milestone to develop efficiency and coherence with the activities that we carry on at a global level.

I am confident that the Standardisation Plan and the team of Standardisation Unit set up earlier this year will fully benefit of the cooperation patterns foreseen under this new framework. The aim of the cooperation with the Standardisation Bodies is twofold: we do not only need to avoid duplication of work and overlaps; we also need to develop global solutions to provide more efficiency and to reduce the costs of products, services, while improving the maintenance of our assets.

The “One Belt One Road” initiative is mainly focused on infrastructure, transportation and energy, with the objective of linking China with more than 70 countries across Asia, Africa, Europe, and Oceania. Railway projects are in the pipeline and I think UIC shall play a key role in developing a substantial number of agreements with Chinese Investment

Bank. The development of new sustainable and climate friendly infrastructures shall be coherent with the initiatives that are being intensified in the European Union throughout the TEN-T corridors with the support of Connecting Europe Facility. IN this case we expect that the agreement between UIC and EIB will soon come to fruition.

Banks can play a decisive role in the fight against climate change through their intermediation functions between conscious savings and socially responsible investments. Indeed Central Banks should encourage low-carbon investment. To encourage investments from diversified instruments, such as private funds and capital ventures which today are allocating their resources into space, automotive and aviation in preference of rail and to ensure the new Rail Logistics strategy to be financially sustainable in the long run we agree on the urgency of activating the first stage to build a robust but dynamic "Sustainable Finance Taxonomy", to ensure market consistency and clear guidance about what is green, social and related to good governance. To this end, current green bonds would be strengthened for instance in Europe by introducing an official EU Green Bond Standard (EU GBS) and considering an EU Green Bond label or certificate, subject to mandatory external review, in order to guarantee positive impact investments.

The agreement signed at the COP 21 to strengthen the fight against the Global warming has set in 2014 an important milestone. The "Railway Climate Responsibility Pledge" was signed by the majority of UIC CEOs and represent a concrete step of the Low Carbon Rail Transport Challenge, showing the real commitment of the railway companies towards climate targets. In order to uphold our engagements, more investments are needed and the global project on eco-scoring and green certifications shall be further investigated. As we said in our previous meetings, we strongly believe in the potential of the Footprint Study. It can become an impressive tool to promote, especially in institutional contexts, one of the main competitive advantages an integrated mobility. With studies like this, we can demonstrate even more punctually that the railway effectively gives value to the territories. To make this possible, it is necessary to give a new and strong impulse to this study, also by strengthening the working group that is currently at work. A new effort should be done both from the point of view of intensity and from the side of sharing, by expanding the team to other members - even outside Europe if necessary - that can make in December an effective contribution.

Highlights from UIC Global Conferences in the first half of 2018

The UIC Congresses, with their worldwide dimension, are witnesses today of the globalized world that the railway sector is faced with. UIC and his members confirmed in the first semester of 2018 the capacity to organize a number of successful events to spread

the values of the railway sector and increase the awareness of the global communities. I would like to mention some of them and point out some of the main messages highlighted.

The **1st Global System Conference on Signalling & Telecom**, hosted by FSItaliane in Milan on March 2018 was the occasion to emphasize the importance of ERTMS as the most promising global standard for signalling and providing safety and interoperability. Public and private investments are increasing in order to speed up its deployment throughout the TEN-T and its establishment as the most valuable technical solution for interoperability worldwide.

On May 2018 the **10th World Congress on High Speed Rail**, hosted by TCCD in Ankara highlighted the sustainable dimension of high speed. High Speed Rail features represent one of the most prominent drivers to reduce carbon footprint in transport sector, thanks to cutting-edge performances in energy consumption compared with other modes. High Speed Rail is currently in operation in more than 14 countries with a total length of 42,000 Km. 16 countries currently have 14,000 km (8000 miles) of High Speed network under construction, while 36 countries have 35,000 km (22 000 miles) of planned high speed rail lines.

ILCAD (International Level Crossings Awareness Day), hosted by HZ Infra and Zagreb University Faculty of Transport took place in Zagreb on the 7th of June 2018, reaching successfully its 10th edition. This year's campaign has been dedicated to focus the hyper connected digital world lived by young people nowadays. They simultaneously talk to friends, receive messages, take pictures and listen to music via earphones exposing themselves to risky behaviours when level crossing and using public transport. We thought that a good response to such risk is the **education of young participants**, disseminating the culture of safety in traffic and promoting safe behaviour at level crossings with the aim to lower numbers of accidents and fatalities.

Let me close this overview with the **UIC Global Rail Freight Conference**, hosted by FS Italiane last week in Genoa. The driving topic of the conference was the **“Modal Integration at the service of Global Distribution”**, as we wanted to create the opportunity to better understand and embrace the global trends featuring freight transport within the urban dimension of globalised cities and fast-developing countries.

For freight sector, as well as for passenger services, the new megatrends of Digitalisation and Climate Change are dramatically impacting the business and changing the way goods are moved and distributed.

We shall embrace a new paradigm that promote **complementarity** and **integration** of rail with the other modes of transport – road, sea and waterways – into an integrated and sound logistics chain. Let me explain myself with a paradox: we have to overcome modal competition in order to win such competition, thanks to modal integration. We discussed how the railway sector can play a key role in hub like Genoa emphasizing how such Hubs can offer natural optimal links between the European Rail Freight Corridors, the Eurasian Corridors and the New Silk Roads.

Cooperation among REGIONS

Following my commitment to reinforce the collaboration among the Regional Assemblies I took part to the 21st Meeting of the UIC Regional Assembly for the Middle-East (RAME) that was held on 7 May in Ankara. The meeting proved to be an excellent opportunity to discuss how Members can work towards greater promotion of integrated networks, to functionally capitalize on expertise and mastery of each and every Member and grow stronger, fostering a new fruitful mind-set of cooperation within the Middle-East Region and beyond. I am very proud to say that despite the complex situation of the region the interaction between the railways is growing and could help developing peace and collaboration in the region.

NEXT STEPS

Last year, our association was certified for its commitment in quality standard services. This year, we shall confirm this certification. The implementation process is running soundly within the UIC services, but the constructive involvement of the Members will be essential at this moment in time: we engaged the process, people have accepted to be part of an improved framework and expectations are very high. We have embarked in a steady and constant development stage and we shall not miss this opportunity.

Manifold changes are still to come and a new positioning of the association might be needed. Its strong points shall be transformed into added values. The monitoring process needs to be strengthened, the communication with the Members enforced and better targeted. Members' representatives need to be effective in their roles and understand how the UIC different bodies work together. We need to be attractive for new talents to support and challenge the existing ones. We need to be positive and proactive to support the internal efforts which are being done.

Therefore I invite you all to support this approach by getting actively and constructively involved. It is our joint responsibility to build a better and stronger UIC.



Thank you for your attention.

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REPORT FROM THE CHAIRMAN ON THE SELECTION PROCESS OF THE DIRECTOR GENERAL

We are here today to take an **important decision on the future of our Association**. One year ago we started discussing the issue of the end of the mandate and of the succession of the Director General of the UIC. After 10 years of excellent work Jean Pierre didn't wish for his mandate to be renewed, but not due to a lack of passion or commitment. He has provided his full support and has brought all his experience and knowledge during the transition that is taking us to the final appointment of the new UIC General Director. I am very grateful to him for that.

As agreed during the Executive Board and General Assembly meetings in Istanbul and Paris, a call for candidates to the position of UIC Director General has been launched on the 3rd April and I wrote to all the CEOs in UIC to inform about the launch of the call for candidates. The selection process has followed so far the decision taken by the UIC General Assembly and I have informed the Executive Board about the steps decided on May 15 and June 13. Five candidates have applied for the position before the deadline set at the end of April.

Egon Zendher, a well-known selection and recruitment consultant firm, has met all the candidates in order to assess their application according to the profile we have requested and defined, and finally 3 of them were shortlisted.

After hand, I personally met with the 3 persons shortlisted by Egon Zendher and in agreement with the consultant I would therefore like to propose 2 of them: Mr. Françoise Davenne and Mr. Frédéric Delorme, for the evaluation of the Executive Board.

In order to have them adequately introduced to you, I invited the two candidates to be here at the General Assembly in Madrid and to present themselves and illustrate their ideas to the Executive Board, 10 minutes to present themselves and 20 minutes for questions and answers. Finally, the members of the Board have received a comment of appreciation from Egon Zendher to the two candidates, as well as a detailed description of the process undertaken.

Before doing that, I would like to call Mr Regina and Mr Bassoulet from Egon Zendher to present their work, the results they have achieved, the process they followed and their

assessment of the two final candidates. Let me say both candidates have a very good and slightly different profile and in my opinion there is no need to reopen the process.

After, I would like to give to the candidates the opportunity to present themselves to you all and I expect that – after accurate analysis - we will be able to find a consensual decision on the nominee to present today for final approval to the General Assembly.