



# **Fuel Cells and Hydrogen Joint Undertaking (FCH JU)**

## **ANNUAL IMPLEMENTATION PLAN 2014**

# Table of Contents

|           |                                                               |           |
|-----------|---------------------------------------------------------------|-----------|
| <b>1.</b> | <b>INTRODUCTION: MISSION, OBJECTIVES AND CHALLENGES.....</b>  | <b>3</b>  |
| <b>2.</b> | <b>FCH JU GOVERNANCE.....</b>                                 | <b>5</b>  |
| 2.1       | GOVERNING BOARD.....                                          | 5         |
| 2.2       | EXECUTIVE DIRECTOR AND THE PROGRAMME OFFICE .....             | 5         |
| 2.3       | SCIENTIFIC COMMITTEE.....                                     | 5         |
| 2.4       | FCH STATES REPRESENTATIVES GROUP .....                        | 6         |
| 2.5       | STAKEHOLDERS' GENERAL ASSEMBLY .....                          | 6         |
| <b>3.</b> | <b>OPERATIONAL ACTIVITIES: OBJECTIVES AND INDICATORS.....</b> | <b>7</b>  |
| 3.1       | STRATEGIC OBJECTIVES .....                                    | 7         |
| 3.2       | PROJECTS FROM PREVIOUS CALLS.....                             | 7         |
| 3.3       | COLLABORATION WITH JRC .....                                  | 8         |
| 3.4       | INDICATORS .....                                              | 8         |
| 3.5       | PUBLIC PROCUREMENT: BENCHMARK STUDIES .....                   | 9         |
| <b>4.</b> | <b>HORIZONTAL AND SUPPORT ACTIVITIES.....</b>                 | <b>10</b> |
| 4.1       | POLICY AND COMMUNICATION.....                                 | 10        |
| 4.2       | OTHER SUPPORT ACTIVITIES .....                                | 11        |
| <b>5.</b> | <b>RESOURCES .....</b>                                        | <b>17</b> |
| 5.1       | STAFF ESTABLISHMENT PLAN 2014.....                            | 17        |
| 5.2       | FCH BUDGET 2014 .....                                         | 18        |
| 5.2.1     | STATEMENT OF REVENUE.....                                     | 18        |
| 5.2.2     | STATEMENT OF EXPENDITURE .....                                | 19        |
| <b>6.</b> | <b>ANNEXES .....</b>                                          | <b>20</b> |
| 6.1       | ABBREVIATIONS AND DEFINITIONS .....                           | 20        |

# 1. Introduction: mission, objectives and challenges

This document establishes the seventh Annual Implementation Plan (AIP) of the Fuel Cell and Hydrogen Joint Undertaking (FCH JU), outlining the scope and details of its operational and horizontal activities for the year 2014. No call for proposals and no new procurement are foreseen in 2014<sup>1</sup>. Consequently, this document describes only the objectives of the FCH JU, the policy and global context, assessment criteria, technical targets and rationale for individual activities.

The Fuel Cell and Hydrogen Joint Undertaking (FCH JU)<sup>2</sup> was established by Council Regulation (EC) 521/2008 of the 30th May 2008 as a Community Body<sup>3</sup> on the basis of Article 171 of the EC Treaty<sup>4</sup>, with the European Commission and the Industry Grouping as founding members. The Research Grouping joined shortly after. The FCH JU is considered as one of the European Industrial Initiatives under the SET Plan and was created with the mission to reach a new level of coordination, joint agenda setting, cooperation and commitment including co-financing.

As stated in the Council Regulation, the objectives of the FCH JU are to:

- Aim at placing Europe at the forefront of fuel cell and hydrogen technologies worldwide and enabling the market breakthrough of fuel cell and hydrogen technologies, thereby allowing commercial market forces to drive the substantial potential public benefits;
- Support RTD in the Member States and countries associated with the Seventh Framework Programme in a coordinated manner in order to avoid market failure, focus on developing market applications and facilitate additional industrial efforts towards a rapid development of fuel cell and hydrogen technologies;
- Support the implementation of the RTD priorities of the Multi-Annual Implementation Plan of the FCH JU, notably by awarding grants following competitive calls for proposals;
- Undertake supporting actions where appropriate through calls to tender;
- Aim to encourage increased public and private RTD investment in fuel cells and hydrogen technologies in the Member States and Associated countries;
- Ensure the coordination and efficient management of funds.

In terms of direct support by the FCH JU, the main instrument for achieving these goals from the period of 2008-2013 has been the award of research, demonstration and support projects following competitive annual calls for proposals. Specifically, from 2008 to 2013 the FCH JU has awarded respectively 16, 28, 26, 33, 28 (3 of which are still under

---

<sup>1</sup> The procurement process of a number of studies initiated in 2013 will be finalised in the beginning of 2014.  
See section 3.5

<sup>2</sup> <http://www.fch-ju.eu/>

<sup>3</sup> Council Regulation (EC) No 521/2008 of 30 May 2008 setting up the Fuel Cells and Hydrogen Joint Undertaking. OJEU. L153/1-20, 12.6.2008

<sup>4</sup> Now Article 187 of the Treaty on the Functioning of the European Union (TFEU)

negotiation) and 21 (under negotiations) grant agreements, for a total of 152 projects. [Note: a second limited call for proposals is planned in Q4 2013 after amendment of the 2013 AIP]. The total amount of public funds being committed to the programme is 470M€, to be matched by contributions from industry and research institutions.

As a direct result of FCH JU-supported activities, initiatives launched at national level (notably the H2 mobility initiatives in Germany and the UK), and the increased level of awareness and commitment of private and public stakeholders, fuel cell and hydrogen (FCH) technologies are increasingly entering into the public discourse as one of the most attractive options for addressing the EU objectives of reducing both greenhouse gas emissions and the EU's dependence on primary energy imports (notably oil and natural gas).<sup>5</sup> Clean transport based on electric powertrains (using either batteries or fuel cells as the source of main propulsion) is gaining acceptance as the most viable option. Likewise, fuel cells remain one of the most attractive options for the scalable and efficient generation of heat and power, thus offering solutions for residential, commercial and industrial applications. Furthermore, the increase in the use of renewable energies for electrical generation in the EU grid calls for new solutions for the storage and later use of this clean electricity, where again hydrogen is expected to play an increasing role in large-scale energy storage in grids in order to balance the intermittent nature of renewable electricity. In all of these cases, and given that hydrogen is an energy vector rather than a primary source, there is a need to increase the share of hydrogen that is produced from clean and renewable energy sources. A common theme across all of these potential applications for hydrogen and fuel cell technologies is that there is still further work to do before they can achieve market entry, in both technical and economic aspects.

In order to address these challenges posed by the present status of FCH and competing technologies, while taking advantage of the increased level of collaboration between all relevant public and private stakeholders, a continued effort is envisioned over the next few years as manifested in the proposal by the EC to the EU Council to extend the FCH JU under H2020 with a potential increase in commitment of public funds of up to 700M€. <sup>6</sup> The timing of the Council decision on this proposal is unknown as of the time of this writing, but a continuation of the programme within H2020 (2014-2020) will have an impact on the activities described in this document, which hence would have to be modified to take into account the provisions contained therein. In order to better prepare for this eventuality and ensure a smooth potential transition, the Programme Office has set up a task force in charge of defining and monitoring the preparation and strengthening the contacts with the Commission and other relevant stakeholders.

Since by 2014 all funding from the European Commission will have been awarded, the FCH JU will focus on continuing to run an efficient programme while disseminating the results obtained from the projects to all relevant stakeholders.

---

<sup>5</sup> 'Hydrogen and Fuel Cells', Scientific Assessment in support of the Materials Roadmap enabling Low Carbon Energy Technologies, JRC Scientific and Technical Reports, May 2012

<sup>6</sup> Public-private partnerships in Horizon 2020: a powerful tool to deliver on innovation and growth in Europe. (COM)2013 494 final

## 2. FCH JU Governance

The FCH JU is composed of two executive bodies: the Governing Board and the Executive Director. In addition there are three advisory bodies, the Scientific Committee, the FCH States Representatives Group and the Stakeholders' General Assembly.

### 2.1 Governing Board

The Governing Board shall have the overall responsibility for the operations of the FCH JU and shall oversee the implementation of its activities in accordance with Article 5 of the Statutes. The NEW-IG has 6 seats, the EC 5 seats and N.ERGHY 1 seat respectively.

The Governing Board is planning to hold three Board meetings during 2014. The key activities are listed below:

| <b>Key activities in 2014 - timetable</b>                                                                                                             |      |
|-------------------------------------------------------------------------------------------------------------------------------------------------------|------|
| Adopt the Multi-Annual Staff Policy Plan 2015-17                                                                                                      | Q1   |
| Adopt the Annual Activity Report 2013                                                                                                                 | Q2   |
| Adopt the updated Implementing Rules regarding Staff Regulation (stemming in particular from the revised Staff Regulations)                           | Q1   |
| Approve the lists to start negotiations for call 2013-2, including reserve lists, lists of proposals which failed thresholds and ineligible proposals | Q1   |
| Approve the Provisional and Final Accounts 2013                                                                                                       | Q2-3 |
| Approve the 2015 Budget                                                                                                                               | Q4   |
| Adopt the Annual Implementation Plan 2015                                                                                                             | Q4   |

### 2.2 Executive Director and the Programme Office

The Executive Director is the legal representative of the FCH JU, and the chief executive for the day-to-day management in accordance with the decisions of the Governing Board in line with Article 6 of the Statutes. He is assisted by the Programme Office, composed of 20 full time employees (temporary and contract agents) and charged with the implementation of all the decisions and activities decided by the Governing Board, support of the advisory bodies described in this chapter and the day-to-day execution of the FCH JU programme as described in this document.

### 2.3 Scientific Committee

The Scientific Committee is an advisory body to the Governing Board. It conducts its activities in close liaison and with the support of the Programme Office. Its nine appointed members reflect a balanced representation of world class expertise from academia, industry and regulatory bodies. Collectively, the Scientific Committee members have the scientific

competencies and expertise covering the complete technical domain needed to make strategic science-based recommendations regarding the FCH JU.

In particular, the main activities of the Scientific Committee will be:

| <b>Key activities in 2014 - timetable</b>                |      |
|----------------------------------------------------------|------|
| Provide input on scientific priorities in the FCH sector | Q1-4 |
| Advise on scientific achievements                        | Q3-4 |
| Provide input on Programme Review days                   | Q4   |

## 2.4 FCH States Representatives Group

The FCH States Representatives Group (SRG) consists of one representative of each Member State and of each country associated to the 7<sup>th</sup> Framework Programme.

According to Article 9 in the Statutes, the SRG has an advisory role to the JU and acts as an interface between the JU and the relevant stakeholders within the respective countries. During the year 2014, the SRG will hold two to three meetings in 2014. Its main activities will be:

| <b>Key activities in 2014 - timetable</b>                 |      |
|-----------------------------------------------------------|------|
| Dissemination and communication actions at national level | Q1-4 |
| Provide opinions on programme progresses                  | Q1-4 |
| Provide feedback on Stakeholders General Assembly 2013    | Q1   |
| Provide input for the SGA 2014                            | Q2-3 |

## 2.5 Stakeholders' General Assembly

The Stakeholders' General Assembly (SGA) has an advisory role to the FCH JU. It is open to all public and private stakeholders, international interest groups from Member States, Associated Countries as well as from Third Countries. The SGA is an important communication channel to ensure transparency and openness of the RTD activities with its stakeholders.

The 7<sup>th</sup> Stakeholders' General Assembly is scheduled to take place in October/November 2014. The discussion where the SGA should be held (Brussels or other Member State capital) is still open. The emphasis of the agenda is foreseen to be on policy and market strategies for the commercialisation of fuel cell and hydrogen technologies.

| <b>Key activities in 2014 - timetable</b>          |    |
|----------------------------------------------------|----|
| The 7 <sup>th</sup> Stakeholders' General Assembly | Q4 |

## 3. Operational Activities: Objectives and Indicators

### 3.1 Strategic Objectives

During 2014, the FCH JU will focus on the continued management of Grant Agreements stemming from the calls issued from 2008 through 2013. This will entail negotiation, signature and follow-up of projects, including carrying out midterm reviews, processing periodic technical reports and associated cost claims.

In addition, in 2014 the Programme Office will start implementing the TEchnology MONitoring and ASsessment (TEMONAS) tool for the collection, analysis and assessment of project results. The TEMONAS tool was developed through the project by the same name that was granted following the call 2010 and is being provided to the Programme Office in Q4 2013. As laid out in the next section, a total of 71 projects are expected to be finalised by 2014, mostly from the calls 2008, 2009 and 2010.

### 3.2 Projects from Previous Calls

The portfolio of projects managed by the FCH JU is presented in the table below, together with their expected status by the end of 2014 (number of projects / number of finished projects by end of 2014).

| Call     | AA1<br>Transport | AA2<br>H2<br>Production | AA3<br>Stationary | AA4<br>Early<br>Markets | AA5<br>Cross-<br>cutting | Total  |
|----------|------------------|-------------------------|-------------------|-------------------------|--------------------------|--------|
| 2008     | 3/3              | 3/3                     | 7/7               | 2/2                     | 1/1                      | 16/16  |
| 2009     | 4/3              | 2/2                     | 13/13             | 4/4                     | 5/5                      | 28/27  |
| 2010     | 4/3              | 8/8                     | 9/8               | 4/4                     | 1/1                      | 26/24  |
| 2011     | 10/0             | 8/0                     | 7/0               | 6/0                     | 2/1                      | 33/1   |
| 2012*    | 7/1              | 4/0                     | 9/0               | 3/0                     | 5/2                      | 28/3   |
| 2013-1** | 3                | 4                       | 9                 | 1                       | 4                        | 21     |
| Total    | 31/10            | 29/13                   | 54/28             | 20/10                   | 18/10                    | 152/71 |

\*6 projects from 2012 had not signed Grant Agreements as of the writing of this document.

\*\* Projects from call 2013-1 are all under negotiation.

By the end of the year 2014, almost half of the portfolio of projects managed by the FCH JU will be finished. The Programme Office will utilise the new TEMONAS tool to analyse data and results from these projects and provide an assessment of their technical achievements relative to the MAIP targets and the state of the art, wherever possible.

Several midterm reviews will be conducted during the year 2014, mostly regarding projects from the call 2011.

The call 2013 was closed on 22 May 2013. A decision by the GB on lists of projects to start negotiations and reserve lists was made in August 2013. A total of 22 proposals and 21 projects (2 proposals will be merged) were selected for negotiation. It is anticipated that the

corresponding Grant Agreements will be signed in Q1 2014. An additional call (2013-2) is envisioned for late 2013. Its deadline is estimated to be in January 2014, and the evaluation and negotiation procedures will be managed by the FCH JU.

### 3.3 Collaboration with JRC

The Framework Agreement between the FCH JU and JRC<sup>7</sup> identifies a number of activities that JRC can provide to the FCH-JU, either upon request of a project consortium, or by the FCH-JU Programme Office. In the latter case, JRC involvement may be identified in the formulation of the call topic, or be called upon during the negotiation phase of an approved project.

In close collaboration with the JRC, the FCH JU is taking steps to organise an exercise to harmonise testing protocols for electrolyzers in 2014. It should be noted that in 2013, a similar collaboration including OEMs and project coordinators was launched to discuss the harmonization of PEFC testing protocols for automotive applications within FCH JU projects. A final document dealing with single cell testing is expected by Q4 2013. These harmonization activities are well in line with the Framework Agreement between JRC and FCH JU.

In addition, JRC will continue to contribute to cooperation with US DoE partners in the field of hydrogen safety (harmonization of the US and European databases on hydrogen incidents) and in the field of hydrogen sensors, a topic of common interest for the FCH JU (running project H2sense) and the US DoE as identified in a related topic from the call.

JRC will continue to present FCH-JU and its programme in relevant international fora in which it is involved on behalf of the Commission, such as IEA-HIA and IPHE.

### 3.4 Indicators

| Indicator                                                      | Target |
|----------------------------------------------------------------|--------|
| Fulfillment of the MAIP Technical targets (MAIP coverage plan) | 90%    |
| Percentage of successful finished projects                     | 75%    |

---

<sup>7</sup> The Framework Agreement is available at: <http://www.fch-ju.eu/page/documents>

### 3.5 Public Procurement: Benchmark Studies

The AIP 2013 foresaw a list of topics for studies including those listed below. For these topics an intensive preparatory work has been done in 2013, consisting in obtaining the commitment from industrial players to participate by providing sensitive data. Since often these industrial players come from outside the Industry Grouping, an intensive body of work must be carried out by building consensus on terms of reference and garnering additional support. Therefore, it is expected that the contracts for these studies will be concluded in the beginning of 2014.

Regarding energy storage, the budget is divided in two successive studies. A first study on electrolyzers has been contracted in 2013 with a budget of €113,848. A second study building on the result of the first one and comparing the alternative technologies for energy storage will be contracted in the beginning of 2014.

| Topic                                                                                                                                                               | Amount in €    |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|
| Development of a European Urban Fuel Cell Bus Commercialisation Strategy based on the results of the fact based comparison of alternative powertrains done in 2012. | 1 million      |
| Development of a European commercialisation strategy for fuel cell stationary applications (distributed power generation)                                           | 1.5 million*   |
| Economic and technical assessment of the role of Hydrogen in Energy Storage                                                                                         | 1.25 million** |

\*out of which contract for coalition builder for 37,500 € awarded in 2013

\*\* out of which contract for coalition builder for 67,100 € awarded in 2013 and first study on electrolyzers for 113,848 € contracted in 2013

## **4. Horizontal and Support Activities**

### **4.1 Policy and Communication**

The main objective of policy and communication is to ensure political and public awareness of fuel cell and hydrogen technologies, ongoing projects in the FCH JU that support them and overall activities in the FCH JU and at EU level in order to make them more visible and understandable to various audiences at European and national level in order to gain acceptance and support.

This objective will be implemented notably through regular exchanges and meetings of the Joint Communication task force representing all FCH JU members, but also alignment of the FCH JU vision among stakeholders, especially the State Representatives Group. The SRG's role as interface towards Member States and national policies and programmes will become instrumental.

In line with the FCH JU communication strategy adopted at the end of 2011, the main external communication activities carried out by the Programme Office staff cover the implementation of communication actions in coordination with FCH JU members towards policy makers, notably Members of Parliament and Council representatives, on issues related to results/ recommendations of studies commissioned by FCH JU. Results of ongoing activities and those developed in previous years will be shared and disseminated accordingly.

In 2014 focus will be put more specifically on the following:

- Organisation of the annual Programme Review Days, where a representative portfolio of projects supported by the FCH JU will disseminate their results. The exercise will be structured so as to highlight the overall progress of the programme as a whole.
- Participation in visibility events, such as exhibitions at EU, national or international level (EU Sustainable energy week, Hannover Messe, Open days, motor shows etc...), will be pursued and developed in order to raise the profile of FCH JU activities and FCH technologies at national level and foster media interest. General public events will be considered in this respect, notably in close coordination with members or projects.
- National outreach, to be supported by multipliers, such as national contact points, Europe Direct Centres, Enterprise Europe Network etc. will be developed in Member States, in addition to European outreach towards policy makers. Activities in this regard will be linked to other communication activities wherever possible (e.g. organisation of SGA in a Member State, exhibition opportunity; workshops, etc... )

## **4.2 Other support activities**

### **Finance and Administration**

Finance and Administration is a major component of the horizontal and support activities. The main objective is to ensure the Programme Office can efficiently carry out its operational mandate.

The Finance and Administration Unit includes Finance and Budget, Human Resources, General Administration, Legal and IT. It also covers the internal control coordination which comprises notably monitoring the follow-up on action plans regarding implementation of internal control standards and on results of audits and coordinating the preparation of the Annual Activity Report.

The unit as a whole is also in charge of collaborating with all audit exercises carried out on processes relating to the FCH JU (Internal Audit Capability (IAC), Internal Audit Service (IAS), Court of Auditors), including compliance with requests during such audits and implementation of recommendations as a result of audit findings.

### **Finance and Budget**

The main objectives for Finance and Budget are to ensure a sound financial management of the Programme Office resources and compliance with the FCH Financial rules and procedures.

Main activities include the following:

- allocate budget resources in line with planned activities
- establish the necessary commitments to ensure the timely availability of resources for the smooth implementation of all operational and support activities
- execute the necessary payments for services and goods delivered
- provide financial and administrative advice on procurement and grant matters, as needed
- provide financial analysis and financial management support to the operational unit
- monitor budget execution and report to the Executive Director
- update multi-annual budget forecast and report to the Governing Board
- monitor changes in the Financial Regulations and related rules and implement where required
- develop or update procedures and streamline workflows as necessary in coordination with the Programme Unit
- implement the ex-post audit strategy in coordination with the JU's Internal Audit Capability (IAC)
- coordinate and support visits of the Court of Auditors

In 2014 special focus will be put on the following:

- update procedures as necessary to take into account changes in rules and requirements, in particular regarding project management and reporting (electronic submission only, automated generation of invoices...)
- improve procedures and tools for project negotiation and contracting by ensuring implementation of the action plan on IAC recommendations related to the audit on grant management concluded in 2013.
- ensure implementation of audit findings and further implement the ex-post audit strategy by launching new audits including risk based audits where necessary
- further implement the communication campaign on how to avoid errors in FP7 cost reporting by organizing one or two dedicated sessions and/or presentations at project kick-off meetings

Achievement is measured through the following indicators:

- level of budget execution (at least 90%)
- 90% of payments made within deadlines (30 days for contracts and for pre-financing on grants; 90 days for interim/final payments on grants)
- All exceptions (deviations from rules and procedures) duly justified and recorded in accordance with ICS 8

### **Human Resources and General Administration**

The priority objectives for Human Resources are to ensure that the Staff Establishment plan and Staff policy plan are implemented, to ensure an efficient management of staff resources and to ensure an optimal working environment.

Main activities include the following:

- contribute to the overall FCH JU strategy and planning processes
- develop/update HR policies and procedures (including implementation, monitoring and review)
- launch and follow-up recruitment procedures efficiently to ensure filling of full establishment plan
- identify training needs and promote professional development through training

In 2014 special focus will be put on the following:

- develop and implement a training plan to ensure adaptation of staff skills to the new rules and tools, continuous development of staff competences and to enable performance at the highest quality standards
- continue to promote good internal communication and positive team atmosphere
- prepare the implementation of the revised staff regulations which enter into force from January 1<sup>st</sup>, 2014 including adoption of implementing rules
- reclassification exercise

Achievement is measured through the following indicators:

- vacancy rate (less than 5%)

- timely submission of procedures

## **Legal**

The priority objectives are to ensure the legality and regularity of grant agreements, contracts and other agreements (memorandum of understanding, service level agreement, amendment to agreements and contracts) and provide guidance and advice to ensure that the activities of the FCH JU can be organised successfully in compliance with applicable legislation and rules.

Beyond this function of legal advice and compliance, the role of the legal manager involves the complete management of some activities (notably procurement procedures in the administrative budget and the procurement of all studies made with the operational budget). It also includes the Data Protection function and the ABAC Local Profile Management (LPM).

Main activities include the following:

- generate and check grant agreements
- review contracts prior to signature
- provide advice or input on legal issues, on interpretation of texts, on draft legislation or internal rules and procedures
- ensure the data protection and LPM function
- launch and implement procurement procedures in relation to operational activities as requested

In 2014 focus will be put more specifically on the following:

- procurement and monitoring of commercialisation studies which involve a strong coordination with the contractors and the industrial coalitions supporting the studies
- further implement data protection requirements notably by follow-up of EDPS opinions on prior-check notifications

Achievement can be assessed based on the following elements:

- completeness of register of data protection notification; feedback from data subjects and from EDPS

## **IT**

The priority objectives for IT are to ensure a stable and secure IT system, provide IT support to staff in the use of IT applications and equipment and to cooperate with the other JUs to ensure synergy and efficient use of resources.

Main activities include the following:

- follow-up and monitor implementation of the contract with IT supplier, notably service delivery plan; ensure maintenance and upgrades are done as necessary
- monitor stability of the IT system

- participate in coordination meetings with the Commission and other JUs and take action follow-up on the adjustments needed to allow and ensure smooth functioning of FP7 IT tools
- ensure adjustment of IT tools to the FCH needs (expansion, upgrade, etc...)

In 2014 special focus will be put on the following:

- keep in place the full access for the FCH staff to the set of IT applications related to the FP7 program, and continue to improve the telecommunication lines which are key to access our business information
- further develop in-house tools for reporting, monitoring decision-making (matching), dissemination of information and research results (TEMONAS program) with adequate applications; finalize the migration to the new document management system and customize some automated workflows for simplification and quicker reaction of the FCH back office. Improve internal and external communication through the website in collaboration with the Knowledge Manager.
- finalize the disaster recovery plan and test the business continuity plan in parallel to the preparation of the new Framework Contract for IT services after 2014.

Achievement is measured by the following indicators:

- compliance by contractors/ service providers with the service level agreements

### **Internal control**

The priority objective is to implement and maintain an effective internal control system so that reasonable assurance can be given that (1) resources assigned to the activities are used according to the principles of sound financial management and (2) the control procedures in place give the necessary guarantees concerning the legality and regularity of transactions.

Main activities include the following:

- ensure awareness and implementation of internal control processes and standards
- assess the effectiveness of the internal control system
- report on compliance and effectiveness in the mid-year management report and annual activity report
- carry out periodic review of risks at least yearly in the context of preparing the annual work programme (Annual Implementation Plan)
- ensure coordination of the drafting of the Annual Activity Report
- coordinate visits of the European Court of Auditors
- follow-up on implementation of action plans on audit recommendations

In 2014 focus will be put on the following:

- follow-up of the action plan for implementation of recommendations of IAC audit on grant management
- follow-up of action plans on effective implementation of internal control standards and on action plan for risk mitigation

- review the internal control standards to ensure the adaptation of the measures, rules and procedures to the new legal environment of adopted

Achievement is measured by the following indicators:

- degree of implementation of action plans ( on audit recommendations, on effective implementation of ICS )

### **Internal Audit Capability**

The priority objectives of the FCH JU Internal Audit Manager (i.e. Internal Audit Capability) are to provide the Executive Director with assurance (i.e. independent assessment) and consulting (i.e. advisory and management requested) services as to the effectiveness and efficiency of the governance, risk management and control processes in the Joint Undertaking.

Main activities include the following:

- Establish a multiannual audit work plan (to be updated annually), including assurance and consulting services, in coordination with the Commission's Internal Audit Service (IAS)
- Implement the annual IAC's work plan
- Maintain a smooth, constructive and transparent liaison with the audit community (i.e. Auditnet, IAS and Court of Auditors)
- Upon the Executive Director's request, provide other ad-hoc consultancy or assurance services not foreseen in the annual work plan
- Ensure an advisory role in the Annual Activity Report (AAR) process, internal control and risk management
- Management of ex-post audits of beneficiaries through a Framework Contract with external audit firms.

Achievement is measured by the following indicators:

- Performance against annual audit work plan
- Coordination level with the IAS (joint risk assessment and coordinated multiannual and annual audit work plan)
- Compliance with JU's deadlines established in the framework contract for ex-post audits.
- Auditee's feedback (i.e. positive average feedback (below or equal to 2) in a scale from 1 (very good) to 5 (insufficient)).

In 2014 special focus will be put on the following:

- Implementation of the ex-post audit strategy - new 'representative' and 'risk-based' audits will be launched to ensure appropriate audit coverage of cost claims validated. This will provide the Executive Director with an important building block of assurance on legality and regularity of the JU's transactions.
- Follow up audits will be carried out to confirm the effective implementation of the IAC recommendations from previous audits.

- Annual Assessment of the level of in-kind contributions.
- Continue the efforts to reduce errors by supporting the Finance Unit in the communication campaigns on how to avoid errors in FP7 cost reporting.

## **Accounting**

The accountant is functionally independent in the performance of his/her duties.

In line with article 43 of the FCH JU Financial Regulation the accountant is responsible for:

- a) proper implementation of payments, collection of revenue and recovery of amounts established as being receivable;
- b) preparing and presenting the accounts in accordance with Title VIII (of FCH JU Financial Rules)
- c) keeping the accounts in accordance with Title VIII;
- d) implementation in accordance with Title VIII, the accounting rules and methods and the chart of accounts in accordance with the provisions adopted by the Commission's accounting officer;
- e) laying down and validating the accounting system and, where appropriate, validating systems laid down by the authorising officer to supply or justify accounting information; the accounting officer shall be empowered to verify the respect of validation criteria.
- f) treasury management

Achievement is measured by the following indicators:

- Payments executed in time, cash available when needed
- Provisional accounts and final annual accounts are ready for Governing Board approval and audit in time

## 5. Resources

The staff and financial resources of the FCH for the year 2014 are adopted by the Governing Board subject to adoption of the EU budget by the European Parliament and the Council in accordance with the budgetary procedure and are described in the following sections.

### 5.1 Staff establishment plan 2014

#### Temporary Agents

| Grade                        | 2014 Establishment Plan |                 |
|------------------------------|-------------------------|-----------------|
|                              | Budget / Authorised     |                 |
|                              | Permanent posts         | Temporary posts |
| AD 16                        |                         |                 |
| AD 15                        |                         |                 |
| AD 14                        |                         | 1               |
| AD 13                        |                         |                 |
| AD 12                        |                         |                 |
| AD 11                        |                         | 3               |
| AD 10                        |                         |                 |
| AD 9                         |                         | 1               |
| AD 8                         |                         | 4               |
| AD 7                         |                         | 2               |
| AD 6                         |                         |                 |
| AD 5                         |                         |                 |
| <b>Total AD<sup>8</sup></b>  | <b>0</b>                | <b>11</b>       |
| AST 11                       |                         |                 |
| AST 10                       |                         |                 |
| AST 9                        |                         |                 |
| AST 8                        |                         | 1               |
| AST 7                        |                         | 3               |
| AST 6                        |                         |                 |
| AST 5                        |                         |                 |
| AST 4                        |                         | 1               |
| AST 3                        |                         | 2               |
| AST 2                        |                         |                 |
| AST 1                        |                         |                 |
| <b>Total AST<sup>9</sup></b> | <b>0</b>                | <b>7</b>        |
| <b>TOTAL</b>                 | <b>0</b>                | <b>18</b>       |

Staff resources also include 2 contract agents, 1 in Function Group (FG) III and 1 in FG IV.

---

<sup>8</sup> AD stands for Administrator

<sup>9</sup> AST stands for Assistant

## 5.2 FCH BUDGET 2014

### 5.2.1 Statement of Revenue<sup>10</sup>

| <b>Title<br/>Chapter<br/>Article<br/>Item</b> | <b>Heading</b>                                                              | <b>Budget 2014<br/>CA<br/>(in €)</b> | <b>Budget 2014<br/>PA<br/>(in €)</b> |
|-----------------------------------------------|-----------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| <b>2001</b>                                   | <i>European Commission subsidy for operational expenditure<sup>11</sup></i> |                                      | 84,319,952                           |
| <b>2002</b>                                   | <i>European Commission subsidy for administrative expenditure</i>           | 1,713,333                            | 1,713,333                            |
| <b>2003</b>                                   | <i>Industry Grouping contribution for administrative expenditure</i>        | 2,056,000                            | 2,056,000                            |
| <b>2004</b>                                   | <i>Research Grouping contribution for administrative expenditure</i>        | 342,667                              | 342,667                              |
| <b>2006</b>                                   | <i>JTI revenues</i>                                                         | 50,000                               | 50,000                               |
|                                               | <b>Title 2 — TOTAL</b>                                                      | 4,162,000                            | 88,481,952                           |
| <b>3003</b>                                   | <i>C2 reactivation of appropriations (2011)</i>                             |                                      |                                      |
| <b>3004</b>                                   | <i>C2 reactivation of appropriations (2012)</i>                             |                                      |                                      |
|                                               | <b>SUB TOTAL reactivation</b>                                               |                                      |                                      |
|                                               | <b>GRAND TOTAL</b>                                                          | <b>4,162,000</b>                     | <b>88,481,952</b>                    |

<sup>10</sup> These figures include the EFTA contribution

<sup>11</sup> Under the condition that the EU Draft Budget 2014 is adopted by the budgetary authorities

## 5.2.2 Statement of expenditure

| <b>Title<br/>Chapter<br/>Article<br/>Item</b> | <b>Heading</b>                                                            | <b>Commitment<br/>Appropriations<br/>2014 (€)</b> | <b>Payment<br/>Appropriations<br/>2014 (€)</b> |
|-----------------------------------------------|---------------------------------------------------------------------------|---------------------------------------------------|------------------------------------------------|
| <b>1</b>                                      | <b>STAFF EXPENDITURE</b>                                                  |                                                   |                                                |
| 1 1                                           | STAFF IN ACTIVE EMPLOYMENT                                                | 2,436,000                                         | 2,436,000                                      |
| 1 2                                           | EXPENDITURE RELATED TO RECRUITMENT                                        | 21,000                                            | 21,000                                         |
| 1 3                                           | MISSIONS AND TRAVEL                                                       | 100,000                                           | 100,000                                        |
| 1 4                                           | SOCIOMEDICAL INFRASTRUCTURE                                               | 43,400                                            | 43,400                                         |
| 1 7                                           | ENTERTAINMENT AND REPRESENTATION EXPENSES                                 | 5,000                                             | 5,000                                          |
|                                               | <b>Title 1 - TOTAL</b>                                                    | 2,605,400                                         | 2,605,400                                      |
| <b>2</b>                                      | <b>INFRASTRUCTURE</b>                                                     |                                                   |                                                |
| 2 0                                           | INVESTMENTS IN IMMOVABLE PROPERTY RENTAL OF BUILDINGS AND ASSOCIATED COST | 335,800                                           | 335,800                                        |
| 2 1                                           | INFORMATION TECHNOLOGY                                                    | 135,900                                           | 135,900                                        |
| 2 2                                           | MOVABLE PROPERTY AND ASSOCIATED COSTS                                     | 10,000                                            | 10,000                                         |
| 2 3                                           | CURRENT ADMINISTRATIVE EXPENDITURE                                        | 39,000                                            | 39,000                                         |
| 2 4                                           | POSTAGE AND TELECOMMUNICATIONS                                            | 15,900                                            | 15,900                                         |
| 2 5                                           | EXPENDITURE ON FORMAL AND OTHER MEETINGS                                  | 40,000                                            | 40,000                                         |
| 2 6                                           | RUNNING COSTS IN CONNECTION WITH OPERATIONAL ACTIVITIES OF FCH            | 650,000                                           | 650,000                                        |
| 2 7                                           | STUDIES                                                                   | 20,000                                            | 20,000                                         |
| 2 8                                           | EXPERT CONTRACTS AND MEETINGS and E FP7 tools                             | 310,000                                           | 310,000                                        |
|                                               | <b>Title 2 — Total</b>                                                    | 1,556,600                                         | 1,556,600                                      |
| <b>3</b>                                      | <b>OPERATIONAL EXPENDITURE</b>                                            |                                                   |                                                |
| 3 0                                           | IMPLEMENTING THE RESEARCH AGENDA OF FCH JU                                |                                                   | 84,319,952                                     |
|                                               | <b>Title 3 - TOTAL</b>                                                    |                                                   | 84,319,952                                     |
|                                               | <b>GRAND TOTAL</b>                                                        | 4,162,000                                         | 88,481,952                                     |

## 6. Annexes

### 6.1 Abbreviations and Definitions

| <b>Term</b>        | <b>Definition</b>                                                                                                                                                                                                                      |
|--------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>AA</b>          | Application areas such as Transportation & Infrastructure, Hydrogen Production & Distribution etc.                                                                                                                                     |
| <b>AA1 / AA-T</b>  | Application Area Transportation & Refuelling Infrastructure                                                                                                                                                                            |
| <b>AA2 / AA-H</b>  | Application Area Hydrogen Production, Storage & Distribution                                                                                                                                                                           |
| <b>AA3 / AA-S</b>  | Application Area Stationary Power Generation & CHP                                                                                                                                                                                     |
| <b>AA4 / AA-EM</b> | Application Area Early Markets, short-term markets encompassing a group of applications for which products can be commercially deployed within the 2007-2013 timeframe                                                                 |
| <b>AAR</b>         | Annual Activity Report                                                                                                                                                                                                                 |
| <b>AC</b>          | Associated Country means a third country which is party to an international agreement with the Community, under the terms or on the basis of which it makes a financial contribution to all or part of the Seventh Framework Programme |
| <b>AIP</b>         | Annual Implementation Plan                                                                                                                                                                                                             |
| <b>CHP</b>         | Combined Heat and Power                                                                                                                                                                                                                |
| <b>EC</b>          | European Commission                                                                                                                                                                                                                    |
| <b>Deployment</b>  | Development phase for a given technology and/or infrastructure from its market introduction to its widespread use                                                                                                                      |
| <b>ED</b>          | Executive Director                                                                                                                                                                                                                     |
| <b>EFTA</b>        | European Free Trade Area                                                                                                                                                                                                               |
| <b>ETP</b>         | European Technology Platform                                                                                                                                                                                                           |
| <b>FCH</b>         | Fuel Cells & Hydrogen                                                                                                                                                                                                                  |
| <b>FCH JU</b>      | The Fuel Cells and Hydrogen Joint Undertaking: the name refers to the legal entity established as the public & private partnership to implement the Joint Technology Initiative                                                        |
| <b>FP7</b>         | Seventh Framework Programme of the European Community for research, technological development and demonstration activities (2007-2013)                                                                                                 |
| <b>GB</b>          | Governing Board of the FCH JU                                                                                                                                                                                                          |

|                     |                                                                                                                                                                                                          |
|---------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>IP</b>           | Implementation Plan                                                                                                                                                                                      |
| <b>JTI</b>          | Joint Technology Initiative - a policy initiative introduced in the FP7. The Term JTI may also be used to refer to the legally established structure implementing the initiative (cf. above FCH JU)      |
| <b>MAIP</b>         | Multi-Annual Implementation Plan                                                                                                                                                                         |
| <b>Members</b>      | The term "members" refers to the founding members of the FCH JU (EC & NEW IG) and the RG                                                                                                                 |
| <b>MS</b>           | The "Member States" shall be understood as the EU-27 Members States                                                                                                                                      |
| <b>MSPP</b>         | Multi-Annual Staff Policy Plan                                                                                                                                                                           |
| <b>NEW-IG</b>       | New Energy World Industry Grouping - European Industry Grouping for a Fuel Cell and Hydrogen JTI also referred to as "Industry Grouping" or "IG"                                                         |
| <b>PO</b>           | Programme Office (also referred to as JTI PO)                                                                                                                                                            |
| <b>RG</b>           | New European Research Grouping on Fuel Cells and Hydrogen AISBL, also referred to as "Research Grouping" or "N.ERGHY"                                                                                    |
| <b>RTD</b>          | Research, Technological Development & Demonstration                                                                                                                                                      |
| <b>SME</b>          | Small and Medium Enterprise                                                                                                                                                                              |
| <b>SRG</b>          | FCH States Representatives Group: Advisory body of the FCH JU gathering Member States and Associated Countries' representatives                                                                          |
| <b>Stakeholders</b> | The term "Stakeholders" embodies all public or private actors with interests in FCH activities both from the MS or third countries. It shall not be understood as "partners" or "members" of the FCH JU. |