

Annex to GB decision FCH-GB-2020-01

4.1 Budget information

The budget for 2020 was approved by the GB on 13 December 2019. The 1st amendment to the 2020 budget introduces the following changes:

A. On the revenue side

- i. Re-activation of unused payment appropriations from 2019 open commitments under administrative expenses (EUR 869,686.21).
- ii. Re-activation of unused payment appropriations from operational expenses of 2018 (EUR 1,456,989.14) and 2019 (EUR 300,000).
- iii. Re-activation of both unused commitment and payment appropriations under 2019 administrative expenses (EUR 119,755.64).
- iv. Re-activation of unused commitment appropriations from 2019 operational expenditure (EUR 10,638.63).
- v. Additional FP7 payment appropriations of EUR 586,053.51 are asked by the European Commission (EC) to finance additional FP7 payment needs.

B. On the expenditure side

In the administrative budget (Titles 1 & 2):

- 1) Commitment appropriations increase by EUR 119,755.64 to cover for additional needs in:
 - i. IT infrastructure, where a provision for the maintenance and development of HRS availability platform is added
 - ii. Service contracts, where a provision for an additional assignment under FP7 audits is included.
- 2) Payment appropriations will increase by EUR 989,441.85 in total as a result of:
 - i. Carry-forward of appropriations by EUR 119,755.64 to cover for additional needs as explained under point B.1 above.
 - ii. Carry-forward of appropriations by EUR 869,686.21 to respect 2019 open commitments.

In the operational budget (Title 3), the changes will be as follows:

- 1) For FP7, re-activation of unused payment appropriations of EUR 300,000 to cover for additional needs for payments of FP7 interim and final reports. Furthermore, EC will contribute additional EUR 586,053.51 to cover for supplementary appropriations needed for FP7 interim and final payments.
- 2) For H2020, re-activation of unused commitment appropriations of EUR 10,638.63 resulting from de-commitments in 2019 and the outcome of a study whereby the amount awarded was less than budgeted. In addition, payment appropriations will increase by EUR 1,456,989.14 to cover for additional payment needs for H2020 interim and final reports.

The revenue of FCH 2 JU for the year 2020 include contributions to the administrative costs from Hydrogen Europe and Hydrogen Europe Research, contribution of the Union for administrative costs and operational activities and re-activations from previous years. Amounts are expressed in euros.

Title Chapter Article Item	Heading	Budget 2020 CA	Budget 2020 PA	Amendment 2020.1 CA	Amendment 2020.1 PA	Amended budget 2020.1 CA	Amended budget 2020.1 PA	Remarks
20	SUBSIDIES AND REVENUES							
2001	European Commission subsidy for operational expenditure (7 th Framework Programme)		3,935,268		586,054	0	4,521,322	Council Regulation 559/2014 of 6 May 2014 on the establishment of the Fuel Cells and Hydrogen 2 Joint Undertaking
2002	European Commission subsidy for administrative expenditure	2,381,733	2,381,733			2,381,733	2,381,733	Council Regulation 559/2014 of 6 May 2014 on the establishment of the Fuel Cells and Hydrogen 2 Joint Undertaking includes EFTA (2.33% in 2018, 2.38% in 2019 and 2.41% in 2020)
2003	Hydrogen Europe contribution for administrative expenditure	2,048,290	2,048,290			2,048,290	2,048,290	Council Regulation 559/2014 of 6 May 2014 on the establishment of the Fuel Cells and Hydrogen 2 Joint Undertaking
2004	Hydrogen Europe Research contribution for administrative expenditure	333,443	333,443			333,443	333,443	Council Regulation 559/2014 of 6 May 2014 on the establishment of the Fuel Cells and Hydrogen 2 Joint Undertaking
2005	European Commission subsidy for operational expenditure (Horizon 2020)	81,510,246	76,127,865			81,510,246	76,127,865	Council Regulation 559/2014 of 6 May 2014 on the establishment of the Fuel Cells and Hydrogen 2 Joint Undertaking includes EFTA (2.33% in 2018, 2.38% in 2019 and 2.41% in 2020)
2006	JTI revenues					1,553,268	1,553,268	Interest, income from liquidated damages & others
	Total title subsidies and revenues	86,273,712	84,826,599	-	586,054	87,826,980	86,965,920	
30	REACTIVATIONS							
3012	C2 reactivation of appropriations for administrative expenditure (2017)					0	0	FCH 2 JU Financial rules article 6 - unused PA for administrative costs re-entered to be used for administrative costs
3013	C2 reactivation of appropriations for operational expenditure (2017)					0	0	FCH 2 JU Financial rules article 6 - de-committed CA for operational activities re-entered to be used for operational activities
3014	C2 reactivation of appropriations for administrative expenditure (2018)	662,380	662,380			662,380	662,380	FCH 2 JU Financial rules article 6 - unused PA for administrative costs re-entered to be used for administrative costs
3015	C2 reactivation of appropriations for operational expenditure (2018)	263,606	10,829,662		1,456,989	263,606	12,286,651	FCH 2 JU Financial rules article 6 - de-committed CA for operational activities re-entered to be used for operational activities
3016	C2 reactivation of appropriations for administrative expenditure (2019)	304,655	304,655	119,756	989,442	424,410	1,294,096	FCH 2 JU Financial rules article 6 - unused PA for administrative costs re-entered to be used for administrative costs
3017	C2 reactivation of appropriations for operational expenditure (2019)	12,773,671		10,639	300,000	12,784,309	300,000	FCH 2 JU Financial rules article 6 - de-committed CA for operational activities re-entered to be used for operational activities
	Total title reactivations	14,004,311	11,796,696	130,394	2,746,431	14,134,705	14,543,127	
	TOTAL REVENUES	100,278,023	96,623,295	130,394	3,332,485	101,961,685	101,509,048	

The FCH 2 JU 2020 budget amounts to a total of EUR 101,961,685 in terms of commitment appropriations and EUR 101,509,048 in payment appropriations. Internal assigned revenues booked in the budget as at 19 February 2020 are also disclosed for better overview. Amounts are expressed in euros:

Title Chapter Article Item	Heading	Budget 2020 CA	Budget 2020 PA	Internal assigned revenue (CA+PA)	Amendment 2020.1 CA	Amendment 2020.1 PA	Amended budget 2020.1 CA	Amended budget 2020.1 PA	Comments
1	STAFF EXPENDITURE								
1 1	STAFF IN ACTIVE EMPLOYMENT	3,556,000	3,556,000			96,544	3,556,000	3,652,544	Salaries for temporary staff and contract agents, family allowances, expatriation and foreign residence allowances, unemployment insurance, insurance against accidents and occupational disease, annual travel costs Interim staff and trainees SNE allowances Installation allowance and daily subsistence and removal costs for staff arriving/departing Cost of PMO provisions
1 2	EXPENDITURE RELATED TO RECRUITMENT	5,000	5,000				5,000	5,000	Miscellaneous expenditure on staff recruitment (travel expenses)
1 3	MISSIONS AND TRAVEL	175,000	175,000			23,916	175,000	198,916	Mission expenses
1 4	SOCIOMEDICAL INFRASTRUCTURE AND TRAINING	44,500	44,500			5,505	44,500	50,005	Training, medical service and mobility costs
1 5	ENTERTAINMENT AND REPRESENTATION EXPENSES	5,600	5,600				5,600	5,600	Representation and receptions
	TOTAL TITLE 1	3,786,100	3,786,100		-	125,965	3,786,100	3,912,065	
2	BUILDING, EQUIPMENT AND MISCELLANEOUS EXPENDITURE								
2 0	INVESTMENTS IN IMMOVABLE PROPERTY RENTAL OF BUILDINGS AND ASSOCIATED COSTS	370,000	370,000	1,676		11,247	371,676	382,923	Rent, works, insurance, common charges (water/gas/electricity), maintenance, security and surveillance
2 1	INFORMATION TECHNOLOGY	372,000	372,000		109,517	346,920	481,517	718,920	IT purchases, software licences, software development
2 2	MOVABLE PROPERTY AND ASSOCIATED COSTS	5,000	5,000				5,000	5,000	Purchases and rental of office equipment, maintenance and repair
2 3	CURRENT ADMINISTRATIVE EXPENDITURE	11,000	11,000			859	11,000	11,859	Office supplies, library, translation service, bank charges and miscellaneous office expenditure
2 4	CORRESPONDENCE, POSTAGE AND TELECOMMUNICATIONS	13,000	13,000			8,736	13,000	21,736	Telephones, video conferences and postal services
2 5	EXPENDITURE ON FORMAL AND OTHER MEETINGS	90,000	90,000			3,721	90,000	93,721	Official meetings such as SRG, Scientific Committee, Governing Board
2 6	COMMUNICATION COSTS	500,000	500,000			271,705	500,000	771,705	External communication and events
2 7	SERVICE CONTRACTS	222,000	222,000		10,239	202,734	232,239	424,734	Studies and audits
2 8	EXPERT CONTRACTS AND MEETINGS	361,400	361,400			17,553	361,400	378,953	Costs related to expert contracts (evaluations, mid-term reviews)
	TOTAL TITLE 2	1,944,400	1,944,400	1,676	119,756	863,477	2,064,156	2,809,553	
	TOTAL TITLE 1+2 (ADMINISTRATIVE EXPENDITURE)	5,730,500	5,730,500	1,676	119,756	989,442	5,850,256	6,721,618	
3	OPERATIONAL EXPENDITURE								
3 0 0 1	Implementing the research agenda of FCH Joint Undertaking: 7th Framework Programme (FP7)		4,337,752	1,551,592		886,054	1,551,592	6,775,397	Appropriations shall cover the operational costs of the JU regarding FP7 grants (pre-financings, interim and final payments) and studies.
3 0 0 2	Implementing the research agenda of FCH Joint Undertaking: Horizon 2020	94,547,523	86,555,043		10,639	1,456,989	94,558,162	88,012,032	Appropriations shall cover the operational costs of the JU regarding H2020 grants (pre-financings, interim and final payments), studies and JRC contribution.
	TOTAL TITLE 3 (OPERATIONAL EXPENDITURE)	94,547,523	90,892,795	1,551,592	10,639	2,343,043	96,109,753	94,787,429	
	TOTAL EXPENDITURE	100,278,023	96,623,295	1,551,592	130,394	3,332,485	101,961,685	101,509,048	

Revenues

As per article 13.2 of the Statutes annexed to the Council Regulation No 559/2014 of 06/05/2014, the Union shall contribute 50%, the Industry Grouping 43% and the Research Grouping 7% to the administrative budget.

The 2020 administrative budget consists of appropriations provided in 2020 by the founding members (EUR 4,763,466) and re-activated appropriations from previous years (EUR 1,086,790).

Operational expenses are entirely covered by the EC subsidy.

Expenditure

Overall the administrative budget (Titles 1 and 2) will show an increase by 3% (EUR 179,179) compared to 2019 final budget.

In more details:

Title 1 – Staff

Title 1 (staff costs) represents 65% of the administrative costs in the 2020 budget. It mainly covers salaries (94% of the Title 1 amount) whereas other budget lines cover missions, training & socio-medical costs, recruitment costs and representation expenses.

Title 1 will show an increase by 7% (EUR 238,482) compared to 2019 final budget. This is due to:

- An increase by EUR 342,982 in staff in active employment. Considerable part of this increase is due to the reallocation of costs of SNEs and entitlements upon recruitment (in total an estimate of EUR 130,000) that until 2019 were included in the budget line 1200 (recruitment related expenditure). The provision for 2020 includes 1 SNE as of the beginning of the year and an additional one as of April 2020 whereas the adjusted provision for 2019 includes the effective recruitment of 1 SNE as of October 2019. In addition, 2020 budget provides for 3 interims, as opposed to 2 in 2019.

For reasons of harmonisation of reporting among JUs, ECA proposed the reallocation of these costs.

The remaining amount is the impact of the step and career advancements and the indexation assumed at 2%.

- An increase by EUR 2,500 (6%) compared to 2019 for sociomedical infrastructure and training, following adjustments in prices of the SLA with DG HR which covers most of these services.

On the other side, the following budget lines will show decrease compared to 2019:

- Expenditure related to recruitment (-EUR 102,000) due to the reclassification of these costs as explained above.

Title 2 – Infrastructure

Title 2 represents 35 % of the administrative costs in 2020. Title 2 will show a 3% decrease (EUR 59,303) compared to the 2019 final budget. This is due to:

- Decrease by 11% (EUR 42,460) of the experts budget line due to less mid-term reviews expected compared to 2019.
- Decrease by 21% (EUR 133,705) in communication budget line since the provisions for 2020 do not include various sponsorships as in 2019. This budget is restored to the level of previous years.

On the other side:

- IT costs will show an increase by 93,274 due to additional software to be procured and EC corporate solutions that will be acquired as explained in the sub-sections of procurement and contracts and IT and logistics as well as the maintenance and development costs for the HRS availability web-based application.

- Costs related to building will be increased due to the charges for additional building projects within the White Atrium and due to indexation.

Title 3 – Operational

Commitment appropriations correspond to H2020 programme and will be increased by 11%. They will include new commitment appropriations of EUR 81,510,246 and re-activations totalling EUR 13,047,915. The appropriations will cover the call 2020, procurement plan as detailed in section 3.2 of the document, the annual contribution to JRC and the works of the European Hydrogen Safety Panel.

Payment appropriations correspond to estimated needs to cover:

- Payment appropriations under FP7 projects for EUR 6,775,397, which is 11% higher than last year. Despite of the fact that the number of reports expected to be paid will be halved compared to 2019, the total value of payments is higher as these will be final and interim payments for demonstration projects.
- Payment appropriations under H2020 projects for EUR 88,012,032, decreased by 13% compared to the 2019 level as the value of interim and final payments will be lower than in 2019. The 2020 payment appropriations will cover mainly interim and final payments of H2020 projects, the majority of the pre-financing for call 2020, the payments in line with the JRC agreed rolling plan and payments of studies procured under the operational budget as described in section 3.2 (H).

Summary Statement of Schedule of Payments

The FCH 2 JU Schedule of payments represents a summary statement of the schedule of payments due in subsequent financial years (2020-2023 and following years) to meet budget commitments entered into earlier financial years (before 2019) as well as in 2019 and 2020.

SUMMARY SCHEDULE OF PAYMENTS (Operational)

2018 Outturn		2019 Outturn		2020 Budget		Difference (2020/2018)	
Committed	Paid	CA	PA	CA	PA	CA	PA
74,545,919	100,069,805	73,642,035	107,068,882	94,558,162	94,787,429	28%	-11%

DETAILS OF PAYMENT SCHEDULE (Operational)

FP7 Payments

Commitments		Payments				Outstanding amount	Total
		2020	2021	2022	2023		
Pre-2014 commitments still outstanding (RAL)	35,538,119	6,674,398	1,150,639	0	2,999,997	24,713,085	35,538,119
TOTAL	35,538,119	6,674,398	1,150,639	0	2,999,997	24,713,085	35,538,119

H2020 Payments

Commitments		Payments				Outstanding amount	Total
		2020	2021	2022	2023		
Pre-2019 commitments still outstanding (RAL)	119,474,529	32,261,353	40,596,936	12,678,622	21,158,973	12,778,645	119,474,529
2019 commitment appropriations still outstanding (RAL)	30,613,575	1,928,997	16,646,735	1,402,362	4,527,882	6,107,599	30,613,575
2020 commitment appropriations	94,558,162	53,821,682	3,571,647	12,070,178	8,356,277	16,738,378	94,558,162
TOTAL	244,646,266	88,012,032	60,815,318	26,151,162	34,043,132	35,624,622	244,646,266

State of play on 19/02/2020: RAL refers to open commitments on 19/02 - payments for 2020 refer to foreseen payments from 19/02/2020 until the end of the year

Committed and budgeted commitment appropriations refer to H2020 only

FP7: payments in 2020 denote updated payment needs

H2020: 2019 RAL also includes a global commitment for studies under AWP 2019 that are not contracted by the time of this report

