

Assessment of the Fuel Cells and Hydrogen 2 Joint Undertaking (FCH 2 JU) Annual Activity Report (AAR) 2019 by the FCH 2 JU Governing Board

1. INTRODUCTION

The relevance of Hydrogen and related fuel cells technologies for the achievement of the EU's climate and energy goals is well addressed, and in line with the European Green Deal. This was shown by the launch of two important initiatives in 2019, namely the:

- (i) Launch in May 2019 of the 'European Hydrogen Valleys Partnership (EH-S3P)' to enhance the role of green hydrogen in the European energy transition process. This was further supported by an H2 Valley topic aiming to showcase a large demonstration (flagship) project with hydrogen as the energy carrier for various types of use.
- (ii) Signature in October 2019 of a contract for managing a pilot Project Development Assistance (PDA) facility to help develop detailed project planning in regions and cities with a lower maturity level, paying special attention to Central and Eastern Europe.

The FCH 2 JU has efficiently contributed in 2019 via research and demonstration activities to the development and deployment of products and technologies both in the transport and energy sectors. It continued to play a critical role in aggregating the European industry and research, and has improved the position of all its players.

In light of the next Framework Programme for Research and Innovation 2021-2027, Horizon Europe, it is important that the FCH 2 JU highlights its continued relevance and demonstrates impact.

The Governing Board positively notes that overall investment generated from Members other than the Union or their constituent or affiliated entities as well as from non-members has exceeded EUR 1 billion, corresponding to a leverage effect of 2.24. With regard to communication and outreach activities, the Governing Board is pleased by the release of the International Energy Agency (IEA) report in June at the G20 in Osaka, Japan, which confirmed the key role hydrogen should play in the energy transition. The Governing Board encourages the FCH 2 JU to continue these efforts over the remaining 1 year of the Horizon 2020 Framework Programme by demonstrating its relevance as a world-class actor in the field of fuel cells and hydrogen.

2. ANALYSIS

The Fuel Cells and Hydrogen 2 Joint Undertaking's Annual Activity Report 2019 (Authorising Officer's report) was sent to the FCH 2 JU Governing Board on 28 February 2020 and will be submitted for approval by the Governing Board before the end of June 2020. The Governing Board is of the opinion that the FCH 2 JU AAR 2019 adequately covers the main activities of the FCH 2 JU in 2019, identifies the risks associated with the

FCH 2 JU operations, duly reports on the use made of the FCH 2 JU resources provided, and indicates the efficiency and effectiveness of the FCH 2 JU's internal control system. The Governing Board recognizes the continuous progress made by the FCH 2 JU and the achieved results in year 2019 and positively notes in particular the following elements:

2.1 Operations

- The Governing Board is pleased to note the high leverage generated by the FCH 2 JU with a figure of EUR 2.24 of contributions from Members other than the Union, or their constituent or affiliated entities, and participation of non-members, in the form of in-kind contributions to projects and through additional activities, for each 1 EUR of EU contribution. It is also satisfied with the already achieved target for in-kind contributions set in the Council Regulation establishing the FCH 2 JU.
- The Governing Board takes note of the good budget execution level, 86% for Commitment Appropriations, and compliments the FCH 2 JU on the record high 98% for Payment Appropriations.
- The Governing Board welcomes the continuous and growing effort in knowledge management and use of the TRUST tool. The Governing Board also supports the request for further upgrades and maintenance support through the IT Grant Management Framework Contract.
- The Governing Board notes the continuous work done together with JRC to analyse the data produced by the TIM tool. The Governing Board looks forward to seeing how this work will be used by the upcoming FCH Observatory.
- The Governing Board supports the participation in the Innovation Radar, and is pleased to see that 84 innovations were identified. It also would like to congratulate the qSOFC project for being a finalist on the Innovation Radar Prize 2019. The Governing Board is also pleased that two innovations funded by the FCH 2 JU were nominated for the Women-led Innovations 2019 award.
- The Governing Board welcomes the continuation of the international cooperation activities of the FCH 2 JU. It is particularly pleased with the links to Mission Innovation to harmonise standards and regulations.

2.2 Communication

- The Governing Board congratulates the FCH 2 JU for increasing the visibility of the JU and its activities. Given the current momentum the technology is experiencing, this is an apt moment to raise awareness on the EU's efforts.
- The Governing Board also appreciates the citizen-centric focus of the communication theme, as seen in the success stories. Public awareness and acceptance remains a critical issue for the deployment of hydrogen and fuel cells technologies; the Governing Board supports further actions to address this issue and looks forward to success stories regarding customer acceptance.
- The Governing Board also welcomes the communication efforts towards potential new participants from different sectors. Of particular relevance is the cooperation with other JUs

(Shift2Rail JU and Clean Sky 2 JU) as a mean to broaden the audience, but also explore synergies.

- The Governing Board appreciates the work done by the FCH 2 JU in outreach, and in awarding projects that outperform in this criterion. The special award for Best Outreach is an example of how to promote projects that create a proactive environment in favour of hydrogen research, development and deployment.
- The Governing Board is also pleased with the participation in international events, namely the Mission Innovation Workshop on Hydrogen Valleys in Antwerp/BE and the H2@Ports Workshop in San Francisco/USA. These events are in line with the goals of promoting hydrogen technology beyond Europe.

2.3 Risk management process:

- The Governing Board is satisfied with the risk management actions. It is also supportive of the ongoing exercise to identify in a timely manner new and emerging risks.

2.4 Human resources:

- The Governing Board is pleased with the effort put on training and on professional and personal development.

2.5 Internal control system:

- The Governing Board is pleased that the implementation by FCH 2 JU of the Internal Control Framework and related principles has had a positive impact and has supported the FCH 2 JU in its efforts to achieve its objectives. It also notes the continued efforts invested in fraud detection and prevention.
- The Governing Board trusts that the necessary controls and monitoring mechanisms are in place to ensure that all errors detected are timely and effectively corrected.

3. CONCLUSION

The declaration of the Executive Director and the FCH 2 JU AAR 2019 give a fair assessment of operational and financial management needed for achieving the objectives. Based on the information provided, the FCH 2 JU key objectives set up for 2019 have been met in compliance with the principles of legality and regularity of operations.

Improvements are, nevertheless, recommended on the few aspects stated in the analysis of this report.

The Governing Board notes that the management of the FCH 2 JU has reasonable assurance that, overall, suitable controls are in place and working as intended, risks are being properly monitored and mitigated. Therefore, the Executive Director, in his capacity as Authorising Officer, has signed the Declaration of assurance without any reservation.