

Annex

4.1 Budget information

The budget 2019 is in line with the preliminary budget presented in the Fiche Financière and with the draft budget sent to GB members on 5 February 2018. The following changes are noted:

1) Due to the impact from the adjustment of the EFTA contribution from 2.33 % (initial assumption in the Fiche Financière) to 2.38 % (confirmed EFTA rate for 2019), there is an increase of:

- i) EUR 42,535 in commitment appropriations (EUR 39,912 for operational expenditure and EUR 2,623 for administrative expenditure) and
- ii) EUR 54,205 in payment appropriations (EUR 51,582 for operational expenditure of H2020 and EUR 2,623 for administrative expenditure).

2) Removal of anticipated internal assigned revenues of EUR 18,432. As it is not clear whether they will be cashed in 2019 or 2020, these expected revenues are removed from the 2019 budget.

3) Reactivation of EUR 269,954.09 (instead of EUR 217,640.25) unused commitment appropriations from administrative costs, coming from year 2017, stemming from de-commitments

4) Reactivation in operational commitment appropriations of EUR 3,529,221 as follows:

- ✓ EUR 545,842.95 from H2020 operational decommitments done this year
- ✓ EUR 562,038.33 from H2020 recoveries cashed in 2018
- ✓ EUR 2,421,340.08 from H2020 unused commitment appropriations in 2018 resulting from the outcome of the call 2018 evaluations and 3 studies initially included in AWP 2018 (Hydrogen for Decarbonising Heat, European Economic Fuel Cell Bus by 2020, FCH Market potential in Central and Eastern Europe)

The 1st amendment to the 2019 budget introduces:

A. On the revenue side

- i. Reactivation of unused payment appropriations from 2018 open commitments under administrative expenses (EUR 814,345.28)
- ii. Reactivation of unused payment appropriations from 2018 operational expenses (EUR 7,695,258.87)

B. On the expenditure side

In the administrative budget, an increase of payment appropriations by reactivation of unused appropriations from year 2018 for an amount of EUR 814,345.28.

The unused payment appropriations correspond to payments due under commitments done in 2017 and 2018. These outstanding payments are re-entered in the budget to cover obligations of open commitments for administrative costs. The corresponding commitment appropriations were automatically carried forward at the beginning of the year 2019 (under C8 credits). In the operational budget, a reactivation of unused payment appropriations from year 2018 for a total amount of EUR 7,695,258.87 with the following split:

- 1) EUR 5,075,754.86 under FP7 operational costs to cover the foreseen payment needs for interim and final claims as well as audit adjustments.
- 2) EUR 2,619,504.01 for H2020 operational costs to cover for additional needs for payments of interim and final reports.

The 2nd amendment to the 2019 budget introduces a decrease of EUR 11,500,000 in payment appropriations (EUR 4,500,000 from FP7 and EUR 7,000,000 from H2020 appropriations respectively), that reflect the outcome of the 2019 Global Transfer of the European Commission.

The estimated revenue of FCH 2 JU for the year 2019 include contributions to the administrative costs from Industry Grouping and Research Grouping as well as the contribution of the Union for administrative costs and operational activities.

Title Chapter Article Item	Heading	Budget 2019 CA	Budget 2019 PA	Amendment 2019.1 CA	Amendment 2019.1 PA	Amended budget 2019.1 CA	Amended budget 2019.1 PA	Amendment 2019.2 CA	Amendment 2019.2 PA	Amended budget 2019.2 CA	Amended budget 2019.2 PA	Remarks
2001	European Commission subsidy for operational expenditure (FP 7)		4,750,000			0	4,750,000		-4,500,000	0	250,000	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	2,684,775	2,684,775			2,684,775	2,684,775			2,684,775	2,684,775	Council Regulation 559/2014 of 6 May 2014 on the establishment of the Fuel Cells and Hydrogen 2 Joint Undertaking includes EFTA (2.44% in 2017, 2.33% in 2018 and 2.38% in 2019)
2003	Hydrogen Europe contribution for administrative expenditure	2,308,907	2,308,907			2,308,907	2,308,907			2,308,907	2,308,907	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	375,869	375,869			375,869	375,869			375,869	375,869	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 (H 2020)	81,723,069	105,618,082			81,723,069	105,618,082		-7,000,000	81,723,069	98 618 082	Council Regulation 559/2014 of 6 May 2014 on the establishment of the Fuel Cells and Hydrogen 2 Joint Undertaking includes EFTA (2.44% in 2017, 2.33% in 2018 and 2.38% in 2019)
2006	JTI revenues					0	0			246,740	246,740	Interest, income from liquidated damages & others
	sub total title revenues	87,092,620	115,737,633	0	0	87,092,620	115,737,633	0	-11,500,000	87,339,360	104,484,373	
3012	C2 reactivation of appropriations for administrative expenditure (2017)	269,954	269,954			269,954	269,954			269,954	269,954	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			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)				814,345.28	0	814,345			0	814,345	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)	3,529,221			7,695,258.87	3,529,221	7,695,259			3,529,221	7,695,259	FCH 2 JU Financial rules article 6 - de-committed CA for operational activities re-entered to be used for operational activities
	sub total reactivation	3,799,175	269,954	0	8,509,604.15	3,799,175	8,779,558			3,799,175	8,779,558	
	TOTAL REVENUES	90,891,795	116,007,587	-	8,509,604.15	90,891,795	124,517,191	-	-11,500,000	91,138,535	113,263,931	

The FCH 2 JU 2019 budget amounts to a total of EUR 91,138,535 in CA and EUR 113,263,931 in PA with the following breakdown:

Title Chapter Article Item	Heading	Budget 2019 CA	Budget 2019 PA	Amended Budget 2019.1 CA	Amended Budget 2019.1 PA	Budget 2019.1.2 CA (after latest budget transfer)	Budget 2019.1.2 PA (after latest budget transfer)	Internal assigned revenues (CA+PA)	Amendment 2019.2 CA	Amendment 2019.2 PA	Amended budget 2019.2 CA	Amended budget 2019.2 PA	Comments
1	STAFF EXPENDITURE												
1 1	STAFF IN ACTIVE EMPLOYMENT	3,218,000	3,218,000	3,218,000	3,353,241	3,213,000	3,348,241	19			3,213,019	3,348,260	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
1 2	EXPENDITURE RELATED TO RECRUITMENT	137,000	137,000	137,000	137,000	107,000	107,000				107,000	107,000	Miscellaneous expenditure on staff recruitment: installation and travel expenses
1 3	MISSION AND TRAVEL	145,000	145,000	145,000	146,467	180,000	181,467				180,000	181,467	Mission expenses
1 4	SOIOMEDICAL INFRASTRUCTURE	42,000	42,000	42,000	44,809	42,000	44,809				42,000	44,809	Training, medical service and mobility costs
1 5	ENTERTAINMENT AND REPRESENTATION EXPENSES	5,600	5,600	5,600	5,600	5,600	5,600				5,600	5,600	Representation and receptions
	TOTAL TITLE 1	3,547,600	3,547,600	3,547,600	3,687,118	3,547,600	3,687,118	19	-	-	3,547,619	3,687,137	
2	INFRASTRUCTURE												
2 0	INVESTMENTS IN IMMOVABLE PROPERTY RENTAL OF BUILDINGS AND ASSOCIATED COST	360,000	360,000	360,000	391,227	360,000	391,227	3,006			363,006	394,232	Rent, works, insurance, common charges (water/gas/electricity), maintenance, security and surveillance
2 1	INFORMATION TECHNOLOGY	230,000	230,000	282,000	491,647	282,000	491,647	15,875			297,875	507,522	IT purchases, software licences, software development
2 2	MOVABLE PROPERTY AND ASSOCIATED COSTS	5,000	5,000	5,000	5,000	5,000	5,000				5,000	5,000	Purchases and rental of office equipment, maintenance and repair
2 3	CURRENT ADMINISTRATIVE EXPENDITURE	10,000	10,000	10,000	11,201	14,500	15,701				14,500	15,701	Office supplies, library, translation service, bank charges and miscellaneous office expenditure
2 4	CORRESPONDENCE, POSTAGE AND TELECOMMUNICATIONS	9,000	9,000	13,000	20,359	13,000	20,359				13,000	20,359	Telephones, video conferences and postal services
2 5	EXPENDITURE ON FORMAL AND OTHER MEETINGS	90,000	90,000	90,000	92,711	90,000	92,711	2,299			92,299	95,010	Official meetings such as SRG, Scientific Committee, Governing Board
2 6	COMMUNICATION COSTS	583,705	583,705	583,705	822,541	653,705	892,541				653,705	892,541	External communication and events
2 7	SERVICE CONTRACTS	400,000	400,000	344,000	504,913	269,500	430,413				269,500	430,413	Studies and audits
2 8	EXPERT CONTRACTS AND MEETINGS	404,200	404,200	404,200	427,134	404,200	427,134				404,200	427,134	Costs related to expert contracts (evaluations, mid-term reviews)
	TOTAL TITLE 2	2,091,905	2,091,905	2,091,905	2,766,732	2,091,905	2,766,732	21,180	-	-	2,113,085	2,787,912	
	TOTAL TITLE 1+2 (ADMINISTRATIVE EXPENDITURE)	5,639,505	5,639,505	5,639,505	6,453,850	5,639,505	6,453,850	21,198	-	-	5,660,703	6,475,049	
3	OPERATIONAL EXPENDITURE												
3 0 0 1	Implementing the research agenda of FCH JU: FP7		4,750,000	0	9,825,755	0	9,825,755	184,153		-4,500,000	184,153	5,509,908	This appropriation 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 JU: H2020	85,252,290	105,618,082	85,252,290	108,237,586	85,252,290	108,237,586	41,389		-7,000,000	85,293,679	101,278,974	This appropriation 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)	85,252,290	110,368,082	85,252,290	118,063,341	85,252,290	118,063,341	225,541	-	-11,500,000	85,477,832	106,788,882	
	TOTAL EXPENDITURE	90,891,795	116,007,587	90,891,795	124,517,191	90,891,795	124,517,191	246,740	-	-11,500,000	91,138,535	113,263,931	

Revenues

The members' contribution to administrative costs in the 2019 budget refers only to H2020.

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 2019 administrative budget is boosted by EUR 269,954 from 2017 unused administrative appropriations.

Internal assigned revenues of the year, amounting to EUR 246,740 (recovery orders cashed from audits and pre-financing of projects) are included in the budget tables above.

Expenditure

Overall the administrative budget (Titles 1 and 2) will remain at the same level as in 2018 (taking into account amendments and internal assigned revenues), with a marginal decrease of EUR 12,160.

In more details:

Title 1 – Staff

Title 1 (staff costs) represents 63 % of the administrative costs in the 2019 budget. It mainly covers salaries (91%) whereas other budget lines cover missions, training & socio-medical costs, recruitment costs and representation expenses.

Following 1 amendment and 3 budget transfers, Title 1 shows a marginal decrease (-EUR 14,331) compared to 2018 costs. This is due to:

- A decrease by EUR 113,581 in staff in active employment

This is due to the decreased number of interims needed in 2019 compared to 2018, as the operational needs will be covered by the SNEs. In addition, in the beginning of 2018, certain assumptions for the entitlements of new recruitments were made that are not valid anymore. In addition, other costs such as the contribution to the European Schools costs will be lowered in 2019.

- A decrease of 3,000 in sociomedical infrastructure as less contribution to mobility costs is foreseen in 2019

On the other side, the following budget lines show increase compared to 2018:

- Expenditure related to recruitment (+EUR 60,600) due to the assumption that 1 SNE will be employed as of November 2019.
- Mission expenses (+EUR 41,650) due to additional needs.

Title 2 – Infrastructure

Title 2 represents 37 % of the administrative costs in 2019. Title 2 will show a marginal increase of EUR 2,171 compared to the 2018 budget as it stands after 1 amendment and 3 transfers. This is due to:

- An increase in communication costs by EUR 126,569 due to participation in more events and a more expensive SF/PRD 2019.;
- An increase in expert contracts by EUR 33,336 due to more mid-term and final reviews carried out in 2019..

On the other side:

- IT costs show a decrease by EUR 61,910. In 2018, there were a number of one-time migration fees (eg. ARES, eSubmission) as well as the Internet as a Service migration that will not be repeated in 2019.
- Costs related to service contracts are lowered by EUR 102,500 as there are only a few FP7 audits launched in 2019.

Title 3 – Operational

Commitment appropriations correspond to H2020 programme and are increased by 10%. They include new commitment appropriations of EUR 81,723,069 and re-activations as detailed under the 3rd bullet point of “Budget Information” amounting to EUR 3,529,221. The appropriations cover the call 2019, procurement plan as detailed in section 3.2 of the document, the annual contribution to JRC and the costs of the European Hydrogen Safety Panel.

Payment appropriations correspond to estimated needs to cover:

- Payment appropriations under FP7 projects (interim & mainly final payments) for EUR 5,509,908 (taking into account the decrease of appropriations following the Global Transfer, the reactivation following the 1st amendment and revenues of EUR 184,153), which constitutes a significant decrease by 79% compared to 2018 level since only a handful of reports will be paid in 2019.
- Payment appropriations under H2020 projects for EUR 101,278,974, increased by 9% compared to the 2018 level. The 2019 payment appropriations cover mainly interim and final payments of H2020 projects, all pre-financing for call 2019, 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 current and subsequent financial years (2019-2021) to meet budget commitments entered into earlier financial years (before 2018) and 2019. For better overview, payments under 2020 commitment appropriations are also presented.

SUMMARY SCHEDULE OF PAYMENTS (Operational)

2017 Outturn		2018 Outturn		2019 Budget		Difference (2019/2017)	
CA	PA	CA	PA	CA	PA	CA	PA
118,163,734	172,381,558	74,632,872	100,069,805	85,477,832	106,788,882	15%	7%

DETAILS OF PAYMENT SCHEDULE (Operational)

FP7 payments

Commitments		2019	2020	2021	Outstanding amount	Total
Pre-2014 commitments still outstanding (RAL)	39,091,253	2,311,253	4,465,420	2,051,426	30,263,154	39,091,253
TOTAL	39,091,253	2,311,253	4,465,420	2,051,426	30,263,154	39,091,253

H2020 payments

Commitments		2019	2020	2021	Outstanding amount	Total
Pre-2019 commitments still outstanding (RAL)	147,391,867	24,321,504	41,270,862	38,524,610	43,274,891	147,391,867
2019 commitment appropriations still outstanding (RAL)	73,192,700	42,128,009	2,011,040	9,065,386	19,988,265	73,192,700
2020 commitment appropriations	94,547,523		43,273,141	14,135,373	37,139,009	94,547,523
TOTAL	315,132,089	66,449,513	86,555,043	61,725,369	100,402,165	315,132,089

State of play on 18/11/2019 - RAL refers to open commitments on 18/11 - payments for 2019 refer to foreseen payments from 18/11/2019 until the end of the year

FP7: payments in 2020 include the payments initially foreseen and included as payment appropriations (PA) in the budget

H2020:

- 1) Pre-2019 RAL includes also a RAL on global commitment for call 2018, where 1 Grant Agreement is not signed yet
- 2) From the available 2019 commitment appropriations, an amount of 2,400,000 will still have to be committed for the studies in AWP 2019
- 3) Total 2019 H2020 payments made until 18/11: EUR 33,409,266.51, total 2019 FP7 payments made until 18/11: EUR 3,496,008.06

