

Annex to GB decision FCH-GB-2021-01

4.1 Budget information

The budget for 2021 was approved by the GB on 16 December 2020. The 1st amendment to the 2021 budget introduces the following changes:

A. On the revenue side

- 1) Re-activation of unused payment appropriations from 2020 open commitments under administrative expenses (EUR 920 902.97).
- 2) Re-activation of unused commitment appropriations from operational expenses of 2020 (EUR 4 241 286.73).
- 3) Re-activation of unused payment appropriations from operational expenses of 2020 (EUR 550 507.78).
- 4) Reduction of FP7 operational payment appropriations from EC contribution amounting to EUR 550 597.78. FP7 operational payment needs will remain at the same level as in the initial budget but since the reactivation under point 3 will cover part of these needs, the FP7 appropriations asked by EC will be reduced by the amount of reactivation.

B. On the expenditure side

In the *administrative* budget (Titles 1 & 2), payment appropriations will increase by EUR 920 902.97 in total as a result of the carry-forward of appropriations to respect 2020 open commitments.

In the *operational* budget (Title 3), H2020 commitment appropriations will increase by EUR 4 241 286.73 to partially finance 2 additional projects from reserve list of call 2020 and the studies included in AWP 2021.

The estimated revenue of FCH 2 JU for the year 2021 include contributions to the administrative costs from Hydrogen Europe and Hydrogen Europe Research as well as the contribution of the Union for administrative costs and operational activities (the latter only for payment appropriations). Amounts are expressed in euros.

Title Chapter Article Item	Heading	Budget 2021 CA	Budget 2021 PA	Amendment 2021.1 CA	Amendment 2021.1 PA	Amended budget 2021.1 CA	Amended budget 2021.1 PA	Remarks
20	SUBSIDIES AND REVENUES							
2001	European Commission subsidy for operational expenditure (7th Framework Programme)		1,150,639		-550,598	0	600,041	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	2,649,250	2,649,250			2,649,250	2,649,250	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	2,278,355	2,278,355			2,278,355	2,278,355	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	370,895	370,895			370,895	370,895	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)		60,815,319			0	60,815,319	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							Interest, income from liquidated damages & others
	Total title subsidies and revenues	5,298,500	67,264,458	-	- 550,598	5,298,500	66,713,860	
30	REACTIVATIONS							
3014	C2 reactivation of appropriations for administrative expenditure (2018)					0	0	FCH 2 JU Financial rules article 6 - unused CA and PA for administrative costs re-entered to be used for administrative costs
3015	C2 reactivation of appropriations for operational expenditure (2018)					0	0	FCH 2 JU Financial rules article 6 - unused CA and PA for operational activities re-entered to be used for operational activities
3016	C2 reactivation of appropriations for administrative expenditure (2019)	250,000	250,000			250,000	250,000	FCH 2 JU Financial rules article 6 - unused CA and PA for administrative costs re-entered to be used for administrative costs
3017	C2 reactivation of appropriations for operational expenditure (2019)					0	0	FCH 2 JU Financial rules article 6 - unused CA and PA for operational activities re-entered to be used for operational activities
3018	C2 reactivation of appropriations for administrative expenditure (2020)	43,500	43,500		920,903	43,500	964,403	FCH 2 JU Financial rules article 6 - unused CA and PA for administrative costs re-entered to be used for administrative costs
3019	C2 reactivation of appropriations for operational expenditure (2020)	1,200,000	2,484,487	4,241,287	550,598	5,441,287	3,035,085	FCH 2 JU Financial rules article 6 - unused CA and PA for operational activities re-entered to be used for operational activities
	Total title reactivations	1,493,500	2,777,987	4,241,287	1,471,501	5,734,787	4,249,488	
	TOTAL REVENUES	6,792,000	70,042,445	4,241,287	920,903	11,033,287	70,963,348	

The FCH 2 JU 2021 budget amounts to a total of EUR 11 033 287 in CA and EUR 70 963 348 in PA. Amounts are expressed in euros:

Title Chapter Article Item	Heading	Budget 2021 CA	Budget 2021 PA	Amendment 2021.1 CA	Amendment 2021.1 PA	Amended budget 2021.1 CA	Amended budget 2021.1 PA	Comments
1	STAFF EXPENDITURE							
1 1	STAFF IN ACTIVE EMPLOYMENT	3,631,800	3,631,800		106,575	3,631,800	3,738,375	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	130,000	130,000			130,000	130,000	Mission expenses
1 4	SOCIOMEDICAL INFRASTRUCTURE AND TRAINING	43,000	43,000		2,996	43,000	45,996	Training, medical service and mobility costs
1 5	ENTERTAINMENT AND REPRESENTATION EXPENSES	5,000	5,000		1,050	5,000	6,050	Representation and receptions
	TOTAL TITLE 1	3,814,800	3,814,800		110,622	3,814,800	3,925,422	
2	INFRASTRUCTURE							
2 0	INVESTMENTS IN IMMOVABLE PROPERTY RENTAL OF BUILDINGS AND ASSOCIATED COSTS	356,000	356,000		6,050	356,000	362,050	Rent, works, insurance, common charges (water/gas/electricity), maintenance, security and surveillance
2 1	INFORMATION TECHNOLOGY	388,000	388,000		262,754	388,000	650,754	IT purchases, software licences, software development
2 2	MOVABLE PROPERTY AND ASSOCIATED COSTS	10,000	10,000			10,000	10,000	Purchases and rental of office equipment, maintenance and repair
2 3	CURRENT ADMINISTRATIVE EXPENDITURE	9,300	9,300		2,607	9,300	11,907	Office supplies, library, translation service, bank charges and miscellaneous office expenditure
2 4	CORRESPONDENCE, POSTAGE AND TELECOMMUNICATIONS	13,000	13,000		16,359	13,000	29,359	Telephones, video conferences and postal services
2 5	EXPENDITURE ON FORMAL AND OTHER MEETINGS	50,000	50,000			50,000	50,000	Official meetings such as SRG, Scientific Committee, Governing Board
2 6	COMMUNICATION COSTS	660,000	660,000		397,664	660,000	1,057,664	External communication and events
2 7	SERVICE CONTRACTS	167,000	167,000		120,572	167,000	287,572	Studies and audits
2 8	EXPERT CONTRACTS AND MEETINGS	123,900	123,900		4,275	123,900	128,175	Costs related to expert contracts (evaluations, mid-term reviews)
	TOTAL TITLE 2	1,777,200	1,777,200		810,281	1,777,200	2,587,481	
	TOTAL TITLE 1+2 (ADMINISTRATIVE EXPENDITURE)	5,592,000	5,592,000		920,903	5,592,000	6,512,903	
3	OPERATIONAL EXPENDITURE							
3 0 0 1	Implementing the research agenda of FCH Joint Undertaking: 7th Framework Programme (FP7)	0	1,368,001			0	1,368,001	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 Joint Undertaking: Horizon 2020	1,200,000	63,082,444	4,241,287		5,441,287	63,082,444	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)	1,200,000	64,450,445	4,241,287	-	5,441,287	64,450,445	
	TOTAL EXPENDITURE	6,792,000	70,042,445	4,241,287	920,903	11,033,287	70,963,348	

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 2021 administrative budget consist of fresh appropriations provided in 2021 by the founding members (EUR 5 298 500) and re-activated appropriations from previous years (EUR 293 500).

Operational expenses are entirely covered by the EC subsidy.

Expenditure

Overall the administrative budget (Titles 1 and 2) shows a decrease by 4.4% (EUR 258 256) compared to 2020.

In more details:

Title 1 – Staff

Title 1 (staff costs) represents 68% of the administrative costs in the 2021 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 0.8% (EUR 59 400) compared to 2020 budget. This is due to:

- An increase by 2.1% in budget line for staff in active employment. This is justified due to an assumption for a 2% indexation (applicable as of the second half of the year) whereas the net impact of reclassifications and step advancements and the decrease in number of pupils in the European School and crèches is 1%.

On the other side, the following budget lines will show decrease compared to 2020:

- Mission expenses will be decreased by 26% as it is expected that many travel restrictions will still be in place until at least Q1 2021, thus preventing missions.
- Sociomedical infrastructure and training budget line will be decreased by 3% due to a decrease in the provision for mobility since fewer FCH staff are expected to use means of public transport in 2021.

Title 2 – Infrastructure

Title 2 represents 32 % of the administrative costs in 2020. Title 2 will show a 14% decrease (EUR 286 956) compared to the 2020 budget. This is due to:

- A significant decrease by nearly 2/3 in the expert contracts and meetings budget line as there will be no cost for evaluators in 2020 whereas the costs for mid-term reviews will be decreased at least for the 1st quarter of 2021 where due to expected travel restrictions, reviews will take place remotely.
- Decrease by 44% in meetings budget line since it is expected that no or limited physical meetings will take place in Q1 2021.
- Decrease by 16% in current administrative expenses to adjust the budget to actual consumption of the past 3 years.
- Decrease by 19% in IT budget line as the provision for the E-HRS procurement will be reserved in BL 2700.
- Decrease by 4% in building rentals and charges since the repartition key (calculated as share of the building surface) for FCH slightly decreased resulting in a decrease in both rent and charges.

On the other side:

- Communication costs will increase by 10% (EUR 60 000) since 2021 will see the organisation of the European Hydrogen week and possibly a second Hydrogen Forum. In addition and to

implement the communication plan as described in section 3.4 above, more focus will be placed in online awareness campaigns and public awareness/acceptance measures.

- Service contracts will show an increase by 26% (EUR 34 761). Compared to 2020 provisions, there will be no contract for the audits on accounts (the contract was signed in 2020 for a 2-year certification period) whereas this BL will include the provision for E-HRS study.

Title 3 – Operational

The last call for proposals under H2020 occurred in 2020. Therefore, the current budget, covering FP7 and H2020 programmes, does not foresee any fresh commitment appropriations in 2021.

On the contrary reactivations amounting to EUR 5 441 287 will be used to cover for the annual rolling plan with JRC as well as the work of the European Hydrogen Safety Panel in 2021. The reactivated appropriations introduced through the amendment will also be used to partially finance 2 proposals from reserve list of call 2020 as well as the studies included in AWP 2021. The remaining amount will come from de-commitments and an expected recovery of pre-financing.

Concerning payment appropriations:

- FP7 budget will be decreased by nearly 80% as only 3 reports are expected to be paid.
- H2020 budget will also be decreased by 28% as no pre-financing will be given in 2021. However, 67 reports are expected to be paid, a figure slightly higher compared to 2020 provision (61). In addition, payment appropriations will cover for 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 (2021-2024) to meet budget commitments entered into earlier financial years (before 2020).

SUMMARY SCHEDULE OF PAYMENTS (Operational)

2019 Outturn		2020 Outturn		2021 Budget		Difference (2021/2019)	
Committed	Paid	CA	PA	CA	PA	CA	PA
73,642,035	107,068,882	94,558,162	93,235,838	5,441,287	64,450,445	-94%	-31%

DETAILS OF PAYMENT SCHEDULE (Operational)

FP7

Commitments		Payments					Outstanding amount	Total
		2021	2022	2023	2024			
Pre-2014 commitments still outstanding (RAL)	7,062,748	1,368,001	0	2,999,997	0	2,694,751	7,062,748	
TOTAL	7,062,748	1,368,001	0	2,999,997	0	2,694,751	7,062,748	

H2020

Commitments		Payments					Outstanding amount	Total
		2021	2022	2023	2024			
Pre-2021 commitments still outstanding (RAL)	149,013,856	57,601,909	31,886,732	37,187,229	9,447,992	12,889,994	149,013,856	
2021 commitment appropriations	5,441,287	4,700,000	600,000	141,287		0	5,441,287	
TOTAL	154,455,143	62,301,909	32,486,732	37,328,516	9,447,992	12,889,994	154,455,143	

State of play on 10/02/2021: RAL refers to open commitments on that date - payments for 2021 refer to foreseen payments from 10/02/2021 until the end of the year

Committed and budgeted commitment appropriations refer to H2020 only

FP7: RAL refers to FCH open commitments from 10 grants for which a final payment is not done or there is an ongoing audit that may lead to adjustments

H2020:

- 1) Pre-2021 RAL refers to 104 grants for which final payment is not yet done (hence not de-committed yet) and the balance for the global commitment for call 2020 for which 1 grant agreement is not signed yet. it also includes the open balances for 6 operational studies
- 2) 2021 appropriations are as in budget

