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FCH JU 2013 D1875

### **FCH JU evaluation results / opening of negotiations**

#### **Call for Proposals FCH-JU-2013-1 Deadline 22 May 2013**

The sixth and last Call for Proposals (FCH-JU-2013-1) of the Fuel Cell and Hydrogen Joint Undertaking (FCH JU) was published in the Official Journal of the European Union on 15 January 2013<sup>1</sup> and closed on 22 May 2013.

The indicative budget published in the Call documents is 68.5 M€ (increased by the reactivation and recoveries of amounts from previous years, as approved by the Governing Board in the previous meetings to **74,699,374.34 €**).

This sixth Call for proposals was entirely managed by the FCH Programme Office and the infrastructure used for submission and evaluation of proposals was that of the European Commission.

70 proposals were received by the FCH JU. All proposals were checked for eligibility before the evaluation process and 6 proposals were declared ineligible, as the eligibility criteria of '*minimum condition for participation (including membership of IG/RG)*' was not fulfilled. The remaining 64 proposals were evaluated following the procedure foreseen in the *FCH JU Rules for submission of proposals and the related evaluation, selection and award procedures* and 33 proposals have passed all evaluation thresholds (the evaluation results are submitted to the Governing Board as supporting documents to this note).

#### **Procurements and matching requirement**

The amended Article 12 of the statutes provides that all FCH JU operational expenditures must be matched by the participants in-kind contributions without distinction between grants and procurements.

Although total amounts foreseen for procurements are published within the AIP, the 'In-kind Methodology' proposes to match the amounts once they are individually committed.

Until today, the FCH JU awarded different **contracts for policy studies** for a total amount of **1,819,638€** (additional amount of 390,200€ has been committed end of June 2013 and updated in comparison with previous informative Note from 18/07/2013) which must be matched by an in-kind contribution. As there is no in-kind contribution provided in the procurement, this amount will be matched by in-kind contributions from the grants.

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<sup>1</sup> OJ C010 of 15 January 2013

Moreover, an amount of 4,259,800 € is still foreseen to be spent (as published in the AIP2013) for different studies e.g. macro-economic impacts of FCH technologies, development of electrolysis in the EU, assessment of the role of hydrogen in energy storage, role of FC in distributed power generation which are currently in different stages of preparation.

The **matching situation (June 2013)** before starting negotiations with the proposals from this sixth and last call (call 2013), including data from signed contracts in the previous calls (calls 2008 - 2012), data from proposals still under negotiations in the call 2012 and signed procurements/studies is the following:

		Total costs (€)	FCH contribution (€)	In-kind contribution, excl JRC (€)	JRC contribution (€)
Calls	2008	58.837.083,87	26.872.338,69	31.615.274,18	349.471,00
	2009	184.060.500,02	72.497.614,83	109.429.372,14	2.133.513,05
	2010	176.338.619,89	79.674.551,00	95.791.169,69	872.899,20
	2011	233.506.781,66	117.497.160,00	114.072.885,26	1.936.736,40
	2012	147.237.609,32	79.095.684,60	67.214.536,92	927.387,80
Procurements	2011	120.888,00	120.888,00	0,00	0,00
	2012	1.308.550,00	1.308.550,00	0,00	0,00
	2013	390.200,00	390.200,00	0,00	0,00
	<b>TOTAL</b>	<b>801.800.232,76</b>	<b>377.456.987,12</b>	<b>418.123.238,19</b>	<b>6.220.007,45</b>

**40.666.251,07** surplus of in-kind contrib.

### Budget availability and matching requirement

Following the evaluation, the FCH Programme Office finalised the evaluation results by taking into account the available budget and the matching principles, in particular by reviewing the financial information for all 33 proposals above the thresholds.

Calculations for this last **call 2013** (assessment of in-kind contributions against FCH contribution in all 33 proposals above thresholds) show that the situation is rather unbalanced with regard to the matching requirement. Offering the maximum funding rates as published in the AIP 2013 (**correction factor: 1**), **the mismatch** for a possible 23 projects to be funded (out of the 33 proposals above the thresholds) within the available budget would amount to **approx. 30 million EUR**. This amount may be balanced by 75% of the surplus in-kind contribution from the previous calls. However, this call represents the last possibility to steer the matching situation before the end of the programme; it is then considered as a prudent approach to keep a considerable surplus for covering any additional mismatch created at the end of the projects (due to the difference between real costs and estimated initial budgets).

Up to now, only 5 projects are closed and final payments made; in addition, other 9 projects have submitted final claims (currently under assessment). Based on this limited sample of finished projects, the calculation of differences between initial and final matching, and corresponding extrapolation shows a variation of +/- 4%. **It is then proposed to keep at least a surplus of around 25 million EUR**, which can give confidence on the final matching by the end of the programme.

In order to ensure this surplus, and to be able to offer at least the same level of funding rates as in previous calls, it is proposed to use a limited amount of 36% (**approx. 14.4 million Euro** out of the total of approx. 40.6 million Euro) of the surplus from the previous calls

(resulting from the research in-kind contribution, except JRC) to correct the mismatch of this year's call. It is therefore proposed to reduce proportionally the maximum funding rates by applying a **correction factor of 0.8**.

The correction factor of 0.8 results in the following funding rates:

- **For the Collaborative Projects (CP)**
  - RTD activities
    - 40% of direct eligible costs for large industrial participants and
    - 60% of direct eligible costs for SMEs, non-profit public bodies, universities, higher education establishments and non-profit research organisations
  - Demonstration activities
    - 40% of direct eligible costs for all type of participants
  - Other activities
    - 80% of direct eligible costs for all type of participants
- **For the Coordination and Support Actions (CSA)**
  - 80% of direct eligible costs, for all types of activities and participants

In this case, **a maximum of 22 proposals/21 projects** (two proposals in Cross-Cutting area addressing 'training activities' are proposed to be merged and a limited FCH contribution offered, following experts evaluators recommendations – see Evaluation Panel Report) **could be supported** within the 2013 available budget, while following the repartition of the call sub-budgets per Application Areas as published in the AIP 2013 (up to 10% variation of the total value of the call) **for an amount of 62,938,169€**. The areas 'Hydrogen Production' and 'Cross-Cutting' are increased by 3.5% respectively 0.7% of the total value of the call (or 32.4% respectively 10.4% of the budget published for the area) and all possible proposals in the other areas are funded (rest of proposals in areas 'Transportation' and 'Stationary' have to be placed in the reserve lists due to limitation in number of projects to be funded in some topics, which can only be funded if proposals in main lists addressing same topic fail negotiations).

The 11 remaining proposals above thresholds are in the reserve lists. However, the remaining budget of **11,761,205€** (at least 6 million EUR from the 'Early Markets' area, as only one proposal has passed the evaluations in this area plus most of the reactivations/recoveries from previous calls) cannot be further allocated to proposals from the reserve lists as it further increases the two mentioned above Application Areas sub-budgets by more than 10% as allowed by the call text. It is proposed to use this budget for **publishing a second call under the AIP 2013** (allowing even further re-activations by the end of the calendar year when budget might be saved from current negotiations of the call 2012), mainly for strategic topics and/or activities not covered by the current call proposals or in the overall coverage of the MAIP. Selection of topics to be re-published and related amendment of the AIP 2013 will follow a separate procedure.

### **Ranking lists of proposals for possible funding**

The FCH-JU's provisional ranked lists of proposals considered for funding and reserve lists are presented in Annex 1 and Annex 2 respectively. In Annex 3, the FCH-JU provisional rejection lists are presented. Annex 4 presents the list of ineligible proposals.

The FCH JU Governing Board is hereby requested, in order to open the negotiations, to approve the enclosed lists of proposals intended to be selected for funding in the Annex 1, including the suggested correction factor and the resulting financial contribution from the FCH JU for each proposal.

The approval of the FCH JU Governing Board is also requested for the proposals in the reserve list (Annex 2), which will allow for eventualities such as the failure of negotiations on projects or the withdrawal of proposals. The same decrease in upper funding limits for the direct costs has been applied as for the proposals in the ranked lists.

Finally, an approval by the FCH JU Governing Board is requested for the proposals in the rejection lists (Annex 3), which have failed one or more of the thresholds for evaluation criteria, and the ineligible proposals (Annex 4).

Annexes :

Annex 1: FCH JU provisional ranked list(s)

Annex 2: FCH JU provisional reserve list(s)

Annex 3: FCH JU provisional rejection list(s)

Annex 4: FCH JU list of ineligible proposals