

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 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	Remarks
2001	<i>European Commission subsidy for operational expenditure (FP 7)</i>		4,750,000			0	4,750,000	Council Regulation 559/2014 of 6 May 2014 on the establishment of the Fuel Cells and Hydrogen 2 Joint Undertaking
2002	<i>European Commission subsidy for administrative expenditure</i>	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	<i>Hydrogen Europe contribution for administrative expenditure</i>	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	<i>Hydrogen Europe Research contribution for administrative expenditure</i>	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	<i>European Commission subsidy for operational expenditure (H 2020)</i>	81,723,069	105,618,082			81,723,069	105,618,082	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	<i>JTI revenues</i>					0	0	Interest, income from liquidated damages & others
	<i>sub total title revenues</i>	87,092,620	115,737,633	0	0	87,092,620	115,737,633	
3012	<i>C2 reactivation of appropriations for administrative expenditure (2017)</i>	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	<i>C2 reactivation of appropriations for operational expenditure (2017)</i>					0	0	FCH 2 JU Financial rules article 6 - de-committed CA for operational activities re-entered to be used for operational activities
3014	<i>C2 reactivation of appropriations for administrative expenditure (2018)</i>				814,345.28	0	814,345	FCH 2 JU Financial rules article 6 - unused PA for administrative costs re-entered to be used for administrative costs
3015	<i>C2 reactivation of appropriations for operational expenditure (2018)</i>	3,529,221			7,695,258.87	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
	<i>sub total reactivation</i>	3,799,175	269,954	0	8,509,604.15	3,799,175	8,779,558	
	TOTAL REVENUES	90,891,795	116,007,587	-	8,509,604.15	90,891,795	124,517,191	

The FCH 2 JU 2019 budget amounts to a total of EUR 90,891,795 in CA and EUR 124,517,191 in PA with the following breakdown:

Title Chapter Article Item	Heading	Budget 2019 CA	Budget 2019 PA	Budget 2019.0.1 CA	Budget 2019.0.1 PA	Amendment 2019.1 CA	Amendment 2019.1 PA	Amended budget 2019.1 CA	Amended budget 2019.1 PA	Comments
1	STAFF EXPENDITURE									
1 1	STAFF IN ACTIVE EMPLOYMENT	3,218,000	3,218,000	3,218,000	3,218,000		135,241.42	3,218,000	3,353,241	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			137,000	137,000	Miscellaneous expenditure on staff recruitment: installation and travel expenses
1 3	MISSION AND TRAVEL	145,000	145,000	145,000	145,000		1,466.94	145,000	146,467	Mission expenses
1 4	SOCIOMEDICAL INFRASTRUCTURE	42,000	42,000	42,000	42,000		2,809.46	42,000	44,809	Training, medical service and mobility costs
1 5	ENTERTAINMENT AND REPRESENTATION EXPENSES	5,600	5,600	5,600	5,600		0.20	5,600	5,600	Representation and receptions
	TOTAL TITLE 1	3,547,600	3,547,600	3,547,600	3,547,600	-	139,518.02	3,547,600	3,687,118	
2	INFRASTRUCTURE									
2 0	INVESTMENTS IN IMMOVABLE PROPERTY RENTAL OF BUILDINGS AND ASSOCIATED COST	360,000	360,000	360,000	360,000		31,226.70	360,000	391,227	Rent, works, insurance, common charges (water/gas/electricity), maintenance, security and surveillance
2 1	INFORMATION TECHNOLOGY	230,000	230,000	282,000	282,000		209,646.77	282,000	491,647	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	Purchases and rental of office equipment, maintenance and repair
2 3	CURRENT ADMINISTRATIVE EXPENDITURE	10,000	10,000	10,000	10,000		1,201.26	10,000	11,201	Office supplies, library, translation service, bank charges and miscellaneous office expenditure
2 4	CORRESPONDENCE, POSTAGE AND TELECOMMUNICATIONS	9,000	9,000	13,000	13,000		7,358.71	13,000	20,359	Telephones, video conferences and postal services
2 5	EXPENDITURE ON FORMAL AND OTHER MEETINGS	90,000	90,000	90,000	90,000		2,711.11	90,000	92,711	Official meetings such as SRG, Scientific Committee, Governing Board
2 6	COMMUNICATION COSTS	583,705	583,705	583,705	583,705		238,836.22	583,705	822,541	External communication and events
2 7	SERVICE CONTRACTS	400,000	400,000	344,000	344,000		160,912.96	344,000	504,913	Studies and audits
2 8	EXPERT CONTRACTS AND MEETINGS	404,200	404,200	404,200	404,200		22,933.53	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	2,091,905	-	674,827.26	2,091,905	2,766,732	
	TOTAL TITLE 1+2 (ADMINISTRATIVE EXPENDITURE)	5,639,505	5,639,505	5,639,505	5,639,505	-	814,345.28	5,639,505	6,453,850	
3	OPERATIONAL EXPENDITURE									
3 0 1	Implementing the research agenda of FCH JU: FP7		4,750,000	0	4,750,000		5,075,754.86	0	9,825,755	This appropriation shall cover the operational costs of the JU regarding FP7 grants (pre-financings, interim and final payments) and studies.
3 0 2	Implementing the research agenda of FCH JU: H2020	85,252,290	105,618,082	85,252,290	105,618,082		2,619,504.01	85,252,290	108,237,586	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	110,368,082	-	7,695,258.87	85,252,290	118,063,341	
	TOTAL EXPENDITURE	90,891,795	116,007,587	90,891,795	116,007,587	-	8,509,604.15	90,891,795	124,517,191	

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.

Expenditure

Overall the administrative budget (Titles 1 and 2) will remain at the same level as in 2018 (taking into account amendments), with a marginal decrease of EUR 22,395.

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.

Title 1 will show a marginal decrease (-0.38% amounting to EUR 13,700) compared to 2018 costs. This is due to:

- A decrease by EUR 108,600 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 will show increase compared to 2018:

- Expenditure related to recruitment (+EUR 90,600) due to the assumption that 2 SNEs will be employed as of the beginning of 2019.
- Mission expenses (+EUR 7,300) which are regularised to the increased needs as recorded in 2018

Title 2 – Infrastructure

Title 2 represents 37 % of the administrative costs in 2019. Title 2 will show a marginal increase of 0.32%, amounting to EUR 6,800 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 48,705. The year 2018 showed already an increase due to the participation in and organisation of more events, public relation activities and publicity campaign and these efforts will be further continued in 2019. It is also planned to enhance the website to improve user friendliness and visibility of project related information and events;
- An increase in service contracts by EUR 28,000. This reflects the assumption that as of 2019 FCH JU will pay for H2020 audits carried out by Common Audit Service (CAS). It is noted however that discussions are currently ongoing and there might be an agreement with CAS that audits will be paid by FCH only after 2019.

On the other side:

- IT costs will show a decrease by EUR 59,800. 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. In addition, TESTA-ng costs will be halved.

- Costs related to expert contracts will be lowered by EUR 23,800 as the cost for evaluations is adjusted to historical trends.

Title 3 – Operational

Commitment appropriations correspond to H2020 programme and will be increased by 10%. They will 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 will cover the call 2019, procurement plan as detailed in section 3.2 of the document and the annual contribution to JRC.

Payment appropriations correspond to estimated needs to cover:

- Payment appropriations under FP7 projects (interim & mainly final payments) for EUR 9,825,755, which constitutes a significant decrease by 63% compared to 2018 level since only a handful of reports are expected to be paid in 2019.
- Payment appropriations under H2020 projects for EUR 108,237,586, increased by 17% compared to the 2018 level. The 2019 payment appropriations will cover mainly interim and final payments of H2020 projects, the majority of the 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 subsequent financial years (2019-2021 and following years) to meet budget commitments entered into earlier financial years (before 2018).

SUMMARY SCHEDULE OF PAYMENTS (Operational)

2017 Outturn		2018 Outturn		2019 Budget		Difference (2017/2016)	
CA	PA	CA	PA	CA	PA	CA	PA
118,163,734	172,381,558	74,632,872	100,069,805	85,252,290	118,465,824	14%	18%

DETAILS OF PAYMENT SCHEDULE (Operational)

FP7

Commitments		Payments				
		2019	2020	2021	Outstanding amount	Total
Pre-2014 commitments still outstanding (RAL)	41,339,567	9,209,285	4,465,420	918,019	2,999,997	17,592,722
TOTAL	41,339,567	9,209,285	4,465,420	918,019	2,999,997	17,592,722

H2020

Commitments		Payments				
		2019	2020	2021	Outstanding amount	Total
Pre-2018 commitments still outstanding (RAL)	133,303,718	51,469,003	30,494,631	34,160,848	17,179,236	133,303,718
2018 commitment appropriations still outstanding (RAL)	41,551,814	10,254,298	7,852,713	6,078,003	17,366,800	41,551,814
2019 commitment appropriations	85,252,290	44,060,637	7,591,110	10,679,219	22,921,324	85,252,290
TOTAL	260,107,822	105,783,938	45,938,454	50,918,070	57,467,360	260,107,822

State of play on 01/03/2019 - RAL refers to open commitments on 01/03 - payments for 2019 refer to foreseen payments from 02/03/2019 until the end of the year

2018 CA outturn refers to the 17 individual commitments for the call 2018, as well as the individual commitment for JRC, operational studies under AWP 2017 and 2018, the commitment for the European Hydrogen Safety Panel and re-commitments for FP7 projects

Last payment under FP7 projects is currently foreseen in 2023.

From the call 2018, an amount of EUR 23,000,000 is not yet committed but included as open in this summary

