

# **Assessment of the Fuel Cells and Hydrogen 2 Joint Undertaking (FCH 2 JU) Consolidated Annual Activity Report (AAR) 2020 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 properly contextualised in the light of the Hydrogen Strategy, the Strategy for Energy System Integration, and the European Clean Hydrogen Alliance. This was demonstrated by two distinct and relevant activities in 2020, namely the:

- (i) The first European Hydrogen Week in November dedicated to the role of hydrogen in the clean energy transition. It included the European Hydrogen Forum, which was co-organised with DG GROW; a German presidency policy conference entitled 'PrioritHy'; and the established Programme Review Days, which provides a visibility platform for more than 100 projects currently ongoing under FCH 2 JU.
- (ii) The public launch of the Fuel Cells and Hydrogen Observatory in collaboration with DG R&I. The portal is expected to be an important tool for all policymakers and other stakeholders interested in the use of fuel cells and hydrogen technologies as a decarbonisation solution primarily in the energy and transport sectors.

The FCH 2 JU has efficiently contributed in 2020 via research and demonstration activities to the development and deployment of products and technologies in the transport sector, with a focus on mass-transit and refuelling stations, as well as on stationary applications, focusing on heat and electricity production. The work done in hydrogen production and storage is also noteworthy, and will provide a stepping-stone for the next years. Finally, the FCH 2 JU has 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, as well as the proposed Clean Hydrogen partnership (subject to the adoption of the relevant legislation), it is important that the FCH 2 JU highlights its continued relevance and demonstrates impact.

The Governing Board positively acknowledges that by the end of December 2020, the FCH 2 JU had supported 131 projects under the H2020 programme for a combined public-private investment close to EUR 1.2 billion. The Governing Board commends the overall investment generated from Members other than the Union or their constituent or affiliated entities as well as through participation of non-members in projects which has exceeded EUR 1.4 billion, corresponding to a leverage effect of 2.34<sup>1</sup>. With regard to communication and outreach activities, the Governing Board is pleased by the supporting role the FCH 2 JU had on the EC-lead Mission Innovation initiative on a Hydrogen Valley Platform. This platform, which

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<sup>1</sup> Compared to an objective of 1

has gathered more than 1000 participants from across the world and connects the existing regional clusters, will certainly raise awareness among policymakers and promote FCH technologies.

## **2. ANALYSIS**

The Fuel Cells and Hydrogen 2 Joint Undertaking's Consolidated Annual Activity Report 2020 (Authorising Officer's report) was sent to the FCH 2 JU Governing Board on 26 February 2021 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 2020 adequately covers the main activities of the FCH 2 JU in 2020, 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 is also pleased to see the mitigation measures to deal with the COVID-19 crisis. The Governing Board recognizes the continuous progress made by the FCH 2 JU and the achieved results in year 2020 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 2.34 of contributions from Members other than the Union, or their constituent or affiliated entities, and participation of non-members, for each 1 EUR of EU contribution..
- The Governing Board is satisfied to see the detailed work put on risk assessment, particularly given the special attention given to the COVID-19 crisis.
- The Governing Board takes note of the good budget execution level, 94.4% for Commitment Appropriations, and the 95.3% for Payment Appropriations. It also takes the opportunity to congratulate the FCH 2 JU for the second-best execution rate in the history of the JU, after 2019.
- The Governing Board welcomes the continuous and growing effort in knowledge management and use of the TRUST tool.
- The Governing Board is pleased to see the high number (112) of 'very innovative' innovations identified by the Innovation Radar, and is appreciative of its continuous application. It also would like to congratulate the HySTOC project for being the winner of the Innovation Radar Prize 2020 in the 'Tech for Society' category.
- The Governing Board welcomes the continuous support of the FCH 2 JU on international cooperation, particularly on technical issues, such as regulation, standards and codes harmonisation. Notably, the Governing Board also welcomes the good working collaboration with the JRC in particular in CEN-CENELEC.
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- The Governing Board welcomes the effort on gender balance, and supports further actions.

### **2.2 Communication**

- The Governing Board congratulates the FCH 2 JU for making use of the political momentum created by the Hydrogen Strategy and the European Clean Hydrogen Alliance to increase the visibility of the JU and its activities. This was particularly

seen in the European Hydrogen Week, where several relevant activities were contextualised for maximum impact: over 10 000 unique participants followed the European Hydrogen Week and more than 10 000 subscribers are registered for the FCH 2 JU newsletter.

- The Governing Board praises the flexibility and speed demonstrated by the FCH 2 JU in adapting to the restrictions put by the COVID-19 crisis.
- The Governing Board also appreciates the focus on general public outreach, as public awareness and acceptance remains a significant issue for the deployment of hydrogen and fuel cells technologies. The Governing Board supports further actions to address this issue, particularly regarding out-of-the-bubble groups.
- The Governing Board also welcomes the efforts towards potential new participants from different regions including from EU-13 countries: the PDA programme. The Governing Board looks forward to seeing how this programme, in conjunction with other activities, such as the participation on the EU Regions Week, will bring new participants to the projects.

### **2.3 Legal Framework process:**

- The Governing Board is satisfied with the GDPR compliance activities, and is also supportive of the ongoing implementation of the recommendations of the data protection impact assessment on the deployment of M365 in conjunction with other JUs.

### **2.4 Risk management process:**

- The Governing Board is satisfied with the risk management actions, particularly in the context of the COVID-19 crisis.

### **2.5 Human resources:**

- The Governing Board is pleased with the effort put on training and on professional and personal development, as well as the internal staff survey.

### **2.6 Internal control system:**

- The Governing Board is pleased that the pilot project on early identification and correction of the potential errors was successful and will be continued.
- 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 2020 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 2020 have been met in compliance with the principles of legality and regularity of operations.

Improvements are, nevertheless, recommended and supported 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.