

Annex

4.1. Budget information of the FCH 2 JU 2018 Annual Work Plan and Budget

The draft budget 2018 is in line with the preliminary budget presented in the Fiche Financière and with the draft budget sent to GB members on 8 February 2017 except for the following three elements:

- 1) Due to the impact from the adjustment of the EFTA contribution from 2.44 % (initial assumption in the Fiche Financière) to 2.33 % (final EFTA rate for 2018), there is a total reduction of:
 - i) EUR 85,764 in commitment appropriations (EUR 80,729 for operational expenditure and EUR 5,035 for administrative expenditure) and
 - ii) EUR 107,474 in payment appropriations (EUR 102,439 for operational expenditure of H2020 and EUR 5,035 for administrative expenditure).

- 2) Reactivation of EUR 1,847,044.11 of unused commitment appropriations from operations from year 2017, resulting mainly from the outcome of the call 2017 evaluations (EUR 1,767,086.22) and from unused appropriations of the amount reserved for JRC annual plan 2016 (EUR 79,957.89) These appropriations will be used for 2018 operational activities.

- 3) Reactivation of EUR 43,353.60 of unused commitment and payment appropriations from administrative costs from year 2017, stemming from de-commitments.

It is noted that the budget of the FCH 2 JU shall be adapted to take into account the amount of the Union contribution as laid down in the budget of the Union.

The 1st amendment to the 2018 budget introduces:

A. On the revenue side

- i. A decrease by EUR 0.54 for the EC contribution to administrative expenses in order to align the contribution to the Commission Decision of 5.12.2017 on the Union financial contribution to the FCH 2 JU for 2018. Consequently, Industry and Research Grouping contributions are also decreased by EUR 0.47 and EUR 0.08 respectively. The Members contributions are now clear of decimals.
- ii. Reactivation of unused commitment and payment appropriations from 2017 administrative expenses (EUR 200,001) and unused commitment appropriations from 2017 operational expenses (EUR 640,499.45).
- iii. Reactivation of unused payment appropriations from 2017 open commitments under administrative expenses (EUR 800,116.47)
- iv. Reactivation of unused payment appropriations from 2017 operational expenses (EUR 20,126,736.99).

B. On the expenditure side

Administrative budget:

- i. Increase of commitment and payment appropriations by reactivation of unused appropriations from year 2017 for an amount of EUR 800,116.47.

The unused payment appropriations correspond to payments due under commitments done in 2016 and 2017. 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 2018 (under C8 credits).

- ii. Increase of commitment and payment appropriations by reactivation of unused appropriations from year 2017 for an amount of EUR 200,000.

The unused commitment and payment appropriations from administrative expenses of 2017 that can be reused amount to EUR 451,768.25. From this amount, EUR 200,001 are reactivated in 2018 budget and the remaining EUR 251,767.25 will be reactivated either in 2018 through amendment or in the initial budget of 2019.

These additional commitment and payment appropriations will be used to cover the increased needs for administrative costs totalling EUR 227,600, in the following budget lines:

- 1) IT costs (+ EUR 27,600) to provide for migration costs to the Commission HR IT tool SysPer
- 2) Service contracts costs (+ EUR 200,000) for a study on EU H2 Roadmap, impacts and added value

On the other side, savings of EUR 27,600 are coming from:

- 1) Staff in active employment (- EUR 11,000) due to recognised delays in recruitment. It is noted that 2 additional trainees are now included in the budget, the cost of whom is covered by the savings.
- 2) Rental and building costs (- EUR 16,600) as this amount was the contingency in case of any additional work to be carried out in 2018. However, since nothing is foreseen for this year, this amount can be released.

Operational budget:

- i. Reactivation of unused commitment appropriations from year 2017 which amount to EUR 640,499.45 with the following split:
 - 1) EUR 367,890.78 under FP7 operational costs. This amount stems from unused FP7 reactivations of 2017 after assessing the specific cases in which re-commitments may be needed.
 - 2) EUR 272,608.67 under H2020 operational costs that will be added to the available commitment appropriations of the current year.
- ii. Reactivation of unused payment appropriations from operations from year 2017 which amount to EUR 20,126,736.99 to be used for:
 - 1) EUR 9,653,457.34 for FP7 operational to cover the foreseen payment needs of interim and mostly final claims.
 - 2) EUR 10,473,279.65 for H2020 operational to cover for the projected needs of mostly interim and final payments.

The estimated revenue of FCH 2 JU for the year 2018 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 2018 CA	Budget 2018 PA	Amendment 2018.1 CA	Amendment 2018.1 PA	Amended Budget 2018.1 CA	Amended Budget 2018.1 CA	Remarks
2001	European Commission subsidy for operational expenditure (FP 7)		25,686,390			0	25,686,390	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	2,341,924	2,341,924	-1	-1	2,341,923	2,341,923	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)
2003	Industry Grouping contribution for administrative expenditure	2,014,054	2,014,054	-0	-0	2,014,054	2,014,054	Council Regulation 559/2014 of 6 May 2014 on the establishment of the Fuel Cells and Hydrogen 2 Joint Undertaking
2004	Research Grouping contribution for administrative expenditure	327,869	327,869	-0	-0	327,869	327,869	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)	75,099,696	95,296,147			75,099,696	95,296,147	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)
2006	JTI revenues					0	0	Interest, income from liquidated damages & others
	sub total title revenues	79,783,543	125,666,384	-1	-1	79,783,542	125,666,383	
3008	C2 reactivation of appropriations for administrative expenditure (2015)					0	0	FCH 2 JU Financial rules article 6 - unused PA for administrative costs re-entered to be used for administrative costs
3009	C2 reactivation of appropriations for operational expenditure (2015)					0	0	FCH 2 JU Financial rules article 6 - de-committed CA for operational activities re-entered to be used for operational activities
3010	C2 reactivation of appropriations for administrative expenditure (2016)	734,699	734,699			734,699	734,699	FCH 2 JU Financial rules article 6 - unused PA for administrative costs re-entered to be used for administrative costs
3011	C2 reactivation of appropriations for operational expenditure (2016)	1,847,044				1,847,044	0	FCH 2 JU Financial rules article 6 - de-committed CA for operational activities re-entered to be used for operational activities
3012	C2 reactivation of appropriations for administrative expenditure (2017)	43,354	43,354	200,001	1,000,117	243,355	1,043,471	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)			640,499	20,126,737	640,499	20,126,737	FCH 2 JU Financial rules article 6 - de-committed CA for operational activities re-entered to be used for operational activities
	sub total reactivation	2,625,097	778,053	840,500	21,126,854	3,465,597	21,904,907	
	TOTAL REVENUES	82,408,640	126,444,437	840,499	21,126,853	83,249,140	147,571,290	

The FCH 2 JU 2018 budget amounts to a total of EUR 83,249,140 in CA and EUR 147,571,290 in PA with the following breakdown:

Title Chapter Article Item	Heading	Budget 2018 CA	Budget 2018 CA	Amendment 2018.1 CA	Amendment 2018.1 PA	Amended Budget 2018.1 CA	Amended Budget 2018.1 CA	Comments
1	STAFF EXPENDITURE							
1 1	STAFF IN ACTIVE EMPLOYMENT	3,352,600	3,352,600	-11,000	45,188	3,341,600	3,397,788	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	46,400	46,400		2,000	46,400	48,400	Miscellaneous expenditure on staff recruitment: installation and travel expenses
1 3	MISSION AND TRAVEL	137,700	137,700		31,246	137,700	168,946	Mission expenses
1 4	SOCIOMEDICAL INFRASTRUCTURE	40,000	40,000		14,036	40,000	54,036	Training, medical service and mobility costs
1 5	ENTERTAINMENT AND REPRESENTATION EXPENSES	5,600	5,600		2,649	5,600	8,249	Representation and receptions
	TOTAL TITLE 1	3,582,300	3,582,300	-11,000	95,120	3,571,300	3,677,420	
2	INFRASTRUCTURE							
2 0	INVESTMENTS IN IMMOVABLE PROPERTY RENTAL OF BUILDINGS AND ASSOCIATED COST	370,400	370,400	-16,600	3,834	353,800	374,234	Rent, works, insurance, common charges (water/gas/electricity), maintenance, security and surveillance
2 1	INFORMATION TECHNOLOGY	209,200	209,200	27,600	130,395	236,800	339,595	IT purchases, software licences, software development
2 2	MOVABLE PROPERTY AND ASSOCIATED COSTS	5,000	5,000			5,000	5,000	Purchases and rental of office equipment, maintenance and repair
2 3	CURRENT ADMINISTRATIVE EXPENDITURE	7,000	7,000		529	7,000	7,529	Office supplies, library, translation service, bank charges and miscellaneous office expenditure
2 4	CORRESPONDENCE, POSTAGE AND TELECOMMUNICATIONS	12,000	12,000		8,738	12,000	20,738	Telephones, video conferences and postal services
2 5	EXPENDITURE ON FORMAL AND OTHER MEETINGS	90,000	90,000		14,436	90,000	104,436	Official meetings such as SRG, Scientific Committee, Governing Board
2 6	COMMUNICATION COSTS	440,000	440,000		334,046	440,000	774,046	External communication and events
2 7	SERVICE CONTRACTS	282,000	282,000	200,000	343,917	482,000	625,917	Studies and audits
2 8	EXPERT CONTRACTS AND MEETINGS	464,000	464,000		69,102	464,000	533,102	Costs related to expert contracts (evaluations, mid-term reviews)
	TOTAL TITLE 2	1,879,600	1,879,600	211,000	904,997	2,090,600	2,784,597	
	TOTAL TITLE 1+2 (ADMINISTRATIVE EXPENDITURE)	5,461,900	5,461,900	200,000	1,000,116	5,661,900	6,462,016	
3	OPERATIONAL EXPENDITURE							
3 0 0 1	Implementing the research agenda of FCH JU: FP7		25,686,390	367,891	9,653,457	367,891	35,339,847	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	76,946,740	95,296,147	272,609	10,473,280	77,219,349	105,769,427	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)	76,946,740	120,982,537	640,499	20,126,737	77,587,240	141,109,274	
	TOTAL EXPENDITURE	82,408,640	126,444,437	840,499	21,126,853	83,249,140	147,571,290	

Revenues

The members' contribution to administrative costs in the 2018 budget refers only to H2020. As of 2018, no FP7 contribution for administrative costs will be asked.

As per article 13.2 of the Statutes of 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 2018 administrative budget is increased by EUR 978,054 in total from unused administrative appropriations of previous years.

Expenditure

Overall the administrative budget (Titles 1 and 2) is increased by 8% (+ EUR 417,328) in terms of commitment appropriations compared to 2017.

In more details:

Title 1 – Staff

Title 1 (staff costs) represents 63 % of the administrative costs in the 2018 budget. It mainly covers salaries (94%) and other budget lines cover missions, training & socio-medical costs, recruitment costs and representation expenses.

After the amendment, the increase in title 1 in 2018 compared to 2017 (+9% amounting to EUR 293,600) is explained by the following:

- *in staff in active employment (+ EUR 267,000)*
1 additional contract agent at FGII (already included in the initial budget) and 2 additional trainees (for second intake 2018) are included in the budget compared to 2017. An indexation of 3% is assumed.
- *in recruitment (+ EUR 28,890)*
The difference is due to the additional recruitment expenses (installation and daily subsistence allowances) foreseen for 2 recruitment procedures (for the FG II and the replacement of an AST 4).
- Mission expenses are indexed to the anticipated inflation rate (2 %).
- The decrease in socio-medical infrastructure (- EUR 4,990) reflects the change in the price of medical and training services offered by the Commission, applicable as of 01.01.2018.
- No change in the entertainment and representation expenses.

Title 2 – Infrastructure

Title 2 represents 37 % of the administrative costs in 2018.

The budget of this title is increased (with the amendment) by 6.3 % (amounting to EUR 123,728) compared to 2017 and explained as follows:

- Service contracts costs are increased by EUR 247,500, due to the inclusion of a provision for a study recommended by the Commission Services and private members (and made possible with the 1st budget amendment) and due to the need for contracting audit services for the annual accounts of 2018 and 2019.
- *Information technology (+ EUR 10,976)*

The increase is due to the inclusion for SysPer costs (stemming from the amendment). Elsewhere there is a decrease due to the fact that no replacement of hardware is anticipated in 2018.

- *Rental costs (- EUR 148,655)*
Rental costs were increased in 2017 due to the works and refurbishments in the building. No works are foreseen in 2018. The decreased costs in 2018 include rent, common utility charges, security and insurance services.
- Movable property, current administrative expenditure and postage and telephone costs are all decreased to the average consumption of the last 2 years.
- Expenditure on formal and other meetings remain at the 2017 levels.
- The increase by EUR 29,000 in expert contracts and meetings is due to the increased number of H2020 mid-term reviews foreseen.

Title 3 – Operational

Commitment appropriations correspond to H2020 programme and are decreased by 35.8% (following the amendment). They will amount to EUR 77,219,349 (including EUR 2,119,653 of reactivations of non-used appropriations from 2017) and will cover the 2018 operational activities as described in section 3.2 of the AWP 2018.

Payment appropriations correspond to estimated needs to cover:

- 1) Payment obligations under FP7 projects (interim & final payments) for EUR 35,339,847 (including the reactivation following the amendment), a decrease by 3% compared to 2017 level.
- 2) Payment obligations under H2020 projects for EUR 105,769,427, decreased by 32.1% as in 2017 the pre-financing of 2 calls (2016 and 2017) were included in the budget. The 2018 payment appropriations will cover part of the pre-financing for calls 2018, 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.

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 (2018-2020 and following years) to meet budget commitments entered into earlier financial years (before 2017).

Budget 2018

SUMMARY SCHEDULE OF PAYMENTS (Operational)

2016 Outturn		2017 Outturn		2018 Budget		Difference (2017/2016)	
CA	PA	CA	PA	CA	PA	CA	PA
94,648,697	92,568,138	118,163,734	172,381,558	77,587,240	141,109,274	-34%	-18%

DETAILS OF PAYMENT SCHEDULE (Operational)

FP7

Commitments		Payments				
		2018	2019	2020	Outstanding amount	Total
Pre-2014 commitments still outstanding (RAL)	62,796,576	35,339,847	4,750,000	8,437,177	14,269,551	62,796,576
TOTAL	62,796,576	35,339,847	4,750,000	8,437,177	14,269,551	62,796,576

H2020

Commitments		Payments				
		2018	2019	2020	Outstanding amount	Total
Pre-2017 commitments still outstanding (RAL)	127,397,806	55,274,755	33,288,749	21,959,503	16,874,799	127,397,806
2017 commitment appropriations still outstanding (RAL)	49,568,887	3,755,893	14,216,561	8,609,383	22,987,050	49,568,887
2018 commitment appropriations	77,587,240	46,738,779	9,414,797	7,264,797	14,168,868	77,587,240
TOTAL	254,553,933	105,769,427	56,920,107	37,833,682	54,030,717	254,553,933

State of play on 31/01/2018 - RAL refers to open commitments on 31/01 - payments for 2018 refer to foreseen payments from 31/01/2018 until the end of the year

2017 CA outturn refers to 22 individual commitments for the call 2017 and the balance of the global commitment on the call 2016 as well as the individual commitment for JRC, operational studies under AWP 2017 and re-commitments for FP7 projects

Last payment under FP7 projects is currently foreseen at the end of 2020. The amount shown as outstanding for FP7 will not be claimed for additional payments

