Fuel Cells and Hydrogen Joint Undertaking

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The Committee on Industry, Research and Energy adopted the report by Pia Elda **LOCATELLI** (PES, IT), amending, under the consultation procedure, the proposal for a Council regulation setting up the Fuel Cells and Hydrogen Joint Undertaking.

The main amendments adopted are as follows:

Establishment of the Joint Undertaking: MEPs ask that it be ensured that, after the last call for proposals in 2013, projects still in progress are implemented, monitored and funded until 2017. They also specify that the Joint Undertaking is a Community body as referred to in Article 185 of the Financial Regulation and that Parliamentary control over the budget is guaranteed.

Objectives and tasks: the main aim of the Joint Undertaking shall be to place the European Union at the forefront of fuel cell and hydrogen technologies, thus enabling the market breakthrough of fuel cell and hydrogen technologies, so that the substantial benefits expected of such technology can be achieved by the market. Breakthrough-oriented research should also be supported. The research activities should build on the work carried out by the European Hydrogen and Fuel Cell. Furthermore, the participation of SMEs, research centres and universities in the RTD activities should be promoted. In line with the Rules for Participation in the Seventh Framework Programme, MEPs consider that the maximum level of public funding of eligible costs should, in the case of SMEs, research centres and universities, be fifty percent higher than for other entities.

Sources of finance: the amended text specifies that the initial Community contribution to the Joint Undertaking administrative and operational costs - EUR 470 million - shall be paid from the appropriations in the general budget of the European Union allocated to the "Energy", "Nanosciences, Nanotechnologies, Materials and New Production Technologies", "Environment (including Climate Change)", and "Transport (including Aeronautics)" themes of the Specific Programme ‘Cooperation’ implementing the Seventh Framework Programme for research. This contribution may be revised during a mid-term review in light of progress made and the achievements and impact of the Joint Undertaking.

The Joint Undertaking shall be jointly funded by its Members by way of financial contributions paid in instalments and by in-kind contributions from legal entities participating in the activities. The running costs of the Joint Undertaking shall be covered equally in cash by the Community and the Industry Grouping from the outset. The Industry Grouping shall ensure that industry’s contribution to the achievement of the RTD activities funded by the Joint Undertaking at least matches the Community contribution. As soon as the Research Grouping becomes a member of the Joint Undertaking, it shall contribute to 1/20 of the running costs.

The part of the Community contribution to the Joint Undertaking for the funding of RTD activities shall be granted following open, competitive calls for proposals and an evaluation, completed with the assistance of independent experts, of the proposed project. The Commission's contribution to running costs shall not exceed EUR 20 million, payable in annual instalments of up to EUR 2 million. Any part of this contribution not spent during the current year shall be made available in the following years for the RTD activities. The running costs, and in particular the administrative costs, should be kept to an absolute minimum and full use should be made of the resources and organisational systems of existing bodies.

Financial provisions: MEPs consider that the financial rules applicable to the Joint Undertaking should not depart from Commission Regulation (EC, Euratom) No 2343/2002 on the framework Financial

Regulation for the bodies referred to in Article 185 of the Financial Regulation, unless its specific operating needs so require. The prior consent of the Commission should be required for the adoption of any rules which derogate from this Regulation. The budgetary authority should be informed of such derogation.

Reports, assessments: the annual report presented by the Commission shall include the number of proposals submitted, the number of proposals selected for funding, the types of participant (including SMEs) and country statistics. By no later than 31 December 2011 and 31 December 2014, the Commission shall present interim evaluations of the Joint Undertaking carried out with the assistance of independent experts. The Commission shall communicate the conclusions thereof, accompanied by its observations and, where appropriate, proposals for the amendment of the present Regulation to the European Parliament and to the Council.

Personnel: MEPs stress that the need to ensure stable employment conditions and equal treatment of staff and to attract specialised scientific and technical staff of the highest calibre requires that the Commission be authorised to second as many officials as it regards necessary to the Joint Undertaking. The remaining staff should be recruited by the Joint Undertaking in accordance with the host country employment regulations.

Intellectual property rights: given that this JTI forms part of FP7, the rules on intellectual property rights should be based on the principles set out in the Rules of Participation in FP7.

Lastly, it should be noted that the text has been put in line with the text of the other JTIs in order to have a consistent and horizontal approach. To this aim, amendments have been proposed to move parts of the legal text into the Annex, which would also reduce unnecessary duplication of the text and legal inconsistencies.