Fuel Cells and Hydrogen Joint Undertaking

2007/0211(CNS) - 20/05/2008 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted, by 591 votes to 13 with 15 abstentions, a resolution amending the proposal for a Council regulation setting up the Fuel Cells and Hydrogen Joint Undertaking. The report had been tabled for consideration in plenary by Pia Elda **LOCATELLI** (PES, IT) on behalf of the Committee on Industry, Research and Energy.

The main amendments, adopted in the framework of the consultation procedure, are as follows:

Establishment of the Joint Undertaking: Parliament stated that it must be ensured that, after the last call for proposals in 2013, projects still in progress are implemented, monitored and funded until 2017. Furthermore, 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.

Community contribution: 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 arrangements for the Community financial contribution shall be established by means of a general agreement and annual financial agreements to be concluded between the Commission, on behalf of the Community, and the FCH Joint Undertaking. The part of the Community contribution to the FCH 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. A new recital states that 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.

Funding: the FCH 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 FCH Joint Undertaking shall be covered equally in cash by the Community and the Industry Grouping from the outset. As soon as the Research Grouping becomes a member of the FCH Joint Undertaking, it shall contribute to 1/20 (and not 1/12) of the running costs and the Commission's contribution to running costs will decrease correspondingly. In the event that the Joint

Research Centre of the Commission participates in projects, its in-kind contribution shall not be considered part of the Community contribution.

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 Regulation to the European Parliament and to the Council. No later than six months after the end of the FCH Joint Undertaking, the Commission shall conduct a final evaluation of the FCH Joint Undertaking.

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.

Structure: the Executive Director is added to the bodies of the FCH JU. The Governing Board shall appoint its chairperson from among the representatives of the Industry Grouping. The chairperson shall be appointed for one year and may be re-appointed once. The representative of the SMEs and the representative of the Research Grouping shall be appointed vice-chairpersons.

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 made moving parts of the main body of the text into the Annex, which would also reduce unnecessary duplication of the text and legal inconsistencies.