Fuel Cells and Hydrogen 2 Joint Undertaking (FCH 2 Joint Undertaking)

2013/0245(NLE) - 06/02/2014 - Committee report tabled for plenary, 1st reading/single reading

The Committee on Industry, Research and Energy adopted, in the framework of a special legislative procedure (consultation of Parliament), the report by Vladko Todorov PANAYOTOV (ADLE, BG) on the proposal for a Council regulation on the Fuel Cells and Hydrogen 2 Joint Undertaking.

The committee approved the Commission proposal subject to the following amendments:

FCH 2 Joint Undertaking: in order to take account of the duration of the Horizon 2020 Framework Programme for Research and Innovation (2014-2020), all calls for proposals **should be launched by 31 December 2020**.

Objectives: the Joint Undertaking should have the following objectives:

- contribute to the implementation of the Horizon 2020 Framework Programme, and in particular at least three of the specific objectives under part III "Societal Challenges";
- contribute to the objectives of the Joint Technology Initiative on Fuel Cells and Hydrogen, through dissemination and capacity building across the Member States;
- increase the energy efficiency of production of hydrogen from water electrolysis and from renewable energy sources while reducing capital and operational costs.
- strengthen the connection between demonstration projects and results and translation of those research results into pilot applications and attractive market solutions;
- contribute to developing denser infrastructure and to increasing public awareness and acceptance by transferring the knowhow and expertise of the stronger performing Member States to the weaker performing Member States by way of demonstrations and pilot projects and by West–East centres,
- support development of advanced technologies for recovery of metals, critical for the development and deployment of FCH technologies from Union sources, including technological by-products and waste, and
- reduce the use of the "critical raw materials", as defined by the Commission, by identifying relevant substitutes where technically feasible and economically justifiable.

Scope of activities: Members inserted a new article to clarify the scope of activities of the Joint Undertaking, in particular with respect to the relevant **Technology Readiness Levels** covered by its research programme. The Rules on Participation also call for a greater consideration of the Technology Readiness Levels concept in relation to funding levels, which is taken up in this article with a view to the funding rates used in indirect actions.

Financial contribution: the maximum Union contribution, including contributions from countries of the European Free Trade Association (EFTA), to the FCH 2 Joint Undertaking to cover administrative costs

and operational costs should be **EUR 665 million** (rather than EUR 700 million in the Commission proposal). The contribution should be paid from the appropriations in the general budget of the Union allocated to the Horizon 2020 Framework Programme and in particular from appropriations allocated to the specific objectives "Secure, Clean and Efficient Energy" and "Smart, green and integrated transport".

A**dditional activities carried out by private members**: while the additional activities to be carried out by private members are a welcome addition to the leverage effect of the JTI, they should not be subject to auditing. Additional activities should be planned and carried-out accordingly, determined clearly as in-kind contributions, and reported on annually.

Evaluation: by 30 June 2017 the Commission shall organise an independent interim evaluation of the Joint Undertaking. The results of the independent interim evaluation should be taken into account in the interim evaluation of Horizon 2020.

In order to respond to unforeseen situations or to new developments and needs the Commission may, following the interim evaluation of Horizon 2020 review the budget of the Joint Undertaking within the annual budgetary procedure.

Rules for participation and dissemination: work plans may provide for justified additional conditions according to specific policy requirements or to the nature and objective of the action, inter alia, that coordinators shall be constituent entities of a Member of the FCH 2 Joint Undertaking other than the Union. This should under no condition and throughout the programme raise undue conditions or restrain that willing entities can become a constituent entity of a Member. The principles of openness and transparency shall apply throughout the duration of the FCH 2 Joint Undertaking.

In accordance with the principles of transparency and non-discrimination, calls for proposals organised by the FCH 2 Joint Undertaking shall be published **on the web-based Horizon 2020 Participant Portal.**

Duty to divulge information: the report contains a new provision stating that Members of the staff of the Joint Undertaking, the Executive Director, and members of the Governing Board shall, without delay, report such fraud as might have come to their knowledge in the performance of their duties or office in OLAF provided that this disclosure does not render them liable to prosecution.