



Project Contribution for Beneficiaries of FCH 2 JU Calls

- **Why** a Project Contribution?
- **Who** pays?
- **How** is it implemented?
- **Frequently Asked Questions**
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Project Contribution for Beneficiaries of FCH 2 JU Calls

- A dedicated **Programme Office** with approximately 20 people staff and a separate seat has been established to implement the FCH (2) JU programme
- The Joint Undertaking is a **Public/Private** partnership and the cost of operating the program is shared by the European Commission and public/private sector beneficiaries
- The private sector beneficiaries are partly organised in Hydrogen Europe and N.ERGHY, and are partly independent (open calls)
- The running costs of the FCH (2) JU Programme are funded by three main sources:
 - Contribution from the European Commission
 - Membership fees of Hydrogen Europe and N.ERGHY
 - Project contribution (4%) from all beneficiaries (members and non-members)

To share the PPP cost fairly between all beneficiaries of the call the project contribution has been introduced in JT11 and is continued in JT12

- No 'free ride'
- 100% compliance since the establishment of the system in 2009
- **All beneficiaries** of an FCH JU grant – both members and non-members of Hydrogen Europe / N.ERGHY – are obliged to contribute a **fixed** amount calculated as an **equivalent of 4%** of the total sum of their **attributed** grant
- This Project Contribution is paid in **one lump sum** upon receipt of the first pre-payment from the PO

- In addition to the FCH JU Regulation, the system is based on a contractual structure and Bylaws of Hydrogen Europe / N.ERGHY:
- Coordinator agreement to collect and transfer contribution
- Standard clause in Consortium Agreement to commit all partners to contribute project contribution

- **Consortium coordinator** provides detailed information for debiting and is responsible for collection and transfer of the full amount on behalf of the consortium

- Consortium Coordinator serves as a **central point** for the consortium for the Project Contribution, receives all information and materials from the Collecting Office

- **Members** of Hydrogen Europe and N.EGRHY adhere to the system through the Associations' statutes/Bylaws. They also play an important role in reminding all consortium partners of the Project Contribution obligation.

- In terms of **process**, the Project Contribution is implemented in two steps:
- STEP 1: First explanatory note & Coordinator agreement letter
- STEP 2: Second explanatory note, Info sheet, Debit note & Payment

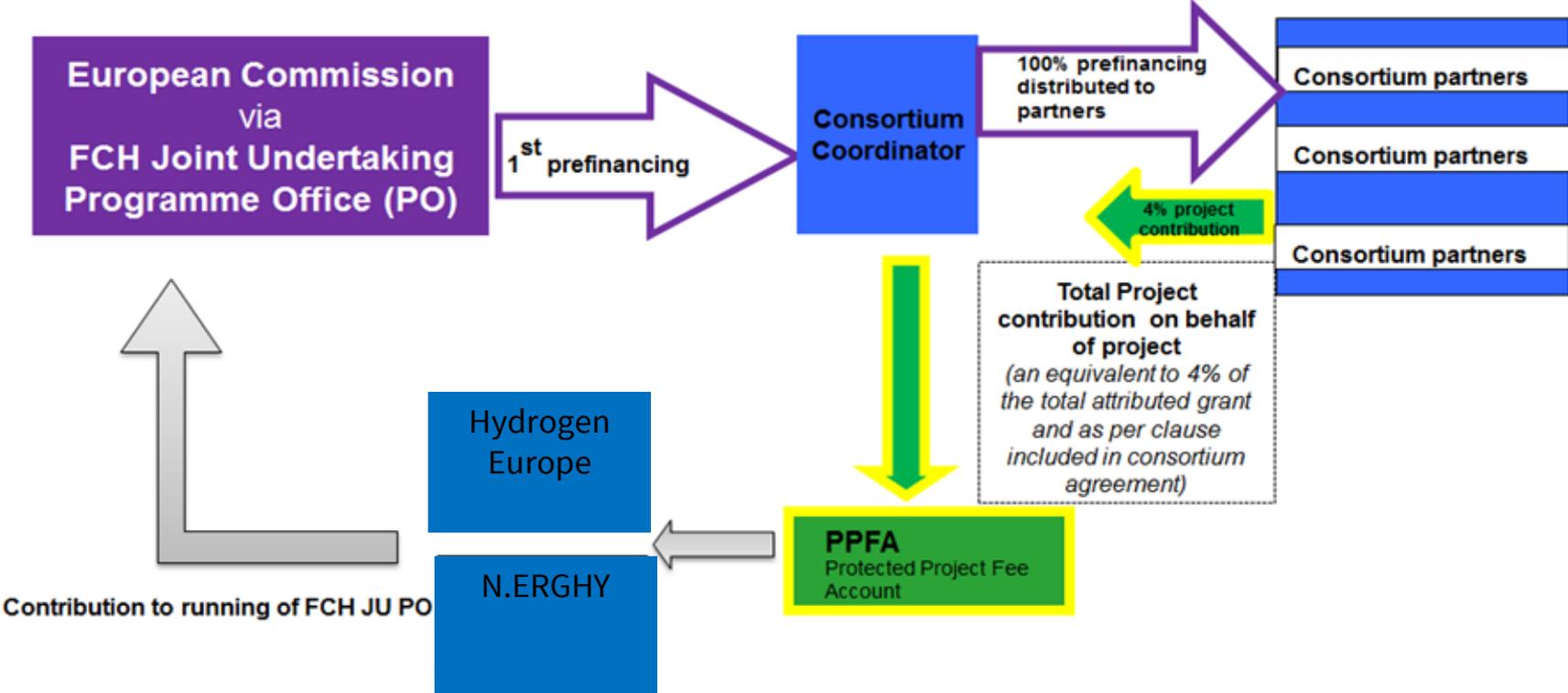
- In line with standard practice, payment by consortia partners to the Project Contribution system is completed **upon distribution of project pre-financing** to individual consortia partners by the Project Coordinator

- To optimise and facilitate this process from a financial and administrative viewpoint, all consortium partners agree that these **two independent transfers** shall be executed in **one step**

- **Payment schedules** are only possible in case there is no pre-payment or the initial pre-payment is lower than Project Contribution due. In that case the payment is automatically postponed to the payment of the next part of the grant (e.g. in case of economic viability issues).

- Project Contribution is collected by the Hydrogen Europe Secretariat appointed as the system administrator ('collecting office') on behalf of the private sector represented by Hydrogen Europe and N.ERGHY
- Project Contribution is held on a separate and dedicated bank account created for this purpose (PPFA = **P**rotected **P**roject **F**ee **A**ccount)
- Project Contribution is dedicated to funding of the running cost of the FCH JU Programme Office
- **No services/VAT** involved
- Collection upon **debit note** (no service, no invoice)

Schematic overview collection process



- **Is the Project Contribution an eligible cost?**

No – the Project Contribution cannot be seen as a cost in the project.

- **Will I receive my full grant?**

Yes – All beneficiaries receive the full grant. By setting the payment of the Project Contribution off against the release of the pre-payment of the grant, two payments are made within one single transaction.

- **Can I spread my payment?**

Payment schedule is only available in the situation that the pre-payment is lower than the actual Project Contribution due.

- **Why can the Program Office not just deduct this amount from the outset?**

The Project Contribution is not part of the grant.

- **Will there be VAT on the debit note?**

No, there will be no VAT on the debit note as no service is provided.

- **What happens if a project closes before completion or the total project grant is otherwise reduced?**

The Project Contribution is a fixed amount calculated as an equivalent of 4% of the total attributed grant, payable at the time of the first pre-payment. This lump sum is independent from any further developments in the consortium and project (e.g. cuts in funding, changes in partners, premature closing of the project etc.) and cannot be recalculated or reimbursed.

Thank you for your attention and please do not hesitate to contact the Hydrogen Europe Secretariat for further questions

secretariat@hydrogeneurope.eu

- **Standard Project Contribution Clause**
- **Article (..) – Project Contribution**

Subject to the duration, termination and survival provisions of Article (...) of this Consortium Agreement, a Project Contribution shall be payable to the Coordinator.

The Project Contribution shall be a fixed amount equivalent to 4 (four) % of the total amount of the attributed grants to the Parties under the Project defined as the maximum FCH Joint Undertaking financial contribution to the Project in Article 5 of the Grant Agreement.

Each Party shall contribute, in the applicable percentage referred to above, to the payment of the total consortium's Project Contribution. Each Party's contribution shall amount to an equivalent of 4 (four) % of its allocated share in the total amount of grants attributed to the Parties under the Project.

The Parties' contribution shall be payable in one single instalment at the beginning of the Project but after the first payment instalment under and by virtue of the Grant Agreement is received by the Coordinator.

The Project Contribution is collected in full following the distribution of project pre-financing by the FCH JU Programme Office. The payment by consortia partners to the Project Contribution system is completed upon distribution of the full project pre-financing to individual consortia partners by the Project Coordinator. Although these are two independent transactions, to optimise and facilitate this process from a financial and administrative viewpoint, it is recommended that all consortium partners agree that these two independent transfers shall be executed in one step.

In that case, the coordinator shall maintain, from the first payment instalment received under and by virtue of the project grant agreement, an amount equivalent to 4 (four) % of each of the allocated shares of the consortium partners in the total project grant. The Coordinator shall then transfer the collected Project Contribution on behalf of their consortium to the Protected Project Fee Account (PPFA) set up uniquely for this purpose by Hydrogen Europe and N.ERGHY.

The failure of the Coordinator to undergo the above, in accordance with the provisions of this Article, the contribution due by a Party to the Project Contribution shall not constitute a waiver of that Party's obligation to contribute to the Project Contribution and that Party's obligation to contribute to the Project Contribution shall continue to exist and it shall survive the termination of this Agreement. The coordinator, or its contractual substitute, shall be entitled to recover from that Party its contribution due to the Project Contribution.