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TABLED REPORTS



To: Councillor Laing, Convener; and Councillors Boulton, Cameron, Cooney, Crockett, Dickson, Donnelly, Jackie Dunbar, Flynn, Taylor, Townson, Young and Yuill.

Town House,
ABERDEEN, 14 November 2016

URGENT BUSINESS COMMITTEE

The undernoted items are circulated in connection with the meeting of the **URGENT BUSINESS COMMITTEE** to be held here in the Town House on **MONDAY, 14 NOVEMBER 2016 at 1.30pm.**

FRASER BELL
HEAD OF LEGAL AND DEMOCRATIC SERVICES

B U S I N E S S

CONFIDENTIAL BUSINESS

- 2 Aberdeen City Region Deal Financial Agreement (Pages 3 - 10)

GENERAL BUSINESS

- 4 Fuel Cells and Hydrogen Joint Understanding Memorandum of Understanding
(Pages 11 - 22)

Should you require any further information about this agenda, please contact Martyn Orchard 01224 523097 or email morchard@aberdeencity.gov.uk

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ABERDEEN CITY COUNCIL

COMMITTEE	Urgent Business Committee
DATE	14 th November 2016
DIRECTOR	Pete Leonard
TITLE OF REPORT	Fuel Cells and Hydrogen Joint Understanding Memorandum of Understanding
REPORT NUMBER	CHI/16/294
CHECKLIST COMPLETED	Yes

1. PURPOSE OF REPORT

To seek approval from Elected Members to sign a Memorandum of Understanding (MOU) between Aberdeen City Council and the Fuel Cells and Hydrogen Joint Undertaking (FCH JU).

2. RECOMMENDATION(S)

It is recommended that members:

- a) Approve to sign the MOU between ACC and FCH JU

3. FINANCIAL IMPLICATIONS

There are no financial implications associated by signing the MOU.

4. OTHER IMPLICATIONS

Legal

Legal and democratic services have been involved from the earliest stage possible and their advice on signing the MOU has been sought so the Council are not entering into any risk.

Sustainability

Aberdeen City Council has a clear contribution to make to sustainable development with an emphasis on enhanced productivity through improved resource efficiency, new business opportunities in the developing market for sustainable technologies and delivering better

and more efficient Council services. The MOU seeks to ensure better working relationships for hydrogen fuel cells between regions and industry.

Environmental

European activities are implemented in line with the aim of achieving a high quality and sustainable environment.

Social

The principles of Social inclusion underpin European cohesion policy.

Economic

The Council's Economic Development Service (EDS) has developed a service plan in response to the new Regional Economic Strategy. This includes the development and delivery of activities that contribute to the City's delivery of business growth, employability and jobs and trade and investment with the additional funding required being sought from EU and National funding programmes. The FCH JU is a funding body and ACC will continue to seek funding from them to further our economic ambitions.

5. BACKGROUND/MAIN ISSUES

i) Approve to Sign the MOU between the Council and the FCH JU

The Fuel Cells and Hydrogen Joint Undertaking (FCH JU) is a co-operation of representatives from industry, academic, research organisations and public authorities to develop and deploy strategies for fuel cells and hydrogen energy technologies. Its mission is to accelerate the commercialisation of hydrogen and fuel cell technologies. As cities and regions are the main drivers to decarbonise the transport sector, improved coordination of priorities and activities within EU is key to achieving the goal of accelerating the adoption of fuel cells and hydrogen technologies.

The proposed Memorandum of Understanding, attached in Annex 1, is to provide a framework for improved collaboration between the different representatives. It will place the following commitments upon ACC:

- To work together for the identification of synergies amongst programmes, funding schemes and other financing sources
- To establish working arrangements between their respective instruments and frameworks to accompany the fuel cells and hydrogen sector by promoting synergies and complementarities between the European funds managed by FCH JU and other sources of funding

- To promote our activities and support mechanisms through an outreach and dissemination policy which is aimed towards economic, industrial and other interested parties.

As the MOU aligns with the Aberdeen City Region Hydrogen Strategy & Action Plan it is recommended that Committee approve and sign the MOU.

6. IMPACT

Improving Customer Experience –

Participating in externally funded projects enhances services and facilities which customers use within the City, particularly in relation to Smart City projects which are designed to improve service efficiencies. In particular, European projects allow customers to experience innovation which they might not get the chance to otherwise. In particular, projects will have the business customer in mind to have a positive impact on the City's economy.

Improving Staff Experience –

Through participation in European projects staff members have been given the opportunity to exchange best practice with their equivalent peers and colleagues in other countries. This has resulted in staff returning with new, innovative ideas to implement within the City and have a direct impact on staff and customers. Continued participation in projects will create new opportunities to bring new technologies, as well as new thinking to enhance the city.

Through externally funded projects staff get to see, first hand, the impact that external funding can bring to the city that they live and work in.

Improving our use of Resources –

Externally funded projects, and European projects in particular, are centred on new innovative ideas and technologies. It is essential that the Council keeps up to date with current strategies, locally, nationally and transnationally and also looks forward to ensuring that Aberdeen is at the forefront on delivering within the strategies.

Officers within EDS ensure that projects are focused around the current priorities within the Council so that public funding can be maximised to provide the best service possible.

Expertise of accessing external funding lies within the EDS and without this expertise the City, and Council would lose out on added financial opportunities and delivery of funding programmes would not be possible.

Corporate -

The contents of the report support the Regional Economic Strategy to secure the well-being of the place and our people in the North East of Scotland across the key programme areas of investment in infrastructure, innovation, inclusive economic growth and internationalisation, as well as the key sector priorities of:

- Energy
- Tourism
- Education
- Food and drink
- Health and life sciences

The contents of the report also relate to delivering some economic development aspects of the Administration's Smarter Aberdeen vision.

The projects that the Council has been involved in, and are looking to participate in all have a degree of partnership working whether that is local, national or international.

All projects vary, but are centred on addressing the issues laid out within the relevant administration priorities and linking into strategies such as the Regional Economic Strategy, City Centre Masterplan, City Region Deal, Digital Place Strategy, Powering Aberdeen, and A Hydrogen Economy Strategy for Aberdeen City Region etc.

Public –

It is likely that the public will have an interest in the aforementioned projects as they are intended to make a positive contribution to the region for the benefit of the citizens. It is important to ensure that the City and Council's reputation is upheld throughout all external projects.

7. MANAGEMENT OF RISK

It is important that Aberdeen is fully represented in all European matters and that all opportunities for influencing policy and the development of transnational projects for the City's benefit are grasped in order that opportunities are maximised.

This level of participation will help to increase the understanding of the new programmes and will assist in developing the capacity to successfully develop new projects and work with other European cities that will benefit Aberdeen City.

All projects follow an audit process, both internal and external which ensures that any potential financial risk to the council is eliminated.

8. BACKGROUND PAPERS
None

9. REPORT AUTHOR DETAILS

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**MEMORANDUM OF
UNDERSTANDING**

BETWEEN

THE REGION/CITY OF XXX

AND THE

**FUEL CELLS AND HYDROGEN
2 JOINT UNDERTAKING (FCH
2 JU)**



2016

1. The **Fuel Cells and Hydrogen 2 Joint Undertaking**, hereinafter referred to as the FCH 2 JU, represented for the purposes of signing this agreement by Mr Bart Biebuyck, Executive Director

And

2. The **Region/City of**, represented for the purpose of signing this agreement by Mr/ Ms, [*please insert function of representative*]

together referred to as “the Parties”

PREAMBLE

There is a clear trend towards setting increasingly ambitious targets for reduction of greenhouse gas emissions and air pollutants in the medium term. Examples include: the global Paris Agreement (within the COP21 Forum) with pledges from signatory countries to curb emissions; the EU 2030 Framework for climate and energy, including EU-wide targets and policy objectives for the period between 2020 and 2030, now followed by the European Commission's proposal for the Effort Sharing Regulation with significant GHG emissions cuts for individual Member States; the new Global Covenant of Mayors for Climate & Energy and the C40 Climate Leadership Group and their efforts to lead the fight against man-made climate change and urban pollution. All of these initiatives point to a massive level of penetration of intermittent renewable power sources generating green electricity to form the backbone of a sustainable future. In order to use that green power, energy storage solutions such as the use of batteries and hydrogen will be a clear requirement to power all needs and applications that society now takes for granted, from heating homes and businesses to transporting goods and people. Specifically for hydrogen, a number of products are entering the commercialisation phase, and can start proving their added value in contributing to the environment goals.

The FCH 2 JU is the result of long-standing cooperation between representatives of industry, academia, research organisations, and public authorities, in the field of research, development and deployment strategies for fuel cells and hydrogen energy technologies. The FCH 2 JU is a Public Private Partnership established under Council Regulation (EU) 559/2014 of 6 May 2014¹ between the European Union represented by the European Commission, the industry grouping "Hydrogen Europe" and the research grouping "N.ERGHY". It is mandated, amongst others, to contribute as a funding body, to the implementation of Horizon 2020 (H2020) and to complete the implementation of the actions of the Seventh Framework Programme initiated by the FCH JU under the former regulation (EC) 521/2008. Its mission is to accelerate the commercialisation of hydrogen and fuel cell technologies. It acts as a platform bringing together public and private stakeholders to pool resources around the key priorities, identify the most promising hydrogen and fuel cell applications, and build partnerships with other entities to leverage available funding and financial mechanisms. Realising that regions and cities are key drivers in the implementation of initiatives to de-carbonise their energy and transport systems, the FCH 2 JU considers an enhanced coordination of priorities and activities with European regions and cities as a key step to achieve its goals. An improved alignment of strategic priorities and financing schemes is a common goal of the European Union, the FCH 2 JU and regional and local actors managing European Structural and Investment Funds (ESIF) and other funding schemes.

¹ Official Journal of the European Union of 7.6.2014, L 169/108

This Memorandum of Understanding provides the framework for this improved collaboration amongst the parties.

* * * * *

Having regard to Council Regulation (EU) 559/2014 of 6 May 2014 establishing the FCH 2 JU and in particular recital (24)² thereof;

Whereas

1. the FCH 2 JU plays a strategic role as implementing body in Horizon 2020, the European Union's Framework Programme for Research and Innovation, of activities related to fuel cells and hydrogen technologies;
2. in view of developing close synergies and interactions with other financing programmes, in particular ESIF and other financing mechanisms to support smart specialisation strategies, the FCH 2 JU wishes to establish bilateral relations with the interested regions or municipalities;
3. the Region/City of () is committing to implement policies and measures to meet its environmental goals and places innovation and competitiveness at the heart of its economic development policies over the long term in one or more of the following areas:
 - regional innovation strategy for a smart specialisation
 - regional pattern of economic development
 - regional environmental plans
 - sustainable plan for urban planning and development
 - *(add bullets where applicable)*
4. the Region/City of () considers implementing specific measures, including policy initiatives, aimed at supporting the introduction of hydrogen and fuel cell technologies and products as part of its goals to decarbonise its transport and energy systems;
5. the Region/City of () wishes to promote and support the complementarity and synergies between H2020 and other funding programmes and financing sources in particular in the field of fuel cells and hydrogen technologies;
6. the Parties are determined to establish an active cooperation framework with consideration to their respective legislation,

the Parties have agreed as follows:

² Horizon 2020 should contribute to the closing of the research and innovation divide within the Union by promoting synergies with the European Structural and Investment Funds (ESIF). Therefore the Fuel Cells and Hydrogen 2 Joint Undertaking should seek to develop close interactions with the ESIF, which can specifically help to strengthen local, regional and national research and innovation capabilities in the area of the Fuel Cells and Hydrogen 2 Joint Undertaking and underpin smart specialisation efforts;

ARTICLE 1:

To work together for the identification of synergies amongst programmes, funding schemes and other financing sources through:

- The active participation of the Region/City of () in initiatives launched by the FCH 2 JU for said purpose, including:
 - participation in working groups of common interest, to be decided upon on an *ad hoc* basis, collaborating with members of industry and research
 - identification of those hydrogen and fuel cell applications that are of highest interest to achieve its goals
 - providing information necessary to build attractive business models that may draw additional investments
- Recommendations for specific areas of interest to be included in FCH 2 JU annual calls for proposals stemming from such initiatives referred to herein above, to be considered by the FCH 2 JU stakeholders, notably its industrial members represented by Hydrogen Europe, its research members represented by N.ERGHY and the European Commission. Such recommendations may be made by members of Hydrogen Europe, the Research Grouping, the European Commission or the Programme Office
- Implementation of regional or local co-funding and financing schemes that complement projects funded by the FCH 2 JU

ARTICLE 2:

To establish working arrangements between their respective instruments and frameworks to accompany the fuel cells and hydrogen sector by promoting synergies and complementarities between the European funds managed by FCH 2 JU in the fuel cells and hydrogen sector and other sources of funding/financing, such as the structural and investment funds. In this regard, ESIF programmes may also be designed and implemented to:

- support infrastructural investments to be combined with R&I activities in fuel cells and hydrogen.
- take up and potentially launch calls for proposals for thematic objectives and topics agreed with the FCH 2 JU and provide financing for high quality project proposals for which there is not enough budget available in the respective FCH 2 JU Programme area and FCH 2 JU Calls, but which are important for both the fuel cells and hydrogen sector and the region/city;

ARTICLE 3:

To promote their respective activities and support mechanisms through an outreach and dissemination policy aimed towards economic, industrial and

other interested actors through an online update, on the website () managed by the Region/City, of relevant information regarding the launched calls for projects by FCH 2 JU, and by a description on the website of FCH 2 JU of the regional/local policy of () supporting fuel cells and hydrogen;

ARTICLE 4:

The parties will ensure the protection of any sensitive information and the confidentiality of any document and information related to the parties or the participants to the technical activities under the present Memorandum of Understanding.

ARTICLE 5:

This Memorandum may be amended with the consent of the Parties and every amendment or addendum must be done in writing.

ARTICLE 6:

1. This Memorandum shall enter into force on the date of last signature of the Parties.
2. Each Party may terminate this Memorandum by notifying the other Party in writing at least six months before the date of termination.

Done in two originals in the English language.

Signed in Brussels, on _____
on _____

Signed in _____,

Mr. Bart BIEBUYCK
Mr./Mrs. _____

Executive Director
Title: _____

Fuel Cells and Hydrogen 2 Joint Undertaking Region/City
of _____

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