

## **ZEP Advisory Council 60**

**5<sup>th</sup> December 2019**

### ***Agenda Item 2: Secretariat update***

#### ***2.a. Finance update***

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Appended to this paper is the ZEP finance update.

#### ***2.b. ZEP-C financial report***

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Appended to this paper is the ZEP-C financial report.

## **ZEP Advisory Council 61**

**05<sup>th</sup> December 2019**

### ***Agenda Item 2.a: Finance update***

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Attached to this note is the 29<sup>th</sup> November 2019 ZEP-Communications financial management report. This covering note provides commentary on developments since the AC60.

### ***2019 ZEP-C Budget***

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- 2019 Income: Since the AC60 the invoice for Total has been settled and the invoice for Gassnova for €15,000 issued. The outturn income was €167,500 which was lower than the budgeted income of €180,000. This difference is a result of The Crown Estate not sponsoring ZEP in 2019.
- 2019 Expenditure: The core expenditure remains largely on target for all budget items other than Public Affairs. The Public Affairs budget of €45,000 was allocated by the AC for expenditure by the ERG for public affairs activities. The swapping out of the EU institutions has limited high quality opportunities for expenditure in this financial year. It is proposed that a proportion of these monies are retained for Public Affairs expenditure in 2020 when the new Commission and Parliament will require increased public affairs activities.
- The AC58 agreed that ZEP-C should seek to enter 2021 with reserves of c.€200,000 in order to provide ZEP-C with sufficient resources to sustain itself through a future funding gap (between six to 12 months depending on the level of activity undertaken). This would be realised by generating budget surpluses of €50,000 in both 2019 and 2020.

### ***2020 ZEP-C Budget***

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- The AC is invited to adopt the 2020 ZEP-C budget shown in Table 1 below. This budget is based on the decisions agreed at the AC58 and contains the following elements;
  - Continuation of the core ZEP-C services (Chair, accounts, legal support, etc).
  - Public Affairs budget of €32,500.
  - Surplus of €50,000 in 2019 to build a surplus of c.€200,000 by 2021.

Table 1: ZEP-C 2020 Budget

Activity	Budget (€)
Administration / Auditing	8,000
Website maintenance	1,000
Legal advice	4,000
Chair	67,992
Contingency	4,000
Public affairs	32,500
<b>Total Expenditure</b>	<b>117,492</b>
<b>Income</b>	<b>167,500</b>
<b>Net profit / loss</b>	<b>50,008</b>

### ***Proposal for enhanced 2020 outreach & engagement activities***

- The AC60 agreed that the European Green Deal (EGD) and the political economy were priorities for ZEP given their clear potential to build greater political and institutional support for CCS and CCU. ZEP has a unique position to engage constructively in the debate and support a positive outcome for CCS & CCU.
- The new EU mandate, the EGD and net-zero by 2050 will dramatically increase the number of EU initiatives, packages and reviews of existing regulations and directives that are directly relevant to ZEP.
- Reaching out and engaging with the many policymakers and stakeholders engaged in the EGD will be crucial for ZEP. The need for coordination and support from the ZEP secretariat will also increase due to the higher activity levels across the ZEP networks and the ERG. Following the discussions at the October ACEC meeting and the November strategic workshop, the need for extra resources in the ZEP secretariat is confirmed.
- In order to deliver on the above, increasing the impact, the AC is invited to consider the following proposal: An additional member of staff based in Brussels, which will increase the personal resources for ZEP by 55% (in the Brussels office by 75%) at a cost of €60,000, including office space. Additional expenditure on events, media and other activities of €25,000.
- To cover this, we propose to carry over to 2020, €32,500 from the 2019 surplus, combine it with the Public Affairs budget for 2020 of €32,500. And then we will seek opportunities to fund an added €20,000.

#### **European Zero Emission Technology and Innovation Platform**

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**Budget management: Expenditure against 2019 budget**

Activity	Contractor	Budget 2019	Comments	To date Spent	Comments	To Date Committed	Comments
Administration / Auditing	Adams accountants / Nijs & Partners	€ 8 000		€ 3 270			
Website maintenance	Karakas	€ 1 000		€ 0			
Legal advice	Lawsquare	€ 4 000		€ 0			
Chair	Ardnacraggan Energy Services	€ 67 992		€ 62 326			
Contingency		€ 4 000		€ 1 865			
Public affairs	Weber Shandwick	€ 45 000		€ 0			
<b>Total</b>		<b>€ 129 992</b>		<b>€ 67 460</b>		<b>€ 0</b>	

Spent: Actually paid or contractually due for delivered work  
 Committed: Based on signed contracts, yet to be approved invoices or founded estimates

Spent + Committed € 67 460  
 Remaining total budget € 62 532

**Forecast 2019**

<b>€ 40 144</b>	<b>Starting point 2019 (= Left over budget 2018)</b>
2019 Total Spend	Comments Relative to budget
€ 8 000	
€ 0	
€ 4 000	
€ 67 992	
€ 1 865	
€ 0	
<b>€ 81 857</b>	<b>Total budget spent 2019</b>

**Cash management of ZEP Communications VZW / ASBL**

Category	Source	Issued invoices	Comments	Pending invoices	Comments	Received payments	Comments
2019 contributions	O&G		Total			€ 120 000	BP, Shell, Equinor, Total
	OEM						
	Others (confirmed)					€ 47 500	Heidelberg, PoR, Gassnova
	Others (Potential)						

General	VAT return	€ 1 452	VAT declar 2019/11	€ 339	Invoices 2019 to be rec.	€ 4 038	REIMBURS 18 Q 3
<b>Total outstanding / pending ZEP-C</b>		<b>€ 1 452</b>		<b>€ 339</b>			

*Cash situation (of 29 nov 2019)*

Current account (KBC - Business compact rekening)			<b>€ 141 444</b>
Savings account (KBC - Spaarrekening)			€ 101
<b>Actual cash at bank and in hand</b>			<b>€ 141 545</b>

*Expenditure situation*

Source	Outstanding invoices	Comments	Pending invoices	Comments
Short term creditors	€ 363		€ 7 617	VDL + CA + Ardn.
<b>Outstanding invoices in spent to date, to be paid</b>	<b>€ 363</b>		<b>€ 7 617</b>	

*Cash boundaries*

Minimum virtual financial position (all creditors paid, no more income) € 133 565  
 Maximum virtual financial position (all creditors paid, all income realised) € 135 356

€ 120 000	
€ 0	
€ 47 500	

<b>€ 167 500</b>	<b>Total forecasted income 2019</b>
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<b>125,786.74</b>	<b>Forecasted Left over budget 2019</b>
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