



Peppol

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OpenPeppol AISBL

2020 Operational Plan and Budget

12th General Assembly
Background Document for Vote 6

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1 Introduction to this document and Voting Item 6

The 12th OpenPeppol AISBL General Assembly (GA12), gathered online on June 16th, 2020, is kindly requested to approve the OpenPeppol AISBL 2020 Operational Plan and Budget under Voting Item 6, which is item 4.e in the GA12 agenda.

This background document provides a consolidated overview of the following topics, each including a retrospective of the 2019 achievements and the 2020 projections:

- Operational Plan for the OpenPeppol AISBL (chapter 2)
- Operational Plan for the OpenPeppol Domain Communities (chapter 3)
- Operational Plan for the OpenPeppol Stakeholder Communities (chapter 4)
- Budget 2019 (chapter 5)
- Vote 6 Decision Item for Approval of the 2020 Operational Plan and Budget (chapter 6)

2 Operational Plan for the OpenPeppol AISBL

2.1 Retrospective of 2019 – General Direction

In 2019, OpenPeppol experienced strong growth and became a truly global organisation. Looking back to the direction given by the 11th General Assembly in March 2019 about the year's ambitions, we can note the following:

1. **Representation and market exposure.** During 2019, the Secretary General (SG) and members of the Managing Committee (MC) took part in all major international conferences and trade fairs where OpenPeppol was present. Workshops were given and the Peppol specifications and governance were promoted. The SG and members of the MC have represented OpenPeppol in external workgroups and played liaison roles in several circumstances.
2. **Recruitment of new Members, and particularly Peppol Authorities.** In 2019 the number of OpenPeppol members climbed to 385 (+ 5,82%). Territorial expansion included members in 2 new countries (a total of 34 countries) and certified Access Points (APs) in 4 new countries (a total of 31 countries). Two new Peppol Authorities (PAs) were established in Australia and New Zealand, but none in Europe where the number of PAs remained unchanged for the second year.
3. **Global expansion.** The year 2019 will be remembered as the turning point, when OpenPeppol went global. At the end of 2019 more than a third of new members had come from other world regions, particularly South-East Asia and the Trans-Tasman region.

4. **Implementation of the new governance framework.** 2019 was the first full year when the new governance framework was applied. The Coordinating Committee was inaugurated in May 2019 but for the rest of the year only the Domain Communities (DCs) had frequent coordination with the Operating Office (OO). The Election Committee was not fully activated during the year, until engaged to oversee the Community elections in the first quarter of 2020.
5. **Further development of the Peppol Authority model** and role. Interesting developments with the new Peppol Authorities from Australia and New Zealand but also Singapore, where the market started to develop mainly in 2019, brought new perspectives in the dialogue between Peppol Authorities (PAs). The foundations for a future extension of the PA role into national use of the Peppol eDelivery network and the expansion into new domains were laid during the year, even though progress will be visible mainly from 2020 onwards, boosted by the new Agreements Framework.
6. **Provision of assistance to the Domain Communities.** In 2019 the Operating Office finally reached critical mass in resources so that it had the capacity to offer dedicated resources to each of the Domain Communities, assuming editorial and technical support roles previously borne by in-kind contributions of members and particularly Peppol Authorities. This development contributed to a more predictable professional environment and allowed the Communities to undertake important new initiatives, such as International Invoicing.
7. **Facilitate adoption of the Compliance Policy.** In 2019 the Compliance Policy started to be applied, with some cases being raised and resolved in an amicable manner. However, the two important migration processes of the past year, the transition to BIS Billing 3.0 and to the AS4 message exchange protocol were delayed with respect to the original plans and therefore compliance challenges were evident in the Peppol eDelivery network. The successful introduction of the centralized testbed facility helped create a level playing field and enhance a common understanding on compliance between the Service Providers.
8. **Engagement with the European Commission and other policymakers.** Proximity to European policymakers was not as intense as had been desired, and the legislative initiatives on public procurement and electronic invoicing did not seem to have been particularly useful, if measured by the lack of new Peppol Authorities. Nevertheless, a pipeline has been built with Greece passing the PA role into law, and Portugal and Iceland exploring the possibilities. On a more positive note, it seems that the EC has come to realize that Peppol promotes globally certain important interoperability standards such as the European Norm (EN), driving their adoption by other world regions through use of the Peppol BIS. This realisation by certain policymakers created opportunities for a renewed agenda with the EC.
9. **Conclude the transition to the AS4 message exchange protocol.** The timeline was delayed so this will be concluded in 2020. However, in 2019 the cornerstone of

the transition was put in place when OpenPeppol decided on a switch over date for making the AS4 protocol mandatory as of 1 February 2020. The process will be completed in the upcoming period.

10. **Revise the OpenPeppol Agreements Framework.** Important work to understand the requirements of Peppol Authorities and Service Providers took place in 2019 towards the revision of the current Peppol Transport Infrastructure Agreements (TIA) and the establishment of a new, much more robust Agreements Framework. The year was marked by the creation of a Conceptual Model and its application in legal text of the new PA and SP Agreements. By the end of 2019, the Peppol Authorities had started the final review round and the process is expected to conclude in 2020 with the approval of the new Agreements and their subsequent use in replacement of the current TIA.

Further to the direction explicitly set within the 2019 Operational Plan, it should be said that during the past year OpenPeppol completed a very important re-branding project, with a new logo and corporate identity that reflects the global reach of the organisation and the dynamism of its nature. Moreover, the work on branding was very valuable in creating a clear understanding of the stakeholder groups addressed by OpenPeppol and started the development of useful content and tools such as a new web site and a video which will be very useful in market development going forward.

Summarizing, it could be argued that, during 2019, OpenPeppol:

- **Met or exceeded expectations** in growth, building of internal capacity, addressing the market and strengthening its institutional rules-based framework.
- **Faced challenges** with multiple migrations, compliance enforcement, internal governance implementation, and policy relevance in Europe

The lessons learnt are already setting the stage for new achievements and further improvements in 2020, facing the challenges in a successful manner.

2.2 Plans for 2020 – General Direction

The following priorities are set for 2020, with several objectives and activities that are expected to be in the scope of upcoming work:

1. Growth of the Association

- a. **Expansion into new Territories.** The year 2020 started with very good prospects for expanding into new countries and even creating Peppol Authorities. In Asia countries like Malaysia and Philippines are looking closely at Peppol and might soon expand the current base in the region, which started with Singapore. Focus should be given to Europe, where one or two Peppol Authorities within 2020 should be feasible, after a long stagnation. Other world regions such as Latin America, are showing interest, also the

Middle East – where efforts will be directed to such prospects to the best of the Association's resource capacity. Developments in the US and North America under the Business Payment Coalition (BPC) should be closely monitored, and opportunities explored. Overall, good prospects but a caveat has to be placed on this picture due to the Covid-19 epidemic, because one of its effects seems to be a slowing down of decision processes. From that perspective, growth in 2020 could prove more challenging than might be expected by looking at the fundamental factors.

- b. **Extension into new Service Areas.** With the introduction of the new Agreements Framework in 2020, the upcoming year will probably see the purely national use of the Peppol eDelivery Network in at least some countries, supported by active Peppol Authorities in their jurisdictions. Efforts by the Association and the interested Peppol Authorities should be made towards introducing new domains such as Logistics and Continuous Transaction Controls (CTC) for tax reporting and/or clearance
- c. **Increase of Membership.** The target of 20% may prove to be optimistic, given the unknowable state of the world economy for the year 2020, as the impact of the Covid-19 virus is being felt. If the international economy becomes reasonably stabilised during the 2nd half of the year, the target is likely to be met. Growth will come mostly from regions outside Europe, since the European market shows sign of Service Provider consolidation and in parallel a clean-up operation is underway which will increase the offboarding of some older members that never became active.
- d. **Increase of Usage.** In 2020 we are likely to see a very big increase in the registration of end users as countries like Belgium move towards universal registration of companies and in markets such as Australia where a similar trend is likely. The scalability of the network must be closely watched by the eDelivery Community (eDEC) and the Operating Office (OO). At the same time, an efficient and reliable mechanism for reporting usage statistics will finally give to OpenPeppol the quantitative information it has been lacking about how many end users and transactions take place.

2. Innovative Offers

- a. **International Invoicing.** In 2020 OpenPeppol will draw closer to the adoption of International Invoicing, even though it will not be in production before 2021. The introduction of international invoicing is expected to give a boost to standards-based business process interoperability across world regions and should be a project where OpenPeppol must devote technical and business resources necessary for its success.
- b. **Continuous Transaction Controls (CTC).** The new trend in digitisation which includes, but is not limited to, electronic invoicing, raises the interest of

every Tax Authority around the globe in automated transaction systems that can generate data needed by the government for tax collection and business efficiency purposes. It is important that Peppol is seen as one of the solutions in this field, and more particularly as the solution that optimally combines business efficiency across an economy with tax reporting and/or clearance models. CTC could present great opportunities for Peppol to approach governments from an entirely different perspective but could also be a major threat if market developments bypass Peppol. For 2020 OpenPeppol will execute a CTC Proof of Concept (PoC) project which will extract the business requirements of Tax Authorities, develop a variant of the Peppol Architecture Framework that supports CTC and implements those requirements, and test the environment with the participation of its members supported by technical resources from the Operating Office. The results of the CTC PoC will be very important for determining the business strategy of OpenPeppol in 2021 in this field.

3. Legal and Policy Framework

- a. **Implement the new Agreement Framework.** In 2020 the current TIA will be phased out and the new Agreements will be in place at the end of the year when all the Peppol Authorities will be towards the end of their transition into the new Framework and most Service Providers should have also switched. The Agreements migration is a big challenge because it involves the Operating Office and the PA operational units but also most of the OpenPeppol Members. It is important to execute it efficiently, taking care to support the Peppol Authorities and the Service Providers, as may be necessary.
 - b. **Introduce or update policies.** Triggered by the Agreements revision, almost every aspect of interaction within the Peppol eDelivery Network, but also the Association itself has come under scrutiny. In order to have a robust and suitable rules-based Peppol Interoperability Framework, several policies should be revised or even defined, in areas such as Change Management, Know Your Customer, Reporting on usage data, and more generally aspects of compliance adherence and enforcement. Most of this work will be completed during this year, and regular updates will be issued going forward.
4. **Operational capacity and central services.** In 2020 OpenPeppol expects to have the possibility to increase yet again its operational capacity and dedicate most of this to technical projects that upgrade the current central services or establish new ones.
- a. **Testbed 2.0** will introduce payload testing on top of the eDelivery testing available now.

- b. A new **Reporting** mechanism for collecting usage information from Service Providers for statistical and compliance checking purposes will be established,
 - c. The new suite for **publishing specifications** will be fully operational.
 - d. The **Service Desk** needs enhanced support-related workflow with a more comprehensive inclusion of the Peppol Authorities.
 - e. The **new website with a members-only area** will automate certain membership routines.
 - f. An upgrade of the **accounting software** functionality is needed to support back-office operations.
5. Market development activities
- a. Activities for **strengthening the brand, such as use of social networks** on a regular basis will become everyday tasks, supported by new resources coming into the Operating Office at non-technical levels.
 - b. A steady flow of **Communications** will be established and supported by an increased level of activity and resource allocation in this area of work.
 - c. **Recruitment** of members, notably of Peppol Authorities and large End Users from the public or private sector will be prioritised.
 - d. **Building relationships with stakeholder groups** will be another priority, particularly with End Users
 - e. **Market development activities and presence in trade fairs** will continue to the extent that the 2nd half of 2020 will return the world economy to some sort of normalcy. Otherwise, resources earmarked for this type of activity will be re-oriented.

3 Operational Plan for the Domain Communities

3.1 eDelivery Community (eDEC)

3.1.1 Retrospective of 2019 – eDEC

Leader: Klaus Vilstrup Pedersen, elected in March 2019, left the position in February 2020.

Since the 11th General Assembly in March 2019 the following activities have been carried out by the eDEC:

- Completed migration to AS4

- Further improved communication and transparency with members and other stakeholders
- Continued to work for a resilient, secure and scalable Peppol eDelivery Network
- Commenced deprecation of Peppol BIS 2.0 messages
- Improved the onboarding process of Access Points and SMPs using the testbed for AS4
- Continued to promote the use of Peppol Directory
- Held face-to-face meeting in October 2019.
- Continued to collaborate with Pre-Award and Post-Award Communities to improve decision processes and internal efficiency
- Continued to prepare for the migration of the Peppol SMP specification towards upcoming OASIS BDXR SMP 2.0
- Commenced planning for potential transition of the SML away from the European Commission.
- Commenced planning for an upgrade to the current SML functionality.

3.1.2 Plans for 2020 – eDEC

eDEC plans for 2020

- Develop and execute, if required, plan for SML transition away from CEF
- Develop requirements and design for SML and SMP 2.0
- Develop solution/s for enhanced security within the Peppol eDelivery Network
- Continue to work for a resilient, secure and scalable Peppol eDelivery Network
- Continue work on maintaining alignment with relevant specifications
- Continue to support Cross Community initiatives such as International Invoicing and Continuous Transaction Controls
- Improve the publication and transition arrangements for eDEC changes

3.2 Post-Award Community (PoAC)

3.2.1 Retrospective of 2019 – PoAC

Leader: Paul Simons, elected in March 2019

Since the 11th General Assembly in March 2019 the following activities have been carried out by the PoAC:

- Deliver new Peppol BIS Catalogue without response (Done)
- Improve the Peppol BIS messages strengthening the stability and functionality in the network (Continuous)
- Deliver a Core Invoice Message Response in collaboration with EESPA (Ongoing)
- International Invoice Work Group
 - Pre-study (Done)
 - Development of the model (Ongoing)
- Spring and fall release (Done)
- Bug fix release (Done)
- Define and fine-tune new development and release process (Ongoing)
- Migration to Confluence (Done)

3.2.2 Plans for 2020 – PoAC

PoAC plans for 2020:

- Continue to improve the Peppol BIS messages thereby strengthening the stability and functionality in the network
- Deliver a Core Invoice Message Response in collaboration with EESPA
- International Invoice Work Group
 - Develop the model
- Collaborate with eDelivery
- Spring and fall release
- Finetune the development and release process
- Call for action/survey from the POAC community to drive CMB decisions

3.3 Pre-Award Community (PrAC)

3.3.1 Retrospective of 2019 – PrAC

Leader: Isabella Rapisarda, re-elected in March 2018, continuing in 2019.

Since the 11th General Assembly in March 2019 the following activities have been carried out by the PrAC:

- Established the Governance model for Pre-Award in order to accommodate the eTendering requirements as well as develop Peppol BIS specifications on new

transactions through an operative Change Management Board that works with the established development and testing team;

- Under the CEF eProcurement DSIs the actions on eTendering, eTendering artefacts have been updated in the ISA testbed;
- The adoption of Agreement eTendering agreement Transition IN to recognize the eTendering requirements in terms of the role of the eTendering Service Providers, eDelivery protocols and service levels;
- Contribution to Agreement Framework Revision: The eDelivery Guide for Pre-award and eDocuments guide for Pre-Award published;
- eCatalogue Work Group – Pre-study on Catalogue requests and Pre-Award catalogue.

3.3.2 Plans for 2020 – PrAC

PrAC plans for 2020:

- Mandate for the ESPD 3.0 Work Group;
- Pre-Award WG- Update and moving forward on Pre-Award Catalogue;
- Release on new Pre-Award specifications extended in year 2020 with possible addition of multiple profiles / transactions.
- Evaluation on the feasibility of eForms Peppol BIS – strategic and technical possibilities and challenges, collaborating with the EXEP eForms Work Group;
- F2F meetings (Fall)

4 Operational Plan for the Stakeholder Communities

4.1 Peppol Authority Community (PAC)

4.1.1 Retrospective of 2019 – PAC

Leader: Serge Libert, elected in March 2019

Since the 11th General Assembly in March 2019 the following activities have been carried out by the PAC:

- The community was launched 27/3/2019.
- Set-up of the Confluence PAC workspace
- 1st F2F meeting during OpenPeppol Fall meeting
- Support of the agreement revision

- Feedback regarding timeframe leading to extension of the deadline
- Feedback regarding voting/approval leading to additional consultation with the PAC
- Discussion of a suitable interaction model – that meets the needs for relevance, convenience, and recurrence that are inherent to the effectiveness of the PA Community
- Additional support from the OpenPeppol Operating Office (Stephen Graham)
- Survey based on structured interviews to identify strong common interests as a basis for a realistic and pragmatic action plan

4.1.2 Plans for 2020 – PAC

PAC plans for 2020:

- To continue support of the agreement revision
- To organise bi-weekly online roundtables
- To finalise analysis of survey results
- To further work out a permanent action plan. This action plan currently includes:
 - To produce ruleset for use of additional messages
 - To produce discussion paper for participant identifiers and clarify available options
 - To share knowledge items such as key-info page, training material, promotional materials, articles, advertising

4.2 Service Provider Community (SPC)

4.2.1 Retrospective of 2019 – SPC

Leader: Ahti Allikas, elected March 2019

Since the 11th General Assembly in March 2019 the following activities have been carried out by the SPC:

- Kick-off year
- 5 Net meetings and one F2F meeting in October in Brussels
- Average 100+ participants in Net meeting
- Mainly information sharing targeted
 - New Agreement Framework

- Peppol BIS 3.0 and AS4 migrations
- Challenges
 - Amount of participants
 - Keep the topics non-repetitive, given what is being discussed in other communities+

4.2.2 Plans for 2020 – SPC

SPC plans for 2020:

- Continue with Net-Meetings
- Main topics for the year
 - New Agreement Framework
 - Compliance and CTC
 - Focus of the Peppol eDelivery Network
 - International differences
- Way of working
 - Continue information sharing
 - Collect feedback and make proposals

4.3 End User Community (EUC)

4.3.1 Retrospective of 2019 – EUC

Leader: Arne Johan Larsen, elected in March 2019, aided by Audrey Anne Callus Randich

The End User Stakeholder Community was established during the OpenPeppol General Assembly held in March 2019.

The first face to face (f2f) meeting of the End User Community was held in the ambit of the OpenPeppol F2F meetings held in October 2019.

During the year under review, the End User representatives reached out prior to each f2f meeting to solicit End Users to outline any topics or concerns that would need to be discussed during such f2f meetings. This was intended to better plan the f2f End User Community meetings.

4.3.2 Plans for 2020 – EUC

For 2020, the End User Community plans to continue to reach out to End Users to stimulate the community and enable it to better contribute to the maintenance and further development of the Peppol specifications and agreements through interaction between OpenPeppol Members.

The Community will support the recruitment of more End Users, particularly large-size organisations, that can demonstrate to the market the value of Peppol. Market development resources from Operations will need to work with EUC for that purpose.

5 2020 Budget

5.1 Presentation of the 2020 Budget and the methodology followed

5.1.1 Budget Overview

The table below shows the proposed budget figures for 2020. It includes the budget baseline plus the weighting (in %) used to allocate the income growth into an uplift of the January 1st baseline.

In the following sections of this chapter, further details, clarifications, and notes related to the individual budget items can be found.

Baseline Budget and Growth Calculation for 2019	2019 Year - end Result	Income Deferral by expense category	2020 Revised Baseline to include adjusted expense categories	Uplift based on 20% growth	Uplift % to distribute income growth	GA 2020 Budget with 20% Growth
Income	1,004,143		1,004,143	197,531	219,161	1,201,674
Membership Fees Current Year	988,521		988,521			1,186,225
Income carried forward from Previous Year	23,218		23,218			23,495
Doubtful Accounts Previous Year	14,433		14,433			40,226
Doubtful Accouts Current Year	-40,226		-40,226			-48,272
Previous year income deferral - unused	18,198		18,198			
Income Deferral for Projects and Events in 2020	95,740					
Expenses	884,909	95,740	980,649	197,882	100%	1,178,531
Domiciliation	2,960		2,960			2,960
Fees/Accounting and Tax	71,419		71,419	6,512	3%	77,932
Professional fees - Operations	606,000		606,000	133,000	61%	739,000
Professional fees- Consumables	55,052	15,000	70,052	45,000	21%	115,052
Fees & Subscriptions /memberships	1,050		1,050		0%	1,050
Travel Cost	47,677		47,677	15,000	7%	62,677
Annual fairs and Exhibitions	91,143	52,800	143,943	-21,630		122,313
Marketing expense	9,062	27,940	37,002	20,000	9%	57,002
Bank Charges	546		546			546
	23,495		23,495			23,143

It should be noted that the budget presented in this chapter has not factored in the possible impact of Covid-19, because it is too early to estimate it. In the first months of 2020 there has not been any visible impact but the situation is being closely monitored by the Managing Committee. A more extensive account of the possible Covid-19 impact and related consideration is presented in section 5.4.

5.2 Budget Baseline

Expenses in the budget are based on an evaluation of the actual costs in 2019, plus the income deferral of 95,740 €, included in the OpenPeppol AISBL Accounts for 2019 (Background document for Vote 4)

Each cost item takes into consideration the actual expenditure, the reason behind the figures, and the budget needed to support the 2020 focus areas of the organisation. As OpenPeppol AISBL is established as a Not-For-Profit Association (Association International Sans But Lucratif – AISBL), the aim of the budget is to be balanced to avoid a significant surplus at the end of the year.

The 2020 baseline budget is based on the results of 2019, including the allocation of deferred income in the categories indicated, for the following reasons:

- For Professional Fees - Tools and Consumables, an income deferral of 15,000 € has been allocated for enhancements to the Navision accounting/billing system to improve functionality, increase automation and further develop financial reporting capability.
- For Annual Fairs and Exhibitions, an income deferral of 52,800 € has been allocated for the sponsorship of international events in 2020 (Exchange Summits in Miami, Zurich and Singapore, plus the eRechnungs Gipfel event in Fulda) including the hosting of separate Peppol seminars in each location.
- For Marketing Expense, an income deferral of 27,940 € has been allocated for the continuation of the re-branding activities to include new marketing materials, professionally developed to target specific member categories and domains.

5.3 Growth Estimate and Allocation

The 2020 budget is based on the expectation of increased membership of the Association, resulting in a 20% increase in income from Member fees. In line with the growth, an increase in the allowance for doubtful accounts of 20% is also assumed. The growth forecast remains conservative as some markets are maturing while others are continuing to develop (Germany, Singapore, Australia, New Zealand).

To align the spending of 2020 to the actual income of the Association, a month-to-month rolling budget, based on a percentage uplift of the January 1st baseline for each budget item is used. As a result, real increases in income are allocated accordingly.

For 2020, 61% of the income growth is proposed to be spent on Professional Fees for consultants, to continue increasing the capacity of the Operating Office and undertake further tasks to support the OpenPeppol Communities in their work. The remaining expected income growth will be allocated to Fees/Accounting and Tax (3%), Professional Fees – Consumables (21%), Travel (7%) and Marketing (9%) as detailed in the next section of this document.

5.3.1 Detailed descriptions, clarifications, and comments.

Below you will find the details related to the individual cost items in the 2020 Budget.

1. Membership fees are calculated based on the annual fees to be invoiced in 2020 for all members approved by end of Dec. 2019, plus a 20% increase in income from fees to be obtained by the expected growth in members.
2. Income carried forward is the surplus of last year's activities as presented in the 2019 accounts. The surplus is a result of additional members joining in the last quarter, providing an income not yet allocated to activities in the rolling budget.
3. An additional column is shown in the table above to include an income deferral of 95,740 € in the 2019 year-end result related to spending on projects and events in

2020. This amount is then allocated to the appropriate expense lines to determine the baseline budget for 2020.

4. Allowance for doubtful accounts is a reserve, to cover a possible reduction in income due to members leaving the organisation. It is set at the level of off-boarding experienced in 2019 plus a 20% increase in line with the expected increase in income.
5. Previous year income deferral – unused, is the amount of the 2018 deferred income which was not fully spent in 2019 and therefore reversed back into income.
6. Domiciliation costs are based on the actual amount expensed in 2019 and are not expected to increase in 2020.
7. Fees/Accounting and Tax are based on the actual amount expensed in 2019 plus a small increase of 3% of the income uplift to cover additional legal advice needed to support the final phase of the Agreements Revision project, to update the Internal Regulations in alignment with recent changes to the Statutes, and to further align with changes in the new Belgian Companies Code.
8. Professional fees – Operations are the costs used for Consultants – persons or firms who handle operations, administration, and centrally assigned support functions, including the provision of dedicated technical resources to the Domain Communities, Work Groups and other technical development and maintenance projects. 61% of the income uplift will be allocated to this expense category for the addition of resources to support new development activities such as the Continuous Transaction Controls Proof-of-Concept (CTC PoC), the establishment of a Reporting mechanism, and non-technical activities such as the extension and elaboration of compliance and other policies that need to be robust enough to sustain a more precise legal framework under the new Agreements. More resources will also be dedicated to Market Development and Communication.
9. Professional Fees – Tools and Consumables covers expenses related to service agreements, software licenses, PKI certificates and other types of third-party hosting services (i.e. the website, Test Facility and Peppol Directory), licensing and upgrades for software applications used for back-office activities, web-meeting facilities, plus the Atlassian suite of products used to support the Peppol Service Desk, Jira workflow for change management, and Confluence spaces for sharing of information. A budget uplift of 21% will be allocated in 2020, in particular for the work to complete an in-depth analysis of the architecture for possible insourcing of the SML.
10. Fees – Subscriptions and Memberships covers the annual cost of participation in the CEN/TC 440 and CEN/TC 434 committees. No additional memberships are foreseen.
11. The 2020 Travel budget is increased by 7% of the income uplift to cover an increase in international travel to support geographic expansion and additional resources

travelling to a wider range of events including the provision of support for OpenPeppol conferences and Community meetings.

12. The budget for Annual Fairs and Exhibitions is set aside to cover hosting of the General Assembly and Community meetings, also to increase visibility and knowledge of Peppol by sponsoring key European and global events, ensuring a professional image in line with the re-branding initiative. Since the Annual Fairs budget has been increased by an allocation from the 2019 income deferral to cover external events, a reduction of 21,630 € has been re-allocated to other expense categories.
13. The budget for Marketing expense is set to increase by 9% of the income uplift in order to produce further professional materials (including training materials and user guides) targeted to key stakeholders in new domains, industry sectors and geographic target areas.
14. Bank Charges are set at the 2019 expense level as fees have remained stable regardless of the increase in activity.
15. The amount of income expected to be carried over from 2020 to 2021 is currently set at 23,495. €

5.4 Potential Covid-19 impact

The budget estimates and the rationale behind them were approved by the Managing Committee on March 3rd, 2020 and therefore do not take into account any possible impact of Covid-19.

At the time of releasing the present document on May 8th, 2020, in advance of the 12th OpenPeppol General Assembly to be held on June 16th, 2020, it is still too early to fully fathom the possible impact on OpenPeppol, of the international developments brought by the evolving Covid-19 pandemic, in such a way that they could be incorporated into the 2020 Budget with any degree of certainty.

We can, however, pinpoint certain factors that are being closely monitored, and which might show the need for budget adjustments later in the year.

1. Membership and Income growth:
 - a. Since the beginning of 2020 growth in membership seems to be lower than in 2019 and slightly lower than the 20% budget foresees.
 - b. It is not clear whether this is due to the worsening economic climate because during this period we also had a higher than usual number of older members off-boarding because membership was no longer relevant to them.

- c. Due to the nature of the offboarding, it is far from certain that income will be affected in the same way. We will need to monitor this situation over a longer period and compare with 2019 income distribution throughout the year.
- d. Cashflow is another factor of uncertainty. A risk is that financial difficulties in members might result in late payments or non-payments and membership cancellations. So far there has not been any such phenomenon, which is an encouraging sign. However, as all invoicing is done in the first two quarters, any possible impact of this kind will only be visible in the 3rd and 4th quarters.

2. Expenditure

- a. The main category already affected is Annual Fairs and Events, where the lack of travel and F2F meetings – internal and external – actually leads to lower expenditure. At the time of publishing the 2020 budget, all major events such as the Exchange Summits, which are attended by OpenPeppol, have been moved to the second half of the year and have not been cancelled. If they do not take place, this category of expenses will not materialize.
- b. Travel will be low under any circumstances because there have been no face-to-face meetings of the Managing Committee and the Operating Office after January and they are not likely to resume until September or October, if at all.

As can be seen from the brief outline above, there are several factors of uncertainty which will manifest themselves or not during the year, and which have contradictory effects on the budget. For these reasons it is not possible to factor them in at this point in time, but the Managing Committee will keep monitoring the situation closely and will make adjustments if and when necessary.

6 Vote 6 – Decision Item:

Approval of the OpenPeppol AISBL Operational Plan and Budget for 2020 Accounts for 2019

The 12th OpenPeppol General Assembly, gathered on the 16th of June 2020, hereby approves the OpenPeppol AISBL Operational Plan for 2020 as described in Chapters 2, 3 and 4 of this document.

The 12th OpenPeppol General Assembly, gathered on the 16th of June 2020, hereby approves the OpenPeppol AISBL Budget for 2020 as stated below:

Baseline Budget and Growth Calculation for 2019	2019 Year - end Result	Income Deferral by expense category	2020 Revised Baseline to include adjusted expense categories	Uplift based on 20% growth	Uplift % to distribute income growth	GA 2020 Budget with 20% Growth
Income	1,004,143		1,004,143	197,531	219,161	1,201,674
Membership Fees Current Year	988,521		988,521			1,186,225
Income carried forward from Previous Year	23,218		23,218			23,495
Doubtful Accounts Previous Year	14,433		14,433			40,226
Doubtful Accouts Current Year	-40,226		-40,226			-48,272
Previous year income deferral - unused	18,198		18,198			
Income Deferral for Projects and Events in 2020	95,740					
Expenses	884,909	95,740	980,649	197,882	100%	1,178,531
Domiciliation	2,960		2,960			2,960
Fees/Accounting and Tax	71,419		71,419	6,512	3%	77,932
Professional fees - Operations	606,000		606,000	133,000	61%	739,000
Professional fees- Consumables	55,052	15,000	70,052	45,000	21%	115,052
Fees & Subscriptions /memberships	1,050		1,050		0%	1,050
Travel Cost	47,677		47,677	15,000	7%	62,677
Annual fairs and Exhibitions	91,143	52,800	143,943	-21,630		122,313
Marketing expense	9,062	27,940	37,002	20,000	9%	57,002
Bank Charges	546		546			546
	23,495		23,495			23,143