# OpenPeppol AISBL

# 2021 Operational Plan and Budget

13th General Assembly
Background Document for Vote 6

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# 1 Introduction to this document and Voting Item 6

The 13th OpenPeppol AISBL General Assembly (GA13), gathered online on June 15th, 2021, is kindly requested to approve the OpenPeppol AISBL 2021 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 2020 achievements and the 2021 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 for 2021 (chapter 5)
- Vote 6 Decision Item for Approval of the 2021 Operational Plan and Budget (chapter 6)

# 2 Operational Plan for the OpenPeppol AISBL

## 2.1 Retrospective of 2020 – General Direction

In the following sections, the General Secretary and the Managing Committee provide an account and appraisal of what was achieved during the year 2020, compared with the goals and priorities approved by the 12th General Assembly that took place on June 16th, 2020.

### 2.1.1 Growth of the Association

#### 2.1.1.1 Expansion into new Territories

2020 was a good year for the territorial expansion of OpenPeppol. Membership expanded in 3 new countries. Even though there were no new continents with Peppol Authorities, OpenPeppol saw two new Peppol Authorities in Europe after three years without any.

#### 2.1.1.2 Extension into new Service Areas

OpenPeppol did a lot of work in the Continuous Transaction Control (CTC) field, even though it was not formally established as a new Service Domain. This process takes time to mature. Logistics did not move much, but some activities were supported in the Nordic region. On the other hand, local and extended use of the Peppol Network in countries like Norway has started to pick up speed and some Peppol Authorities have started to make plans for local Service Domains in the near future.

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### 2.1.1.3 Increase of Membership

Membership growth in 2020 was healthy but not as dynamic as in the previous two years. The target of a 20% increase in members was not met but the result was not too far (17,14%).

### 2.1.1.4 Increase of Usage

2020 was very promising for increased adoption of Peppol. Belgium was the first country to put all its companies in the SML, thereby increasing drastically the amount of end users registered in the Peppol Network. It will take time before this materializes into full adoption of Peppol by all these companies, but it clearly shows a trend that other countries could consider following.

## 2.1.2 Innovative Offers

### 2.1.2.1 International Invoicing

In 2020 an OpenPeppol member work group delivered an innovative model for internationally interoperable eInvoicing (PINT), which aims to mitigate the shortcomings of inheriting the EN standard in BIS Billing 3.0. The PINT model and technical specification have attracted considerable international interest, not least from standards organisations. A fully fledged strategy for its adoption in the Peppol Network is currently being developed.

### 2.1.2.2 Continuous Transaction Controls (CTC)

OpenPeppol put considerable effort with its own resources and those of many of its members into defining a Peppol-based approach in the emerging field of real time tax reporting and tax clearance. This led Peppol for the first time after its establishment, back into the type of activity close to R&D, where its roots lie.

The primary driver towards CTC was the business instinct that with Tax Authorities starting to regulate automated business transactions, Peppol needed to become part of the picture or risk irrelevance. It is important for OpenPeppol to continue innovating and following global developments, promoting its key message of bringing market efficiency through business process interoperability.

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### 2.1.3 Legal and Policy Framework

#### 2.1.3.1 Implementation of the new Agreements

The year 2020 did not go as planned for the migration to the new Agreements. The process all but reached the final stretch in the first half of the year with Peppol Authorities approving the new Agreements in July and developing a set of policies to govern their implementation over summer. It then fell into difficulties with changes in approach to handle member review feedback needed. This led to the establishment of an Agreement Revision Task Force (ARTF) with wide member representation near the end of the year and continuing its work into 2021.

The ARTF approach led to members taking better ownership and showing stronger leadership steering a very complex process towards a fruitful end, and there is a sign off expected in June/July 2021 that justifies optimism in the future governance of the Peppol Interoperability Framework.

#### 2.1.3.2 Introducing and updating policies.

Lack of rapid progress in the Agreements revision resulted in a delay in applying and enforcing much needed policies for the use of the Peppol Network, which need a more robust legal and regulatory framework in order to be applied and enforced. Nevertheless, active debate within the Communities and other bodies in the Association continued to develop a better understanding of the governance requirements, preparing the ground for a more mature Peppol Interoperability Framework.

### 2.1.4 Operational capacity and central services

#### 2.1.4.1 Testbed 2.0

A lot of good work was done and the new version that supports testing the BIS and the SMP was developed. It was not put into production because Operations prioritized the completion of extensive beta testing with members, in order to further improve and failsafe the service.

#### 2.1.4.2 A new Reporting mechanism

After many concerns voiced by members in 2019, there was no further work on the Reporting mechanism in 2020 because the Reporting Policy needs to be agreed as part of the Agreements migration process, before the mechanism is implemented.

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### 2.1.4.3  The new suite for publishing specifications

This project made a lot of progress and developed many new features needed to automate the functions performed during change and release management. However, resource shortages did not allow Operations to finish the project in 2020.

### 2.1.4.4  The Service Desk

There has been a significant increase in the use of the Service Desk and there are new functionalities that will have to be developed in order to support the implementation of OpenPeppol obligations under the new Agreements.

### 2.1.4.5  The new website with a members-only area

For most of 2020 the new website depended on the finalization of the Agreements, which was delayed, so no further progress was made. Resource constraints were also a difficulty, more from a marketing and communication perspective rather than a technical one.

### 2.1.4.6  An upgrade of the accounting software

There was good progress in the definition of the requirements and the internal preparation, but the project was not implemented with the intended supplier.

## 2.1.5  Market development activities

### 2.1.5.1  Activities for strengthening the brand, such as use of social networks

Even though at the end of 2019 a good plan was developed with our branding consultants to capitalize on the first phase of brand definition executed during the previous year, there was little to no progress on branding in 2020. The main reason was lack of resources to engage with the branding consultants and experts due to the efforts needed on the Agreements revision and CTC development.

### 2.1.5.2  Steady flow of Communications

The target was not achieved due to lack of resources. A new consultant that came in 2020 to take over this task, among others, did not stay. Attention and funding were absorbed by the prolonged Agreements revision project.

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### 2.1.5.3  Recruitment of members

Contrary to other market development objectives that were not met, 2020 saw an increased capacity and capability of Operations to engage with prospective Peppol Authorities but also an emerging category of large companies that plan to insource their Access points. The results are very good, with new Peppol Authorities coming in and more for the 2021 pipeline.

### 2.1.5.4  Building relationships with stakeholder groups

2020 was an excellent year in building new relationships with important stakeholders. OpenPeppol found itself networking at a truly global level, engaging with international organisations and many national government representatives. For example, through the CTC project OpenPeppol met with tax administrations within the OECD and we have engaged with Japanese authorities on assessing Peppol as a national standard for e-invoicing. OpenPeppol is also taking part in the US Business Payments Coalition (BPC) Standards Oversight Assessment (SOA) Work Group.

With renewed interest in research-oriented activities, OpenPeppol built liaisons with industrial sectors such as pharmaceuticals, opening opportunities for new innovative types of cooperation.

### 2.1.5.5  Market development activities and presence in trade fairs

Due to Covid, all market development activities requiring on the ground presence were cancelled, therefore this target was not relevant for a year of global pandemic.

## 2.2  Plans for 2021 – 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
2. Implementation of the Peppol Interoperability Framework
3. Innovation
4. Market development
5. Operational capacity and capability

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### 2.2.1 Growth of the Association

#### 2.2.1.1 Increase of Membership

OpenPeppol is expected to continue growing in 2021 and efforts to recruit members should continue and intensify. The global pandemic continues and so does its effect on the world economy, however this year is expected to be better than 2020. This means that the relative slowdown in growth, experienced in 2020, may not continue.

On the other hand, market consolidation trends that appeared in 2020 are expected to continue, so a return to the growth rate of 2019 is unlikely. A relatively modest goal of a 10-15% increase in total membership for 2021 is considered realistic and even optimistic given the continuing economic uncertainty introduced by the pandemic. If the world economy recovers very strongly in the second half of 2021 this estimate will, in all likelihood, be exceeded.

The inclusion of more End Users continues to be a key priority, so representatives of public buyers and large private buyers and sellers are the primary targets. A growing number of those are deploying their own Access Points so technically they join as Service providers but in reality, they are End Users and should be encouraged to be involved in the End User Community.

#### 2.2.1.2 Expansion into New Territories

In 2021 the geographical expansion of OpenPeppol into new jurisdictions will continue and is expected to be particularly strong.

In Europe new Peppol Authorities may be established in Portugal, Luxembourg, and Finland, where the relevant authorities are already having talks with OpenPeppol. This will signal the second consecutive year when significant expansion takes place in the European market, which will be important for increasing momentum at a time when many European countries realize that governments need to be more active if they want to increase adoption of eInvoicing and achieve the expected benefits for their economies. Under such conditions, interoperability and seamless business process integration become higher priorities and this increases the value that Peppol can provide.

Outside Europe there are some very good prospects too. An intense series of discussions with Japan is expected to conclude with the establishment of a Peppol Authority, whereas a more preliminary dialogue with countries like Canada are continuing. A number of other countries are having talks with OpenPeppol as well, at different stages of maturity in their plans.

An expansion of Peppol into the US market will continue to be a top priority for 2021 and engagement with the US market through participation in the Business Payment Coalition activities will intensify.

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### 2.2.1.3 Expansion into new Domains

An increasing number of prospects for extending the use of Peppol into other global or national Domains will start being more visible in 2021. With the new Peppol Interoperability Framework, the policy and procedural tools will be available to make these prospects materialize.

New Service Domains appear, first and foremost Continuous Transaction Control, where OpenPeppol started a significant effort in 2020 and continues in 2021. Other domains such as Logistics remain candidates, whereas a number of local domains will be established under the responsibility and within the jurisdiction of particular Peppol Authorities' and procedures.

## 2.2.2 Implementation of the Peppol Interoperability Framework

### 2.2.2.1 Migration to the new Peppol Agreements

In 2021 it is expected that the new Peppol Agreements will be approved, and the entire Peppol Interoperability Framework will finally be in place with the adoption of new Internal Regulations and Operating Procedures.

The new rules introduce long-awaited features that improve the quality and reliability of the Peppol Network and will move it higher on the maturity scale, bringing it closer to the desired goal of being suitable for the deployment of ubiquitous and dependable infrastructure for government and businesses.

### 2.2.2.2 Introduction of new governance policies and procedures

As part of the Peppol Governance Framework, a set of new policies and related procedures will be introduced, such as entity identification, reporting of statistics and the enforcement of compliance. This will require careful planning and efficient execution on the side of the Association, as well as extensive dialogue and consultation with members.

New central services and increased operational support will be necessary and will be implemented to assist members in the implementation of the new policies. This will be one of the biggest challenges of 2021.

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### 2.2.3 Innovation

#### 2.2.3.1 Continuous Transaction Control (CTC)

In 2021 the initial CTC project will be concluded, and its final results and recommendations will be available. A decision on the way forward will be taken, paving the way for the introduction of a new Service Domain.

A new Domain Community is expected to be established to harness the interest and expertise of OpenPeppol members in the field, and resources will continue to be committed from OpenPeppol and from its members to further work on developing scenarios of use and supporting the recruitment of Tax Authorities.

A CTC Playground environment will be used to simulate different CTC models and will provide a useful tool for implementing Tax Authority requirements and involving Service Providers in pilots needed to ensure stakeholders of the feasibility and viability of the proposed models, a necessary stage before deciding on adoption.

#### 2.2.3.2 International Invoicing

The Peppol International Invoicing (PINT) initiative will continue in 2021 with a new project on a Proof of Concept that will allow OpenPeppol to fully understand the technical and business implications of introducing PINT as a new global standard. The PINT PoC project will run its course and deliver its results, providing a comprehensive and fully informed basis for decision on how to adopt PINT for production.

#### 2.2.3.3 Cooperation with innovators

Apart from the two prime examples of CTC and PINT, OpenPeppol realizes that longer term sustainability will depend on its ability to stay in the forefront of technological and market developments, otherwise it risks being bypassed and becoming less and less relevant in a rapidly changing world.

The ability to innovate is the key to sustainability so OpenPeppol should intensify its efforts to innovate, within the limitations of its size and constitution. Because OpenPeppol is a self-financed, non-profit organisation and not a start-up or a vendor in the market, its continued ability to innovate will depend on alliances with key innovators at an international level. Such alliances must be expanded, and new ones should be built, funding opportunities and joint initiatives should be explored.

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### 2.2.4 Market Development

#### 2.2.4.1 Branding and communication

After a year of limited activity in this area, effort should increase in 2021 to leverage the initial re-branding of 2019 with activities to promote and deepen brand awareness.

Tools like the new website, which will go live in 2021, and social media, together with a regular mechanism for the production and dissemination of targeted communication and messaging, will be further developed and more intensely used.

Branding and communication activities will be better resourced and organised in order to maximise their effectiveness.

#### 2.2.4.2 Stakeholder engagement and recruitment

Within its resource availability, OpenPeppol will continue and intensify the engagement of important stakeholders such as national governments and international organisations. More specifically, the recruitment of new Peppol Authorities will continue to be the prime target of market development activities because that has proven to be the most effective path to growth. Operational support will continue towards the business side of engagement and recruitment but also the technical aspect of supporting the adaptation of Peppol specifications to the requirements of new jurisdictions.

Under the assumption that in the second half of 2021 the global conditions will allow travel and large events, OpenPeppol will return to international trade fairs and other opportunities to meet influential stakeholders and spread its message to the global community.

### 2.2.5 Operational Capacity and Capability

#### 2.2.5.1 Organisational ability

In 2021 OpenPeppol will need to meet a number of new challenges brought on by the new obligations following from the new Peppol Agreements and the need to implement the new policies and procedures.

There is a need to increase the breadth and depth of its pool of operational resources, to allow for better supervision of execution and a less fragmented use of the Peppol Network. OpenPeppol will continue its efforts to establish a more cohesive body of operations. Shortages in particular skill sets should be addressed and the overall capacity expanded to meet the increased task load.

The use of physical infrastructure in appropriate global locations, will be considered, even though the organisation will remain, for the most part, virtual and distributed.

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### 2.2.5.2 Tools and Services

As part of its drive to meet its new obligations and responsibilities, OpenPeppol will upgrade existing central services such as the Peppol Directory, the Testbed, and the Service Desk, and initiate new ones for functions such as Reporting and Release Management. Tools for internal workflow should be expanded and optimised.

# 3 Operational Plan for the Domain Communities

## 3.1 eDelivery Community (eDEC)

### 3.1.1 Retrospective of 2020 – eDEC

Since the 12th General Assembly held in June 2020 the following activities have been carried out by the eDEC:

1. Six updates to the Peppol codelists published

2. Consultation completed on updates to various Peppol policies.

3. Working group established to develop requirements and design for SML upgrade

4. Improvements made to the publication of codelist changes

5. Continued support for Cross Community initiatives such as International Invoicing and Continuous Transaction Control

### 3.1.2 Plans for 2021 – eDEC

eDEC plans for 2021

1. Continue to support the community through responsive updates to codelists

2. Develop solutions for enhanced security within the Peppol Network

3. Continue to work for a resilient, secure, and scalable Peppol Network

4. Continue work on maintaining alignment with relevant specifications

5. Continue to support Cross Community initiatives such as International Invoicing and Continuous Transaction Controls

6. Continue work supporting discussions on the Global Interoperability Framework

7. Continue development of a whitepaper to provide guidance on a range of eDEC use cases

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## 3.2  Post-Award Community (PoAC)

### 3.2.1  Retrospective of 2020 – PoAC

Since the 12th General Assembly held in June 2020 the following activities have been carried out by the PoAC:

1. Continue to improve the Peppol BIS messages thereby strengthening the stability and functionality in the network (Continuous work)

2. Deliver a Core Invoice Message Response in collaboration with EESPA (Continuous communication)

3. International Invoice Work Group

    a. Develop the model (Done)

    b. Collaborate with eDelivery (Done)

4. Spring and fall release (Done)

5. Finetune the development and release process (Ongoing)

6. Call for action/survey from the POAC community to drive CMB decisions (Done)

### 3.2.2  Plans for 2021 – PoAC

PoAC plans for 2021:

1. Continue to improve the Peppol BIS messages thereby strengthening the stability and functionality in the network

2. Deliver a Core Invoice Message Response specification, developed and maintained in collaboration with EESPA, and promote its use within and across jurisdictions with support from Peppol Authorities

3. Support an International Invoice Proof of Concept in a new project that provides the technical and business validation of the PINT proposition, in collaboration with eDEC and the Stakeholder Communities

4. May and November release

5. Align the development and release process with the new agreement

6. Align the versioning of the specifications with the new agreement

7. Call for action/survey from the POAC community to drive CMB decisions

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## 3.3 Pre-Award Community (PrAC)

### 3.3.1 Retrospective of 2020 – PrAC

Since the 12th General Assembly held in June 2020 the following activities have been carried out by the PrAC:

1. Working group established for Pre-study Peppol BIS eForms for Publishing Notice:

   a. Pre-study report.

2. Working group established for eTendering procedure:

   a. RFC to P001 - Procurement procedure subscription, P002 - Procurement document access, P003 - Tender Submission;

   b. Developed P004 - Call for Tender Question and Answers (for Spring release 2021);

   c. Developed P005 Tender Clarification (for Spring release 2021);

   d. Approval of the OASIS Standard ebXML Registry and Repository (RegRep) for the Search Notice BIS.

### 3.3.2 Plans for 2021– PrAC

PrAC plans for 2021:

1. eTendering workgroup

   a. Development of profiles P006 - Search Notices P007 - Tender Withdrawal.

   b. Use of OASIS Standard ebXML Registry and Repository (RegRep) for the Search Notice BIS.

2. Peppol BIS ESPD v3.0 workgroup

   a. Development of Peppol BIS ESPD 3.0;

3. Harmonization of the results of the workgroups dealing with ESPD/Qualification and eForms/Publishing Notice;

4. May & November release.

5. Align the development and release process with new agreement

6. Align the versioning of the specifications with the new agreement

7. Organization of bi-weekly online roundtables on relevant topics for PRAC Community.

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# 4  Operational Plan for the Stakeholder Communities

## 4.1  Peppol Authority Community (PAC)

### 4.1.1  Retrospective of 2020 – PAC

Since the 12<sup>th</sup> General Assembly held in June 2020 the following activities have been carried out by the PAC:

1. Organisation of bi-weekly online round tables discussing numerous topics such as:

    a. Invoice Response

    b. BIS V2 => BIS V3 migration

    c. Communication & branding incl. stakeholder logos

    d. PINT

    e. CTC

2. PA learning & sharing: 10-15 presentations to get to know each other better

3. Established Task Forces within PA community:

    a. Migration from current to new agreement framework

    b. Extended use of Peppol Network.

    c. Harmonization of specific requirements

    d. Revision of security requirements

4. Joint contribution to the review of policies underlying the new agreement framework

5. Participation in Agreement Revision Task Force:

    a. Members in all workstreams

    b. PA roundtable meetings to support broader discussion on an ad hoc basis

### 4.1.2  Plans for 2021 – PAC

PAC plans for 2021:

1. Key-objectives

    a. To keep improving alignment, cooperation and knowledge sharing amongst the Peppol Authority community

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    b. To keep supporting the growth of the association by actively participating in workgroups and taskforces, in partnership with other stakeholders' communities.

2. Specific actions:

    a. To run bi-weekly online roundtables

    b. To continue support of the agreement revision

    c. To implement the new agreements

    d. To contribute to Peppol communication & branding and increase alignment/reuse with PA communications

    e. To actively participate in the revision of the statutes of the association

    f. To actively participate in the upcoming processing of items placed in back-log during the revision of the Peppol Agreements and the finalisation of Internal Regulations and Operational Procedures for the use of the Peppol Network.

## 4.2 Service Provider Community (SPC)

### 4.2.1 Retrospective of 2020 – SPC

Since the 12th General Assembly held in June 2020 the following activities have been carried out by the SPC:

1. Regular meetings in every 5-6 weeks, usually around 70-80 participants

2. Main topics covered:

    a. Agreement framework

    b. IMR, MLR usage

    c. Service Provider Survey

    d. How to handle technical incompatibilities

    e. Engagement to new agreement framework

3. Main take-aways

    a. Well appreciated by service providers

    b. Service providers are interested to have discussions – hot chats in the meetings

    c. Service providers question the participance of PA's

    d. Questions from Service Providers as to why the promised survey hasn't taken place

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4. Organizational questions

    a. Mainly those meetings are information sharing as it is challenging to create a discussion with that amount of people

    b. Open for proposals to have side kickouts by members, however as of now none have really taken off

    c. Open for member proposals for topics in the meetings

    d. Having a small preparation team

### 4.2.2 Plans for 2021 – SPC

SPC plans for 2021:

1. Support the implementation of the new agreement framework

2. Continuation of regular meetings with good quality content

3. Expanding the topics by encouraging the members to propose

4. Encouraging the kick-offs by small member groups for certain topics

5. Cooperating with Peppol Authorities in linking the national SP's with the SPC

## 4.3 End User Community (EUC)

### 4.3.1 Retrospective of 2020 – EUC

Since the 12th General Assembly in June 2020 the following activities have been carried out by the End User Community:

1. No common meetings held since 12th GA, and we still have not received any feedback after sending questions for topics to cover

2. Has participated in several one-to-one meetings with potential private companies, typical corporates, that would like an insight I how Peppol can assist them in their daily business from an end user perspective

3. Has participated in one-to-one meetings with third party interest groups who are advocating for the use of Peppol within their interest area.

4. Has supported some Peppol Authorities on practical daily use of Peppol for private companies

5. Continued support for Cross Community initiatives such as International Invoicing and Continuous Transaction Controls

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### 4.3.2 Plans for 2021 – EUC

EUC plans for 2021:

1. Plan to ask for end-user interest in particular subjects like billing, ordering, use of identifiers and call for digital workshops for each of these topics.

2. Continue to support adoption of Peppol, especially for private companies

3. Continue to spread practical advice on how Peppol can benefit a day-to-day business for the end-user

4. Continue to support Cross Community initiatives such as International Invoicing and Continuous Transaction Controls

5. Continue work supporting discussions on the Global Interoperability Framework

# 5   2021 Budget

## 5.1   Presentation of the 2021 Budget and the methodology followed

This chapter presents the 2021 Budget for OpenPeppol AISBL, showing how it is calculated starting with the baseline figures and adding the weighting (in %) used to allocate the income growth into an uplift for specific categories of spend.

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

### 5.1.1   Budget Baseline Calculation

Expenses in the budget are based on an evaluation of the actual costs for 2020, taking into consideration the impact of Covid-19 on specific expense categories, and the income deferral of 121,789 € included in the OpenPeppol AISBL Accounts for 2020 (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 2021 focus areas of the organisation. As OpenPeppol AISBL is established as a Not-For-Profit Association (Association International Sans But Lucratif), the aim of the budget is to be balanced to avoid a significant surplus at the end of the year.

Every year, OpenPeppol creates a baseline budget for the following accounting period, based on the expenditure of the previous period, adding the previous year's deferred income for spending in the following year. This is shown in column D (column B + column C below).

This year, because 2020 was an extraordinary period when the pandemic caused certain types of expenditure to drop dramatically (events travel and related costs), the spending pattern of 2020 is not a good basis for estimated expenditure in 2021. The baseline had

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to be adjusted to reflect a change in circumstances, where 2021 is expected in its second half to be more similar to 2019 than to 2020.

| A. Baseline Budget and Growth Calculation for 2021 | B. 2020 Year-end Result | C. 2020 Income Deferral by expense category | D. 2021 Baseline before adjustments | E. 2021 Adjusted Baseline |
|---|---|---|---|---|
| **Income** | **1,265,267** | | **1,265,267** | **1,274,852** |
| Membership Fees 2020 | 1,188,212 | | 1,188,212 | 1,253,212 |
| Income carried forward | 23,495 | | 23,495 | 24,292 |
| Doubtful Accounts Previous Year Reversed | 40,226 | | 40,226 | 48,471 |
| Allowance for doubtful Accts. | -48,471 | | -48,471 | -51,123 |
| Prev. Year Income Deferrals Reversed | 61,805 | | 61,805 | |
| **Income deferral for ongoing projects and events** | **121,789** | | | |
| **Expenses** | **1,119,186** | **121,789** | **1,240,975** | **1,253,242** |
| Domiciliation | 3,045 | | 3,045 | 3,045 |
| Fees/Accounting and Tax | 84,501 | | 84,501 | 92,951 |
| Professional fees - Operations | 936,063 | 34,725 | 970,788 | 970,788 |
| Professional fees- Consumables | 85,755 | 17,500 | 103,255 | 90,043 |
| Fees & Subscriptions /memberships | 1,100 | | 1,100 | 1,100 |
| Travel Cost | 3,800 | | 3,800 | 44,477 |
| Annual fairs and Exhibitions | 227 | 52,800 | 53,027 | 46,143 |
| Marketing expense | 4,163 | 16,764 | 20,927 | 4,163 |
| Bank and Financial Charges | 532 | | 532 | 532 |
| | **24,292** | | **24,292** | **21,610** |

Adjustments have been made in the following expense categories:

- For Fees – Accounting, Tax, Legal, an increase of 10% above the 2020 expenditure (and the non-adjusted baseline) is foreseen to cover additional legal fees expected to arise during the completion of the Peppol Agreements revision project, the completion of the Internal Regulations and to determine any further impact on the Statutes of the Association.

- For Professional Fees – Operations, the baseline has not been adjusted because the Association will need more resources to meet its increased obligations stemming from the implementation of the new governance policies and procedures as well as to strengthen the market development and communication efforts.

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- For Professional Fees – Consumables, the adjusted baseline is estimated 5% higher than the net expenditure of 2020, not taking into account the deferral as the non-adjusted baseline would. The income deferral taken in this category is seen as a one-time cost related to the upgrade of the Navision system.  The increase of 5% over the 2020 level is based on costs foreseen for new services and Proof-of-Concept project hosting (PINT, CTC).

- For Travel Cost, the baseline has been adjusted first to reflect the baseline amount at the beginning of 2020 (before the pandemic), subtracting the cost of the Spring F2F GA and Community Meetings which are being held as virtual events in 2021, plus the actual amount spent in 2020. The adjusted baseline figure is foreseen to cover a possible return to regular travel for meetings and events scheduled for the later part of 2021.

- For Annual Fairs and Exhibitions, the baseline has been decreased from the 2020 baseline level, to adjust for a reduction in external event costs related to the cancellation (as mentioned in the Travel category above) of the Spring F2F GA and Community meetings. There is still an assumption that face-to-face events may return in the second half of 2021.

- For Marketing Expense, the baseline has been reduced to reflect the actual spend from 2020, taking into account the income deferral from the 2020 year-end which has been set to cover the continuation of rebranding activities originally scheduled for 2020.

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### 5.1.2 Budget Calculation

| A. Baseline Budget and Growth Calculation for 2021 | B. 2020 Year-end Result | C. 2021 Baseline before adjustments | D. 2021 Adjusted Baseline | E. Uplift | F. Uplift allocation | G. 2021 Target Budget with 15% growth |
|---|---|---|---|---|---|---|
| **Income** | **1,265,267** | **1,265,267** | **1,274,852** | **108,613** | **108,613** | **1,383,465** |
| Membership Fees 2020 | 1,188,212 | 1,188,212 | 1,253,212 | | | 1,366,444 |
| Income carried forward | 23,495 | 23,495 | 24,292 | | | 24,292 |
| Doubtful Accounts Previous Year Reversed | 40,226 | 40,226 | 48,471 | | | 48,471 |
| Allowance for doubtful Accts. | -48,471 | -48,471 | -51,123 | | | -55,742 |
| Prev. Year Income Deferrals Reversed | 61,805 | 61,805 | | | | |
| **Income deferral for ongoing projects and events** | **121,789** | | | | | |
| **Expenses** | **1,119,186** | **1,240,975** | **1,253,242** | **100%** | **108,613** | **1,361,855** |
| Domiciliation | 3,045 | 3,045 | 3,045 | | 0 | 3,045 |
| Fees/Accounting and Tax | 84,501 | 84,501 | 92,951 | | 0 | 92,951 |
| Professional fees - Operations | 936,063 | 970,788 | 970,788 | 60% | 65,168 | 1,035,956 |
| Professional fees- Consumables | 85,755 | 103,255 | 90,043 | | 0 | 90,043 |
| Fees & Subscriptions /memberships | 1,100 | 1,100 | 1,100 | | 0 | 1,100 |
| Travel Cost | 3,800 | 3,800 | 44,477 | 5% | 5,431 | 49,908 |
| Annual fairs and Exhibitions | 227 | 53,027 | 46,143 | 20% | 21,723 | 67,866 |
| Marketing expense | 4,163 | 20,927 | 4,163 | 15% | 16,292 | 20,455 |
| Bank and Financial Charges | 532 | 532 | 532 | | 0 | 532 |
| | **24,292** | **24,292** | **21,610** | | | **21,610** |

### 5.1.3 Growth Estimate and Allocation

The 2021 budget is based on the expectation of increased membership between 10-15%, as current member acquisition trends show. This is lower than the membership growth rate of the last two years.

Based on the recent experience that revenue growth is a little higher than membership growth, the 2021 Budget assumes a 15% growth in income from Member fees. In line with the growth, an increase in the allowance for doubtful accounts of 15% is also assumed. The growth forecast remains conservative while some markets are continuing to develop and while the longer-term business impact of Covid-19 is yet to be seen.

To align the spending of 2021 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 2021, 60% 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 Travel Cost (5%), Annual Fairs and Exhibitions (20%), and Marketing Expense (15%) as detailed in the next section of this document.

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### 5.1.4 Detailed descriptions, clarifications, and comments

Below you will find the details related to the individual cost items in the 2021 budget.

1. Membership fees are calculated based on the annual fees to be invoiced in 2021 for all members approved by the end of Dec. 2020, plus a 15% increase in income from fees to be obtained by the expected growth in numbers.

2. Income carried forward is the surplus of last year's activities as presented in the 2020 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 calculation of the adjusted baseline (Section 5.1.1), to include an income deferral of 121,789 € from the 2020 year-end result related to spending on projects and events in 2021.  This amount is then allocated to the appropriate expense lines to determine the baseline budget for 2021.

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 2020 plus a 15% increase, in line with the expected increase in income.

5. Previous year income deferral – unused, is the amount of the 2019 deferred income which was not fully spent in 2020 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, Tax, Legal are based on the actual amount expensed in 2020 plus an increase of 10% in the adjusted baseline figure to cover additional legal advice needed to support the final phase of the Agreements Revision project, to update the Internal Regulations and Statutes and to further align with changes in the new Belgian Companies Code.

8. Professional fees – Operations are the costs incurred 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.  60% of the income uplift will be allocated to this expense category for the addition of resources to support new development activities such as the Proof-of-Concept projects (PINT and CTC), further work on establishing a Reporting mechanism, and non-technical activities related to the Agreements Revision project including the Agreements migration in 2021.  Additional resources will also be dedicated to further marketing and rebranding activities.

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9. Professional Fees – Tools and Consumables covers expenses related to service agreements, software licenses, PKI certificates and other third-party hosting services for centralised services such as the Testbed, Peppol Directory, the website and net-meeting/conferencing facilities  This includes licensing and upgrades for software applications used for back-office activities such as the Navision Billing/Accounting system, the Atlassian suite of produces (Jira, Jira Service Desk, Confluence) used to provide workflow for technical support and change management activities, and for sharing of information.

10. Fees – Subscriptions and Memberships covers the annual cost for OpenPeppol to participate in the CEN/TC 440 and CEN/TC 434 committees.  No additional memberships are foreseen for 2021.

11. Travel Cost for 2021 is being increased by 5% of the income uplift to cover the possible resumption of travel in the later part of 2021, in particular to international events in line with the ongoing geographic expansion of members and to provide for additional resources travelling to support OpenPeppol conferences and Community meetings. The income uplift will also support travel for face-to-face meetings inside Operations that are needed to increase the cohesion of the team.

12.  Annual Fairs and Exhibitions costs are expected to increase with the possible resumption of face-to-face meetings and events in 2021.  20% of the income uplift is allocated to this expense line, to cover the hosting and support costs of OpenPeppol Community meetings, also Exchange Summit events scheduled later in 2021 in Vienna, Singapore, and Miami, the eRechnungs Gipfel event in Dusseldorf, and a possible reserve to secure a space in the 2022 events.

13. An increase in Marketing Expenses of 15% of the budget uplift is foreseen to include the continuation of rebranding activities, a social media program, and the provision of a range of marketing materials needed to support the ongoing expansion of the Association.

14. Bank Charges are set at the 2020 expense level as fees have remained stable.

15. The amount of income expected to be carried over from 2021 to 2022 is set at 21,610 € in the current budget.

# 6  Vote 6 – Decision Item:

Approval of the OpenPeppol AISBL Operational Plan and Budget for 2021

The 13th OpenPeppol General Assembly, gathered on the 15th of June 2021, hereby approves the OpenPeppol AISBL Operational Plan as described in Chapters 2, 3 and 4 of this document and the Budget for 2021 as seen below, further elaborated in chapter 5 of this document.:

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|---|---|---|---|---|---|---|
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| Membership Fees 2020 | 1,188,212 | 1,188,212 | 1,253,212 | | | 1,366,444 |
| Income carried forward | 23,495 | 23,495 | 24,292 | | | 24,292 |
| Doubtful Accounts Previous Year Reversed | 40,226 | 40,226 | 48,471 | | | 48,471 |
| Allowance for doubtful Accts. | -48,471 | -48,471 | -51,123 | | | -55,742 |
| Prev. Year Income Deferrals Reversed | 61,805 | 61,805 | | | | |
| **Income deferral for ongoing projects and events** | **121,789** | | | | | |
| **Expenses** | **1,119,186** | **1,240,975** | **1,253,242** | **100%** | **108,613** | **1,361,855** |
| Domiciliation | 3,045 | 3,045 | 3,045 | | 0 | 3,045 |
| Fees/Accounting and Tax | 84,501 | 84,501 | 92,951 | | 0 | 92,951 |
| Professional fees - Operations | 936,063 | 970,788 | 970,788 | 60% | 65,168 | 1,035,956 |
| Professional fees- Consumables | 85,755 | 103,255 | 90,043 | | 0 | 90,043 |
| Fees & Subscriptions /memberships | 1,100 | 1,100 | 1,100 | | 0 | 1,100 |
| Travel Cost | 3,800 | 3,800 | 44,477 | 5% | 5,431 | 49,908 |
| Annual fairs and Exhibitions | 227 | 53,027 | 46,143 | 20% | 21,723 | 67,866 |
| Marketing expense | 4,163 | 20,927 | 4,163 | 15% | 16,292 | 20,455 |
| Bank and Financial Charges | 532 | 532 | 532 | | 0 | 532 |
| | **24,292** | **24,292** | **21,610** | | | **21,610** |

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