2021 discharge: Key Digital Technologies Joint Undertaking (KDT JU)

2022/2127(DEC) - 10/05/2023 - Text adopted by Parliament, single reading

The European Parliament decided to **grant discharge** to the Executive Director of the Key Digital Technologies (KDT) Joint Undertaking (before 30.11.2021 the ECSEL Joint Undertaking) in respect of the implementation of its budget for the financial year 2021 and approve the closure of the Joint Undertaking's accounts.

Noting that the Court of Auditors found that the annual accounts of the Joint Undertaking for the financial year 2021 present fairly the financial situation of the Joint Undertaking on 31 December 2021 and the results of its operations, Parliament adopted, by 573 votes to 44 with 14 abstentions, a resolution containing a series of observations which form an integral part of the discharge decision.

Budgetary and financial management

The KDT Joint Undertaking's total available budget for the year 2021, which includes re-entered unused appropriations of previous years, assigned revenues and reallocations to the following year, included EUR 218.3 million for commitment and EUR 199.3 million for payment appropriations, and that the implementation rate was 99.4 % (compared to 99.59 % in 2020) for commitment appropriations and 84 % (compared to 88;63 % in 2020) for payment appropriations.

At the end of 2021, the KDT Joint Undertaking financially closed the on-going Seventh Framework Programme for Research projects. Parliament noted the 85 % implementation rate for the KDT Joint Undertaking's 2021 payment budget available for Horizon 2020 projects.

The private members' potential final in-kind contributions for operational Horizon 2020 activities were estimated at EUR 1 594.2 million.

The Participating States signed contractual commitments amounting to EUR 1 106.2 million and declared total financial contributions of EUR 450.2 million, which they paid directly to the national beneficiaries of the Horizon 2020 projects they supported.

Other observations

The resolution also contains a series of observations on procurement, staff and internal control.

In particular, it noted the following:

- two negotiated procedures for very low value were launched for the award of two contracts for the logistical support and the creation of videos;

- on 31 December 2021, the KDT Joint Undertaking employed 29 staff, which included temporary agents, contract agents and seconded national experts;

- during the period from 2018 to 2021 the average annual rate of interim staff for all joint undertakings remained high at around 11 % of statutory staff. The high ratio of contractual staff tends to increase significantly the KDT Joint Undertaking's staff turnover rate and further destabilises the staffing situation. Moreover, increased efforts in terms of gender balance are needed;

- systemic errors were found in the personnel costs declared by beneficiaries, in particular on the part of SMEs and new beneficiaries. Therefore, Parliament called on the Joint Undertaking to strengthen its internal control systems;

- ECSEL assessed the internal control system during the reporting year and concluded that it is effective and that the components and principles are present and functioning as intended.