# 2021 discharge: European High Performance Computing Joint Undertaking (EuroHPC)

2022/2128(DEC) - 10/05/2023 - Text adopted by Parliament, single reading

The European Parliament decided to **grant discharge** to the Executive Director of the European High Performance Computing Joint Undertaking discharge in respect of the implementation of the Joint Undertaking's 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 553 votes to 17 with 60 abstentions, a resolution containing a series of observations which form an integral part of the discharge decision.

***General comments***

Parliament noted that the Court considered the risk to the reliability of the annual accounts to be medium, due to the procedures regarding asset recognition and management not yet having been established, and due to the requirements for the reporting, certification and validation of its members' in-kind contributions.

The Joint Undertaking will receive additional funding of around EUR 2 billion from the Digital Europe programme, as well as additional funding of EUR 200 million from the Connecting Europe Facility to support the acquisition, deployment, upgrading and operation of the infrastructures for supercomputers and quantum computers.

2021 was the first full year of operation of the Joint Undertaking since becoming autonomous in September 2020.

***Budgetary and financial management***

For 2021, the budget in new payment appropriations amounted to EUR 207.5 million (compared to EUR 181.5 million in 2020) and in new commitment appropriations to EUR 722.4 million (compared to EUR 509.1 million in 2020).

At the end of 2021, the Joint Undertaking had already committed EUR 180 million for the 50 % co-financing under Horizon 2020 research and innovation grants. Participating States are to finance the remaining 50 % of the total project costs, and that private members are to contribute on top of the maximum eligible costs of the grant actions.

Regarding the Joint Undertaking's 2021 budget available for operational projects, the implementation rates for operational commitment and payment appropriations were 2 % and 47 % respectively. The very low implementation rate for commitment appropriations is largely explained by the delayed start of the Joint Undertaking under the MFF 2021-2027 in July 2021 and the transfer by the Commission and Participating States of EUR 700 million of funds to the Joint Undertaking in December 2021.

The Joint Undertaking still lacks reliable procedures for certifying and validating in-kind contributions, reported by its private members and Participating States.

***Other observations***

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

In particular, it noted the following:

- the Court assessed the risk for contract expenditure and public procurement procedures as medium for the Joint Undertaking, due to the complex procurement procedures for high-value contracts;

- at the end of 2021, the Joint Undertaking employed 15 statutory members of staff and 3 interim members of staff who assist the finance and communications team;

- the Joint Undertaking will have to implement more than EUR 7 billion in funds and, for this, it needs to recruit an additional 39 members of staff to achieve its planned level of 54 statutory members of staff by the end of 2023;

- thirteen consortia signed agreements with the Joint Undertaking in 2021 and began to work in April 2021;

- the Joint Undertaking prepared the second phase of the European processor initiative project, a cornerstone of the European initiative towards strategic autonomy in high performance computing, chip technologies and infrastructure which started in 2022 and to build on the achievements of the first phase;

- a comprehensive set of rules and procedures were developed for its staff to have a clear framework in which to work;

- specific measures have been implemented for the prevention and management of conflicts of interest of experts in charge of the evaluation of grant applications and of the review of projects and tenders;

- the Joint Undertaking adopted and started to implement the common research anti-fraud strategy.