

2022 discharge: Clean Hydrogen Joint Undertaking (Clean H2 JU)

2023/2175(DEC) - 11/04/2024 - Text adopted by Parliament, single reading

The European Parliament decided to **grant discharge** to the Executive Director ad interim of the Clean Hydrogen Joint Undertaking in respect of the implementation of the budget of the Joint Undertaking for the financial year 2022 and approve the closure of Joint Undertaking's accounts.

Noting that the Court of Auditors considered that the annual accounts of the Joint Undertaking for the financial year 2022 present fairly the financial situation of the Joint Undertaking on 31 December 2022, as well as the results of its operations, Parliament adopted, by 552 votes to 26 with 12 abstentions, a resolution containing a series of observations which form an integral part of the discharge decision.

Budgetary and financial management

The available budget for 2022 in commitment appropriations was **EUR 314.3 million** (compared to EUR 15.8 million in 2021), of which EUR 305.8 million for operational activities and EUR 8 million for administrative expenditure and in payment appropriations was EUR 118.3 million (compared to EUR 56.2 million in 2021), of which EUR 109.7 million for operational activities and EUR 8.1 million for administrative expenditure.

At the end of 2022, the Clean H2 Joint Undertaking had committed **EUR 425.8 million** (or 95 %) of the maximum EU operational contribution of EUR 450 million for signed grant agreements under the Seventh Research Framework Programme; notes that of this committed amount, around EUR 3 million (or 0.7 %) remained to be paid in 2023 for the closure of the last ongoing Seventh Research Framework Programme project.

In addition, at the end of 2022, private members declared in-kind contributions at the level of the minimum target of EUR 450 million, which had been fully validated by the Clean H2 Joint Undertaking.

Regarding the Clean H2 Joint Undertaking's achievements for the Horizon 2020 programme, in terms of signed grant agreements and contracts, at the end of 2022, the Clean H2 Joint Undertaking had fully committed the maximum Union operational contribution **EUR 646 million** for signed grant agreements and contracts under that programme. Of this committed amount, around EUR 88.5 million (or 13.7 %) remains to be paid in the coming years for projects and contracts yet to be completed.

The implementation of the 2022 budget operational payment for Horizon 2020 activities decreased (81 % for 2022 compared to 88 % for 2021) as beneficiaries faced rising costs and delivery problems in the wake of the COVID-19 crisis and of the war of aggression against Ukraine and that, as a consequence, the duration of most Horizon 2020 projects had to be prolonged and final payments postponed to 2023.

The Clean H2 Joint Undertaking launched the first call for proposals on Hydrogen under Horizon Europe, with a total value of EUR 300 million.

Other observations

The resolution also contains a series of observations on the management and controls systems, procurement and staff.

In particular, it noted the following:

- the management of tenders and contracts has included interinstitutional procurement procedures launched by the Commission or other EU bodies and the resulting multiannual framework contracts;
- the Clean H2 Joint Undertaking has made intensive use of eTendering, eNotices and eSubmission modules and has started the process of integrating the public procurement management tool – (PPMT) which will be in operation in 2023;
- the Joint Undertaking team of statutory staff consists of 29 positions (27 temporary agents and two contract agents); notes, in addition, that staff resources include two Seconded National Experts;
- for the Clean H2 Joint Undertaking's Horizon 2020 expenditure (clearings and final payments), the Joint Undertaking reported a representative error rate of 2.9 % and a residual error rate of 0.9 %;
- the Court found and quantified a serious error resulting from personnel costs because the beneficiary claimed hours worked during leave periods and included ineligible additional remuneration costs in the costs declared and for another case;
- at the end of 2022, the Clean H2 Joint Undertaking had developed and implemented a complete risk-based approach to ex-ante controls in line with the Commission's Common Audit Service of the guidance, considering the Clean H2 Joint Undertaking specific risk circumstances; notes that, to this end, the Clean H2 Joint Undertaking managed to identify the most relevant risk criteria and designed, based on them, a risk-based monitoring approach;
- by the end of 2022, the Joint Undertaking had developed and implemented a comprehensive risk-based approach to ex-ante controls taking into account the risk circumstances specific to the Joint Undertaking; the Joint Undertaking has identified large beneficiaries where the risk related to ex-ante controls was high;
- the Joint Undertaking developed a risk-based ex-post audit approach with the aim of reducing its error rate through a more targeted sample to detect beneficiaries most at risk of error. The Court concluded that Joint Undertakings with a well-designed risk-based ex-post audit approach have a lower residual error rate than the average Joint Undertaking without such an approach, due to the systematic identification and audit of the beneficiaries most at risk.