




| Basic information                                                                                                                  |                     |
|------------------------------------------------------------------------------------------------------------------------------------|---------------------|
| <b>2023/2177(DEC)</b><br>DEC - Discharge procedure                                                                                 | Procedure completed |
| 2022 discharge: European High Performance Computing Joint Undertaking (EuroHPC)<br><br><b>Subject</b><br>8.70.03.12 2022 discharge |                     |

| Key players         |                                               |  |                                                                                                                                                                                      |
|---------------------|-----------------------------------------------|--|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| European Parliament | Committee responsible                         |  | Rapporteur                                                                                                                                                                           |
|                     | <div>CONT</div> Budgetary Control             |  | WIEZIK Michal (Renew)                                                                                                                                                                |
|                     |                                               |  | Shadow rapporteur<br>WINZIG Angelika (EPP)<br>CREȚU Corina (S&D)<br>THIOLLET François (Greens /EFA)<br>CZARNECKI Ryszard (ECR)<br>ADINOLFI Matteo (ID)<br>OMARJEE Younous (The Left) |
|                     |                                               |  | 23/05/2023                                                                                                                                                                           |
|                     | Committee for opinion                         |  | Rapporteur for opinion                                                                                                                                                               |
|                     | <div>ITRE</div> Industry, Research and Energy |  | The committee decided not to give an opinion.                                                                                                                                        |
| European Commission | Commission DG                                 |  | Commissioner                                                                                                                                                                         |
|                     | Budget                                        |  | HAHN Johannes                                                                                                                                                                        |

| Key events |                                            |                                                                                                        |         |
|------------|--------------------------------------------|--------------------------------------------------------------------------------------------------------|---------|
| Date       | Event                                      | Reference                                                                                              | Summary |
| 28/06/2023 | Non-legislative basic document published   | COM(2023)0391<br> |         |
| 12/09/2023 | Committee referral announced in Parliament |                                                                                                        |         |

|            |                                         |                                                                                     |                         |
|------------|-----------------------------------------|-------------------------------------------------------------------------------------|-------------------------|
| 22/02/2024 | Vote in committee                       |                                                                                     |                         |
| 12/03/2024 | Committee report tabled for plenary     | <a href="#">A9-0095/2024</a>                                                        |                         |
| 10/04/2024 | Debate in Parliament                    |  |                         |
| 11/04/2024 | Decision by Parliament                  | <a href="#">T9-0278/2024</a>                                                        | <a href="#">Summary</a> |
| 11/04/2024 | Results of vote in Parliament           |  |                         |
| 10/10/2024 | Final act published in Official Journal |                                                                                     |                         |

| Technical information      |                           |
|----------------------------|---------------------------|
| Procedure reference        | 2023/2177(DEC)            |
| Procedure type             | DEC - Discharge procedure |
| Other legal basis          | Rules of Procedure EP 165 |
| Stage reached in procedure | Procedure completed       |
| Committee dossier          | CONT/9/13016              |

Documentation gateway


European Parliament

| Document type                                       | Committee | Reference                    | Date       | Summary                 |
|-----------------------------------------------------|-----------|------------------------------|------------|-------------------------|
| Committee draft report                              |           | <a href="#">PE753.492</a>    | 15/12/2023 |                         |
| Amendments tabled in committee                      |           | <a href="#">PE757.343</a>    | 31/01/2024 |                         |
| Committee report tabled for plenary, single reading |           | <a href="#">A9-0095/2024</a> | 12/03/2024 |                         |
| Text adopted by Parliament, single reading          |           | <a href="#">T9-0278/2024</a> | 11/04/2024 | <a href="#">Summary</a> |

Council of the EU

| Document type                                | Reference  | Date       | Summary |
|----------------------------------------------|------------|------------|---------|
| Supplementary non-legislative basic document | 06182/2024 | 12/03/2024 |         |

European Commission

| Document type                  | Reference                                                                                                            | Date       | Summary |
|--------------------------------|----------------------------------------------------------------------------------------------------------------------|------------|---------|
| Non-legislative basic document | <a href="#">COM(2023)0391</a><br> | 28/06/2023 |         |

Other institutions and bodies

| Institution/body | Document type                      | Reference                                                    | Date       | Summary |
|------------------|------------------------------------|--------------------------------------------------------------|------------|---------|
| CofA             | Court of Auditors: opinion, report | N9-0085/2023<br><a href="#">OJ C 000 16.11.2023, p. 0000</a> | 14/11/2023 |         |

## 2022 discharge: European High Performance Computing Joint Undertaking (EuroHPC)

2023/2177(DEC) - 11/04/2024 - 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 in respect of the implementation of the Joint Undertaking's budget for the financial year 2022.

Noting that the Court of Auditors finds that the accounts of the Joint Undertaking for the year 2022 present fairly, in all material respects, its financial position at 31 December 2022, the results of its operations, its cash flows, Parliament adopted by 518 votes to 17, with 55 abstentions, a resolution containing a series of observations which form an integral part of the discharge decision.

Parliament welcomed the Joint Undertaking's objective and role in developing a supercomputing ecosystem in Europe. It noted, however, that the Court assessed the risk to the legality and regularity of recruitment procedures as medium for the Joint Undertaking, due to the need to recruit a large number of staff quickly. In addition, the risk related to the Joint Undertaking operational contract expenditure was assessed by the Court as medium due to its complex procurement procedures for high-value contracts.

### ***Budgetary and financial management***

For 2022, the available payment budget amounted to **EUR 629.9 million** (EUR 348.2 million in 2021) and the available committed budget amounted to EUR 1 374.5 million (EUR 753.4 million in 2021).

The Court categorises the risk to budget management as medium because the complex and lengthy acquisition process for supercomputers.

Members noted that due to the length of time it takes to procure supercomputers, the **low implementation** of both 2022 operational - commitment and payment appropriations were at 79% and 24% respectively (2% and 47% in 2021) - and administrative budgets - 45% for administrative commitment appropriations and 37% of its administrative payment appropriations.

Parliament called on the Joint Undertaking' to disclose important information regarding members' contributions at programme level, relevant for the complete communication of the Joint Undertaking's achievements at the year-end.

Members welcomed that, at the end of 2022, the Joint Undertaking fully committed the maximum Union operational contribution of **EUR 526 million** for signed grant agreements and contracts under the Horizon 2020 and Connecting Europe Facility (CEF 1) programmes. Of this amount, around EUR 266.3 million (or 50.6 %) remains to be paid in the coming years for projects yet to be completed.

At the end of 2022, the participating states signed contractual commitments amounting to EUR 447.3 million for the Joint Undertaking's Horizon 2020 and Connecting Europe Facility 1 activities. Members noted, however, that at the end of 2022, the Joint Undertaking's private members had only committed and reported EUR 11 million (or 2.6 %) in in-kind contributions for Horizon 2020 projects, a figure considerably below the minimum private members' target of EUR 420 million to be achieved by the end of the Horizon 2020 programme.

**The significant reduction in private members' in-kind contributions** to the Joint Undertaking's operational activities presents a risk to the overall achievement of its parts of the Horizon 2020 research and innovation programme.

### ***Other comments***

The resolution also contains a series of observations on management and control systems, public procurement and personnel.

In particular, it noted that:

- the main reasons for the low implementation rate of the operational payment budget were (i) delays in completing the pre-exascale supercomputers that prevented interim payments related to the Joint Undertaking's operating grants; (ii) delays in the procurement for supercomputers that prevented the related pre-financing payments; (iii) the postponement of the Connecting Europe Facility 2 call on Hyperconnectivity to 2023 due to the need of a pre-study; and (iv) delays in beneficiaries' cost claims for ongoing research activities;

- by the end of 2022, the Joint Undertaking had only recruited 8 staff and 20 by mid-2023, so had not met its 2022 recruitment target; however, Members welcomed the gender balance of staff;

- the fact that key jobs are not being filled could jeopardise the continuity of the Joint Undertaking's activities;

- the Joint Undertaking should include specific ex-post audits in its internal control system for expenditure co-financed under the Connecting Europe Facility for the purchase of supercomputers;
- the Joint Undertaking has carried out, on an ad hoc basis, risk-based ex-ante controls for risky projects, but had not yet applied a structured risk-based approach to ex-ante controls by the end of 2022;
- the Joint Undertaking should apply a structured risk-based approach to ex-ante controls covering relevant project and beneficiary risks;
- the Joint Undertaking should ensure that all reinforced monitoring actions are accompanied by specific control actions targeting the identified risks, and that they are followed-up at a pre-defined deadline.