European Parliament
2019-2024

TEXTS ADOPTED

P9_TA(2024)0275

Discharge 2022: Clean Hydrogen Joint Undertaking

1. European Parliament decision of 11 April 2024 on discharge in respect of the implementation of the budget of the Clean Hydrogen Joint Undertaking for the financial year 2022 (2023/2175(DEC))

The European Parliament,

– having regard to the final annual accounts of the Clean Hydrogen Joint Undertaking for the financial year 2022,

– having regard to the Court of Auditors' annual report on the EU Joint Undertakings for the financial year 2022, together with the Joint Undertakings' replies[1],

– having regard to the statement of assurance[2] as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2022, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

– having regard to the Council's recommendation of 22 February 2024 on discharge to be given to the Joint Undertaking in respect of the implementation of the budget for the financial year 2022 (06182/2024 – C9-0113/2024),

– having regard to Article 319 of the Treaty on the Functioning of the European Union,

– having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No

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1 OJ C, C/2023/1025, 16.11.2023.
2 OJ C, C/2023/112, 12.10.2023.

541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012[1], and in particular Article 71 thereof,

– having regard to Council Regulation (EU) 2021/2085 of 19 November 2021 establishing the Joint Undertakings under Horizon Europe and repealing Regulations (EC) No 219/2007, (EU) No 557/2014, (EU) No 558/2014, (EU) No 559/2014, (EU) No 560/2014, (EU) No 561/2014 and (EU) No 642/2014[2], and in particular Article 26 thereof,

– having regard to Commission Delegated Regulation (EU) 2019/887 of 13 March 2019 on the model financial regulation for public-private partnership bodies referred to in Article 71 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council[3],

– having regard to Rule 100 of and Annex V to its Rules of Procedure,

– having regard to the report of the Committee on Budgetary Control (A9-0089/2024),

1. Grants the Executive Director ad interim of the Clean Hydrogen Joint Undertaking discharge in respect of the implementation of the Joint Undertaking’s budget for the financial year 2022;

2. Sets out its observations in the resolution below;

3. Instructs its President to forward this decision and the resolution forming an integral part of it to the Executive Director ad interim of the Clean Hydrogen Joint Undertaking, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

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[1] OJ L 193, 30.7.2018, p. 1.
[2] OJ L 427, 30.11.2021, p. 17.
[3] OJ L 142, 29.5.2019, p. 16.

2. European Parliament decision of 11 April 2024 on the closure of the accounts of the Clean Hydrogen Joint Undertaking for the financial year 2022 (2023/2175(DEC))

The European Parliament,

– having regard to the final annual accounts of the Clean Hydrogen Joint Undertaking for the financial year 2022,

– having regard to the Court of Auditors' annual report on the EU Joint Undertakings for the financial year 2022, together with the Joint Undertakings' replies[1],

– having regard to the statement of assurance[2] as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2022, pursuant to Article 287 of the Treaty on the Functioning of the European Union,

– having regard to the Council's recommendation of 22 February 2024 on discharge to be given to the Joint Undertaking in respect of the implementation of the budget for the financial year 2022 (06182/2024 – C9-0113/2024),

– having regard to Article 319 of the Treaty on the Functioning of the European Union,

– having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012[3], and in particular Article 71 thereof,

– having regard to Council Regulation (EU) 2021/2085 of 19 November 2021 establishing the Joint Undertakings under Horizon Europe and repealing Regulations (EC) No 219/2007, (EU) No 557/2014, (EU) No 558/2014, (EU) No 559/2014, (EU) No 560/2014, (EU) No 561/2014 and (EU) No 642/2014[4], and in particular Article 26 thereof,

– having regard to Commission Delegated Regulation (EU) 2019/887 of 13 March 2019 on the model financial regulation for public-private

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[1] OJ C, C/2023/1025, 16.11.2023.
[2] OJ C, C/2023/112, 12.10.2023.
[3] OJ L 193, 30.7.2018, p. 1.
[4] OJ L 427, 30.11.2021, p. 17.

partnership bodies referred to in Article 71 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council[1],

– having regard to Rule 100 of and Annex V to its Rules of Procedure,

– having regard to the report of the Committee on Budgetary Control (A9-0089/2024),

1. Approves the closure of the accounts of the Clean Hydrogen Joint Undertaking for the financial year 2022;

2. Instructs its President to forward this decision to the Executive Director ad interim of the Clean Hydrogen Joint Undertaking, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

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[1] OJ L 142, 29.5.2019, p. 16.

3. European Parliament resolution of 11 April 2024 with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the Clean Hydrogen Joint Undertaking for the financial year 2022 (2023/2175(DEC))

The European Parliament,

– having regard to its decision on discharge in respect of the implementation of the budget of the Clean Hydrogen Joint Undertaking for the financial year 2022,

– having regard to Rule 100 of and Annex V to its Rules of Procedure,

– having regard to the report of the Committee on Budgetary Control (A9-0089/2024),

A. whereas the Clean Hydrogen Joint Undertaking (the 'Clean H2 Joint Undertaking'), located in Brussels, was set up for the period ending on 31 December 2031 in November 2021 under the Horizon Europe programme by Council Regulation (EU) 2021/2085[1]; whereas the Clean H2 Joint Undertaking replaced and succeeded the Joint Technology Initiative on Fuel Cells and Hydrogen (the 'FCH Joint Undertaking') that was set up for the period up to 31 December 2017 in May 2008 under the Seventh Research Framework Programme by Council Regulation (EC) No 521/2008[2] and extended in May 2014 under the Horizon 2020 programme for a period until 31 December 2024 by Council Regulation (EU) No 559/2014[3] (the 'FCH 2 Joint Undertaking');

B. whereas the Clean H2 Joint Undertaking is a public-private partnership in the field of hydrogen and fuel cells technology research and innovation; whereas its founding members are the Union, represented by the Commission, the industry association (Hydrogen Europe) and the research association (Hydrogen Europe Research);

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1 Council Regulation (EU) 2021/2085 of 19 November 2021 establishing the Joint Undertakings under Horizon Europe and repealing Regulations (EC) No 219/2007, (EU) No 557/2014, (EU) No 558/2014, (EU) No 559/2014, (EU) No 560/2014, (EU) No 561/2014 and (EU) No 642/2014 (OJ L 427, 30.11.2021, p. 17).

2 Council Regulation (EC) No 521/2008 of 30 May 2008 setting up the Fuel Cells and Hydrogen Joint Undertaking (OJ L 153, 12.6.2008, p. 1).

3 Council Regulation (EU) No 559/2014 of 6 May 2014 establishing the Fuel Cells and Hydrogen 2 Joint Undertaking (OJ L 169, 7.6.2014, p. 108).

C. whereas, to increase transparency, the Clean H2 Joint Undertaking should disclose in its annual accounts, relevant information regarding members' contributions at programme level; whereas, for each programme under which they operate, the Clean H2 Joint Undertaking should present per member category up to the year-end, all relevant information including the legal contribution targets set for the respective programme, the volume of contributions received, and the volume of legal commitments; suggests that the Clean H2 Joint Undertaking continues to improve the transparency;

Budgetary and financial management

1. Notes that the report of the Court of Auditors on the annual accounts of the Clean H2 Joint Undertaking (the 'Court's report') finds the 2022 annual accounts to present fairly, in all material respects, the financial position of the Clean H2 Joint Undertaking on 31 December 2022, the results of its operations, its cash flows, and the changes in net assets for the year then ended, in accordance with its financial regulation and with account rules adopted by the Commission's accounting officer; notes, furthermore, from the Court's report that the underlying transactions to the accounts are legal and regular in all material respects;

2. Welcomes the role of the Clean H2 Joint Undertaking in supporting research and innovation activities in hydrogen technologies in Europe;

3. Notes that the available budget for 2022[1] in commitment appropriations[2] 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[3] 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;

4. Notes that the changes in the size of the Clean H2 Joint Undertaking's budget largely depend on the implementation phase of

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[1] Available budget includes unused appropriations of previous years, which the Clean H2 Joint Undertaking re-entered in the budget of the current year, assigned revenues and reallocations to the next year.

[2] Voted commitment appropriations were EUR 8,4 million, subsequently amended to include the increase of revenues and expenditure related to the new Programme under Horizon Europe and unused appropriations from prior years.

[3] Voted payment appropriations were EUR 53,2 million and the amendment increased the amount -as a result of the new Programme and - to cover the planned call for proposals launched in 2022, aimed to implement the SRIA.

the multiannual research and innovation programmes, which it is implementing; notes that, in 2022, the Clean H2 Joint Undertaking started with the implementation of the Horizon Europe programme and that, therefore, the 2022 budget includes the commitment budget for the first Horizon Europe calls planned for 2022, and the payment budget for the related pre-financing payments;

5. Notes that the Court of Auditors (the ‘Court’) considers that the information on members’ contribution at programme level is insufficient; welcomes the commitment of the Clean H2 Joint Undertaking to address this issue;

6. Notes than in the Clean H2 Joint Undertaking’s 2022 annual accounts, the amounts of contributions recognised per member category (EU and private members) differ significantly from each other; notes that this is because Union cash contributions are validated and recognised when paid to the Clean H2 Joint Undertaking at the beginning of the project implementation, but members’ in-kind contributions are only recognised after validation of the costs incurred and declared for project implementation;

7. Calls on the Clean H2 Joint Undertaking to address the gap between the recognised amount of cash contributions, on the one hand, and in-kind contributions, on the other hand, by providing information on the Clean H2 Joint Undertaking members’ legal commitments at year end, in terms of signed grant agreements and contracts;

8. Welcomes the fact that, as regards the implementation of the Seventh Research Framework Programme, the Clean H2 Joint Undertaking achieved the members’ contribution targets;

9. Notes that, 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; notes, furthermore, that, 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;

10. Notes that, as regards the Horizon 2020 programme, the low level of validated private members’ in-kind contributions for operational activities of EUR 51,7 million (2021: EUR 38,6 million), is because the Clean H2 Joint Undertaking certifies them later, when the final payments for the Horizon 2020 projects are made and the certificates of financial statement are due;

11. Notes from the Court's report that Members' legal commitments are at the level of their contribution targets;

12. Notes that, 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; notes, moreover, that 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;

13. Notes, in addition, that the private members had legally committed to provide in-kind contributions to the Clean H2 Joint Undertaking's operational activities of EUR 190,5 million, and in-kind contributions to the additional activities of EUR 1 039 million (or 340,6 %) of the minimum target of EUR 361 million; notes that these committed amounts were fully reported at the end of 2022;

14. Notes that, for Horizon 2020 activities, the Clean H2 Joint Undertaking received no new operational commitment appropriations, as the Clean H2 Joint Undertaking had finished its last call for proposals by the end of 2020;

15. Notes from the Court's report, that 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;

16. Notes that, as regards the Horizon Europe programme, in 2022, the Commission made cash contributions of EUR 80 million, of which the Clean H2 Joint Undertaking used EUR 47 million (or 59 %) for pre-financing payments related to the first grant agreements concluded under the Horizon Europe programme;

17. Notes that the Clean H2 Joint Undertaking launched the first call for proposals on Hydrogen under Horizon Europe, with a total value of EUR 300 million; notes that the evaluation of the 2022 call resulted in the withdrawal of four topics for which no suitable proposals had been submitted[1]; notes that the Clean H2 Joint Undertaking transferred the unused payment budget of EUR 33 million to 2023,

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[1] According to the Joint Undertaking clarification, 'withdrawal of topics' has to be understood as 'no coverage of topics due to the lack of successful applications/proposals'.

for the payment of pre-financings related to new grant agreements, planned to be signed at the beginning of 2023;

18. Notes, from the Court's report, that, at the end of 2022, the implementation rates for the rates for the administrative budget (Title 2) were low with 62 % of commitment appropriations and 51 % of payment appropriations; notes that the Clean H2 Joint Undertaking explained that this was due to the payment suspensions concerning the arrangement of the Hydrogen Week event, the postponed procurement for the refurbishment of the office building, and the delayed conclusion of an important service framework contract;

Procurement and staff

19. Notes, from the consolidated annual activity report, that, in 2022, in continuation of the Clean H2 Joint Undertaking's practice over the past years, 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; notes, furthermore, that the Clean H2 Joint Undertaking also cooperates with other Joint Undertakings on tendering needs in order to minimise the administrative effort;

20. Notes that 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;

21. Notes that the Clean H2 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;

22. Notes, from the 2022 consolidated annual activity report, that the digital workplace for each member of staff is constantly modernised: the Clean H2 Joint Undertaking members of staff were ensured adequate access to the complete set of Commission applications for grant management; the hardware renewal roll-out was executed as planned together with the necessary license renewal for essential applications such as Slido, Webex, Business Object, Adobe or Mobile telephony, allowing each member of staff more flexibility under the new teleworking working scheme;

23. Notes that, according to the Staff Regulations of Officials of the European Union and the Conditions of Employment of Other Servants of the Union, laid down in Council Regulation (EEC, Euratom, ECSC) No 259/68[1] and the Clean H2 Joint Undertaking's

[1] OJ L 56, 4.3.1968, p. 1, ELI: http://data.europa.eu/eli/reg/1968/259(1)/oj.

guidelines, the staff committee should designate at least one member to the selection committee for external recruitment procedures; notes that the Court found that the selection committee for the audited recruitment procedure did not include a member designated by the staff committee and that the Clean H2 Joint Undertaking could not establish a staff committee despite launching several calls for interest amongst its staff;

Management and control systems

24. Notes that for Seventh Research Framework Programme expenditure, the Clean H2 Joint Undertaking performed ex-post audits, whilst the Common Audit Service of the Commission’s Directorate-General for Research and Innovation was responsible for Horizon 2020 and Horizon Europe expenditure ex-post audits; notes, in addition, that for the final Seventh Research Framework Programme expenditure made in 2022, the Clean H2 Joint Undertaking did not perform ex-post audits, due to the insignificant amounts and that, accordingly, it published, as final error rates for Seventh Research Framework Programme expenditure, the representative error rate of 2,0 % and the residual error rate of 1,1 % it achieved at the end of 2021;

25. Notes that, 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 %[1]; notes, furthermore, that for the Horizon Europe programme, no ex-post audits were carried out, as the first interim payments are only expected in 2024;

26. Notes that to assess the operational payment controls of the Clean H2 Joint Undertaking, the Court audited randomly sampled Horizon 2020 payments made in 2022, at the level of the final beneficiaries[2]; notes that, for one case, 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, the Court found and quantified a serious error resulting from cost claimed for equipment, which the beneficiary did not use during the reporting period, and from incorrectly calculated personnel costs;

27. Welcomes the fact that that, 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

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1 Clean H2 Joint Undertaking 2022 Consolidated Annual Activity Report, chapter 4.1.1.1.

2 Regarding the grant payment transactions tested at the beneficiaries, the reporting threshold for quantifiable errors is 1 % of the audited costs.

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;

28. Notes that such an approach allowed the Clean H2 Joint Undertaking to assess the risk level of each project and beneficiary during the main phases of project implementation, such as grant agreement preparation, grant agreement amendment, reporting, and payment; notes, in this respect, that the Clean H2 Joint Undertaking also drew up internal guidelines on its risk-based approach and trained and guided its members of staff on applying it properly and consistently;

29. Welcomes that the Clean H2 Joint Undertaking developed a risk-based approach to ex-post audit to reduce its error rate by strengthening the cleaning effect of their ex-post audits;

30. Notes from the Court's report that the Clean H2 Joint Undertaking developed a tailored risk-based approach to strengthen the assurance it obtains from ex-ante controls and ex-post audits: at the beginning of 2022, the Clean H2 Joint Undertaking analysed the entire population of its Horizon 2020 beneficiaries and flagged those presenting the highest risk for risk-based ex-post audits; notes that the riskiest beneficiaries were all top beneficiaries with the Clean H2 Joint Undertaking contribution amount above EUR 1 million over all Horizon 2020 projects operated by the Clean H2 Joint Undertaking, which had never been ex-post audited and had a risk profile of small and medium enterprises or newcomer status;

31. Notes that the remaining top beneficiaries were invited to complete a brief self-assessment questionnaire that focused on the most common errors detected by previous ex-post audits, such as the complexity of the personnel cost option chosen, significant sub-contracting, purchases of assets, internal supplies, method of cost reporting, and the implementation of previous ex-post audit results; notes that, based on their replies, the Clean H2 Joint Undertaking identified those top beneficiaries with a high ex-ante control risk, it held financial webinars with them, focusing on the key characteristics of a correct cost declaration with significant cost items; notes, furthermore, that the outcome of the webinars was used by the Clean H2 Joint Undertaking's project and financial officers to improve the effectiveness of its ex-ante controls on the upcoming cost declarations by these top beneficiaries (payment phase);

32. Appreciates that the Clean H2 Joint Undertaking developed a risk-based approach to ex-post audit with the aim to reduce its error rate by better targeted sample to detect the most error-prone beneficiaries and thus, strengthening the cleaning effect of their ex-post audits; considers this an important positive change in ex-post

audit approach as the Commission internal control framework for Horizon Europe grants does not allow for establishing Joint Undertaking's specific representative samples and, consequently, to calculate specific representative and residual error rates for Joint Undertakings;

33. Notes that the Court found that Joint Undertakings with a well-developed risk-based ex-post audit approach have a residual error rate below the average of the Joint Undertakings without such an approach due to the systematic identification and audit of the riskiest beneficiaries;

Follow-up of previous years' observations

34. Notes that "observations" in the Clean H2 Joint Undertaking's specific annual reports are in fact "not timed recommendations" by the Court; notes that ECA annually follows-up on those observations by assessing their status as "open" or "closed";

35. Notes that, for the Clean H2 Joint Undertaking all previous years' observations were closed because of the Clean H2 Joint Undertakings' corrective actions taken during 2022.