



EuroHPC JOINT UNDERTAKING
DECISION OF THE GOVERNING BOARD OF THE EuroHPC JOINT
UNDERTAKING No 8/2018
Adopting the Joint Undertaking's Budget for 2019

THE GOVERNING BOARD OF THE EUROHPC JOINT UNDERTAKING,

Having regard to Council Regulation (EU) 2018/1488 of 28 September 2018 establishing the European High Performance Computing Joint Undertaking (hereinafter "Regulation")¹,

Having regard to the Statutes the European High Performance Computing Joint Undertaking annexed to the Regulation (thereinafter "Statutes") and in particular to Articles 7 (d), 9 (b) 17 and 18 of thereof,

Having regard to the Governing Board Decision No 8/20018 of 21 December 2018 adopting the EuroHPC Joint Undertaking Work Plan for the year 2019;

WHEREAS

- (1) The Governing Board has adopted, in accordance to Articles 1(o), 7 (4) (b), 7 (5) (b) and 18 of the Statutes, EuroHPC Joint Undertaking Work Plan for the year 2019.
- (2) The Executive Director should submit the draft annual budget to the Governing Board for adoption.
- (3) The annual budget for a particular year should be adopted by the Governing Board by the end of the previous year,

HAS ADOPTED THIS DECISION:

Article 1

The Joint Undertaking's Budget for 2019, as annexed in this Decision, is hereby adopted.

¹ OJ L 252, 08.10.2018, p. 1-34.

Article 2

This Decision shall enter into force upon its adoption by the Governing Board.

Done at Luxembourg, on 21 December 2018

For the Governing Board

Patrick Garda

The Chair

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A. Introduction

The budget is established in accordance with the provisions of the Council Regulation (EU) 2018/1488 of 28 September 2018 establishing the European High Performance Computing Joint Undertaking.

The Budget contains a forecast of annual expenditure for the following two years and includes the description of human and financial resources deployed by the EuroHPC JU for the implementation of its programmes and plans in 2019 as well as estimates for year 2020.

B. Budget Information

I. Revenue

In accordance with the provisions of the legal framework applicable to the EuroHPC JU, the contributors to the budget of the JU are:

- The **European Union** covering administrative and operational costs.
- The **Participating States** shall make a contribution to the administrative and operational costs that will be commensurate to the Union's financial contribution set out in Article 4(1) of the JU establishing Regulation.
- The **Private Members** of the Joint Undertaking shall make or arrange for their constituent entities and affiliated entities to make contributions to the JU's administrative costs.

Provided that the Union budget is adopted by the budgetary authority without changes, it will constitute a ceiling for the actual Union contribution.

II. Budget Revenue

Commitment Appropriations

REVENUE (EUR)	2019	2020 (estimated)
1. REVENUE FROM FEES AND CHARGES		
2. EU CONTRIBUTION		
- of which Administrative (Title 1 and Title 2)	2 242 744	7 427 039
- of which Operations (Title 3)	191 537 183	273 336 000
3. THIRD COUNTRIES CONTRIBUTION		
- of which EEA/EFTA ²	4 611 961	6 845 073
3. OTHER CONTRIBUTIONS		
- Participating States		
- Private Members		
TOTAL REVENUE	198 391 888	287 608 112

Payment Appropriations

REVENUE (EUR)	2019	2020 (estimated)
1. REVENUE FROM FEES AND CHARGES		
2. EU CONTRIBUTION		
- of which Administrative (Title 1 and Title 2)	2 242 744	3 101 000
- of which Operations (Title 3)	68 797 000	175 762 000
3. THIRD COUNTRIES CONTRIBUTION		
- of which EEA/EFTA ³	1 690 746	4 257 544
3. OTHER CONTRIBUTIONS		
- Participating States		
- Private Members		
TOTAL REVENUE	72 730 490	183 120 544

² 2019 EFTA rate 2.38%. 2020 EFTA rate is unknown; therefore the rate of 2019 is used for this estimation.

³ 2019 EFTA rate 2.38%. 2020 EFTA rate is unknown; therefore the rate of 2019 is used for this estimation.

III. Budget Expenditure

Commitment Appropriations

COMMITMENTS	Commitment Appropriations (EUR)	
	2019	2020 (estimated)
Title 1. Staff Expenditure	715 130	1 460 000
11 Salaries and Allowances	560 000	1 330 000
- of which establishment plan posts	276 000	552 000
- of which external personnel	284 000	778 000
12 Expenditure relating to recruitment	40 000	40 000
13 Mission and travel expenses	60 000	70 000
14 Socio-medical infrastructure and training	55 130	20 000
Title 2. Building, Equipment and Operating Costs	1 580 991	1 715 000
20 Buildings and associated costs	250 000	300 000
21 Information Technology	387 991	410 000
22 Movable property and associated costs	-	20 000
23 Current administrative expenditure	63 000	75 000
24 Postage and Telecommunications	10 000	20 000
25 Expenditure of formal and other meetings	400 000	320 000
26 Running costs in connection with operational activities	70 000	100 000
27 Information and Publishing	-	70 000
28 Expert contracts and meetings	400 000	400 000
Title 3. Operational Expenditure	196 075 767	280 000 000
31 Research and Innovation Activities	156 076 223	25 000 000
32 Infrastructure and HPC Operations Activities	40 019 544	255 000 000
TOTAL	198 391 888	283 175 000

Payment Appropriations

PAYMENTS	Payment Appropriations (EUR)	
	2019	2020 (estimated)
Title 1. Staff Expenditure	715 130	1 460 000
Title 2. Building, Equipment and Operating Costs	1 580 991	1 715 000
Title 3. Operational Expenditure	70 434 369	179 945 544
TOTAL	72 730 490	183 120 544

Titles 1&2: 100% of the commitment appropriations will be paid in 2019. The commitment appropriations of 2020 will be spread over the period of 2020-2023 (N+3 rule).

Title 3: Three calls under the chapter 31 "R&I Activities" will be launched in 2019:

- Pre-financing of 2019 Calls 1&2 (160% of the average amount per reporting period) will be paid to 75% of the projects in 2019, the remaining – in 2020,
- Pre-financing of 2019 Call 3 (160% of the average amount per reporting period) will be paid to all projects in 2020.

Pre-financing of 2020 Calls (160% of the average amount per reporting period) will be paid to all projects in 2020.

In 2020, the payments for the petascale supercomputer and pre-financings for the pre-exa scale supercomputer acquisitions, as well as the pre-financing for pre-exa scale supercomputer operations will be made.

IV. Details on the use of financial resources

Title 1: Staff Expenditure

Chapter 11 – Salaries and Allowances

With the establishment of its workforce, the Joint Undertaking will have to organise the recruitment of new staff and cover the salaries, social security and other related allowances. This appropriation is to cover the remuneration cost of establishment plan posts (temporary staff) and external personnel (contract staff, Seconded National Experts, interim), in accordance with the Staff Regulations.

The estimation of the cost of human resources is based on the total average cost. Considering that the set-up date of EuroHPC Joint Undertaking and that the recruitment of the staff will not be immediate but progressive over the year, an average of 6 months of full-time equivalents has been accounted for each staff member planned in 2019, i.e., 50% of the year.

It includes the cost for basic salaries, family allowances, expatriation and foreign residence allowances. It is also intended to cover the employers' social security contributions, insurance against sickness, accidents and occupational disease, unemployment insurance, birth and death allowances, annual travel costs from the place of employment to the place of origin, in accordance with the Staff Regulations of Officials of the European Union and the Conditions of Employment of Other Servants of the Union⁴.

Chapter 12 – Expenditure relating to recruitment

This appropriation is to cover the expenditure arising from the search for suitable candidates (publishing vacancies) and subsequent administration costs of the recruitment of new staff members (installation, resettlement and daily subsistence allowances, removal and travel expenses).

Chapter 13 – Mission and travel expenses

As part of its duties, the staff of the Joint Undertaking will have to travel to various conferences, meetings and workshops related to the activities of the Joint Undertaking and to the actions funded. The mission appropriation is to cover travel expenses, daily subsistence allowances and ancillary or exceptional expenditure incurred by statutory staff in the interest of the service.

Chapter 14 – Socio-medical infrastructure and Training

This appropriation is intended to cover the costs of the annual medical check-up of staff and associated analyses required, complementary health insurance and schooling allowances. Under this chapter, the cost for training of staff is also covered.

⁴ Regulation (EEC, Euratom, ECSC) No 259/68 of the Council of 29 February 1968 laying down the Staff Regulations of Officials and the Conditions of Employment of Other Servants of the European Communities and instituting special measures temporarily applicable to officials of the Commission (OJ L 56, 4.3.1968, p. 1).

Title 2: Building, Equipment and Operating Costs

Chapter 20 – Buildings and associated costs

The JU will have to establish its offices in the hosting State and ensure that the working conditions of its staff comply with the standards of the EU institutions. The office premises will be offered by the JU hosting country. This appropriation includes costs related to the infrastructure: insurance, water, electricity and heating, cleaning and maintenance, security and surveillance.

Chapter 21 – Information Technology

To allow its staff to perform its work, the Joint Undertaking will need to be equipped with state-of-the-art office equipment and networking facilities, allowing to use the standard IT toolchain of the EU programmes and institutions. This appropriation is intended to cover the purchase of computing and other similar electronic office equipment and hardware as well as the installation, configuration and maintenance of this equipment. The procurement and maintenance of program packages and software licences necessary for the normal operation of the JU; the expenditure on services contracts for analysis, programming and technical assistance necessary for the JU, the cost of external services contracts to manage and maintain the data and systems, training and other support activities.

It is to cover the cost of SLAs with the Commission, necessary for the use of the ABAC accounting system (SLA with DG BUDG), as well as for the provision of IT equipment/services (SLA with, DIGIT, REA, RTD and/or CNECT). It also includes costs specific to the secure data communication needs of the JU to access the ABAC accounting system.

Chapter 22 – Movable property and associated costs

This chapter includes the necessary resources to cover the costs of new office organisation, archive spaces and meeting rooms. The JU hosting country will provide the premises fit-for-purpose; therefore, this appropriation foresees the expenditure as of 2020.

Chapter 23 – Current administrative expenditure

This chapter includes costs of office supplies, stationery and other consumables necessary for the operation of the office as well as any costs incurred for any mandatory translations. For 2019 petty expenditure (new stationary, badges, office material) are also foreseen.

Chapter 24 – Postage and Telecommunications

This chapter is to cover all correspondence, postage and telecommunication (fixed, mobile telephony and videoconference equipment/licencing) costs of the JU.

Chapter 25 – Expenditure of formal and other meetings

As part of the activities of the Joint Undertaking, some meetings (like Governing Board meetings and community workshops) are likely to require big rooms that are not available at the JU premises. These appropriations are to finance meetings that are taking place inside or outside of the JU premises.

Chapter 26 – Running costs in connection with operational activities

Auditing and legal assistance are key elements to ensure that the JU complies with the legal framework. This appropriation is covering all audit related expenditure: the possible costs for internal audit capability, external auditors and ex-post audits.

In addition, the communication policy of the Joint Undertaking is an important element to ensure public awareness and understanding of the programme. This appropriation is also covering the activities related to communication and publishing, and in particular:

- Communication material for conferences, info days and workshops,
- Website development and consolidation,
- General public relations and publicity.

Chapter 27 – Information and Publishing

This appropriation is intended to cover costs of the communication policy of the Joint Undertaking, to ensure public awareness and understanding of the scopes. It is also covering the activities related to production and printing the Annual Activity and other Reports.

Chapter 28 – Expert contracts and meetings

This chapter includes the costs related to the evaluation, selection and review of projects, as well as the costs incurred for evaluators and reviewers.

Title 3: Operational Expenditure

The main purpose of the Joint Undertaking is the indirect implementation of EU budget in the field of High Performance Computing. Detailed description of the operational activities is presented in the Work Plan.

Chapter 30 – R&I: Research and Innovation Activities

The costs of this appropriation are related to Calls for proposals for R&I projects. In 2019, the JU will launch the H2020 calls for proposals and select the projects for financing the areas of Extreme Scale Technologies and Applications, Widening HPC skills and European Processor Initiative.

Chapter 31 – Infrastructure and HPC Operations Activities

This appropriation is related to the acquisition of supercomputers. In 2019, the acquisition of pre-exa and peta scale machines will be launched. The Call for pre-exa scale machine will include the overall amount of 100M€ from CEF: 40M€ will come from the 2019 budget, the rest 60M€ – from 2020 budget⁵.

As of 2020, this chapter will cover the operating costs of the pre-exascale supercomputers as well.

⁵ For this purpose, this document will have to be amended after the Financing Decision 2020 is adopted by the EC.

C. Staff establishment plan

The Staff establishment plan gives an overview and forecast of annual staff positions for years 2019 and 2020.

I. General presentation of the staff policy followed by the JU

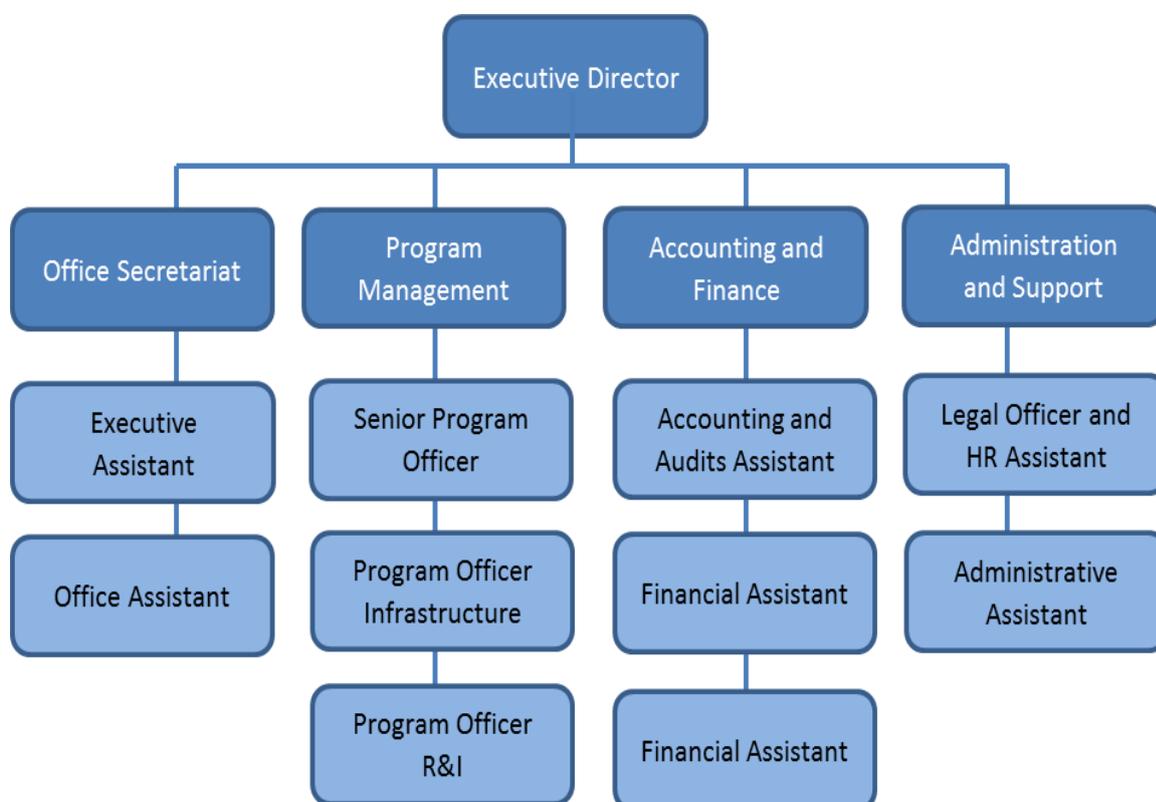
From a general point of view, the Staff of the JU shall consist of temporary staff (TA) and contract staff (CA) whose contracts will be governed by the Staff Regulations of officials and conditions of employment of other servants of the European Union.

The JU may also make use of seconded national experts and trainees, which selection and working conditions are subject to a decision of the Governing Board.

The staff policy followed by the EuroHPC JU shall consist of:

- a set of implementing rules giving effect to the Staff Regulations of officials and conditions of employment of other servants of the European Union, to be adopted by the Governing Board (after consulting the Staff Committee and with prior agreement of the Commission),
- a set of internal rules organising the day to day administration of the Office and responsibilities and tasks entrusted to staff, to be notified by the appointing authority.

II. Organisation chart 2019 of the EuroHPC JU



III. Staff expenditure justification for 2019 with estimates for 2020

	2019	2020 estimate
Establishment plan posts: TA-AD	4	4
Establishment plan posts: TA-AST		
Total establishment plan posts	4	4
Contract Agents	7	10
Seconded National Experts		1
Total Staff	11	15

Category and grade	2019		2020 estimate	
	Officials	TA	Officials	TA
AD 16				
AD 15				
AD 14		1		1
AD 13				
AD 12				
AD 11				
AD 10		1		1
AD 9				
AD 8		2		2
AD 7				
AD 6				
AD 5				
Total AD		4		4
Total AST/SC				
TOTAL		4		4

External Personnel – Contract Agents	2019	2020 estimate
Function Group IV	3	4
Function Group III	2	4
Function Group II	2	2
Function Group I		
Total Staff	7	10

Staff Costs (1 000 EUR)	2019	2020 estimate
Officials (AD grades)		
Officials (AST grades)		
Temporary Staff	276 000	552 000
Contract Staff	284 000	700 000
Seconded National Experts		78 000
Total	560 000	1 330 000

Staff recruitment for 2019 (first year) are estimated to take place on average in July 2019 (i.e. only 50% of the average cost is taken into account for that year).

IV. Establishment plan for 2019

Executive Director (TA-AD14)

The Executive Director is the chief executive responsible for the day-to-day management of the EuroHPC Joint Undertaking providing leadership at the strategic and operational level ensuring the achievement of the Joint Undertaking's objectives. The Executive Director is its legal representative and he/she shall perform his/her tasks with independence and shall be accountable to the Governing Board

This position is presently vacant, occupied temporarily by the Head of Unit of DG CONNECT C2 in the capacity of Interim Executive Director.

Executive Assistant (CA-FGII)

The Executive Assistant provides the Secretariat of the Executive Director, planning the activities of the Executive Director's Office, provides administrative support in the relations with EuroHPC JU Bodies, and does the general coordination of the document management within the JU.

Office Assistant (CA-FGII)

The Office Assistant provides the Secretariat of the JU staff, supports the communication activities and ensures the logistics for the call for proposals evaluations, technical project reviews and internal meetings.

Senior Program Officer (TA-AD10)

The Senior Programme Officer supports the Executive Director in all his work and decisions, upon request in his/her mission in respect of technical issues. This includes preparation of calls for proposals/tenders including their evaluation, expert assignment, grant agreement management, National points of contact and project coordinators. He/She also implements the functions of a Program Officer Infrastructure and/or Program Officer R&D.

Program Officer Infrastructure (TA-AD8)

The Programme Officer organises and is involved in the evaluation of public tenders (publication, opening, selection of experts, logistics etc.), manages the selection process, monitors and reviews the execution of associated grant agreements, monitors the allocation of supercomputer access times and ensures compliance with the prevailing rules and regulations.

Program Officer R&D (TA-AD8)

The Programme Officer organises and is involved in the evaluation of proposals (selection of experts, logistics etc.), manages the process of selection of projects, monitors and reviews the execution of grant agreements, carries out project reviews and ensures compliance with the prevailing rules and regulations. He/She also negotiates strategic, scientific, managerial and financial aspects of research contracts and amendments.

Accounting and Audits Assistant (CA-FGIV)

The Accounting and Audits Assistant monitors that the JU is complying with the applicable EU financial and accounting rules, is the interface with the EuroHPC Accountant (DG BUDG), provides advice on risk management and internal control, implements the audit

activities and recommendations to improve the efficiency, effectiveness and financial management of the JU. He or she shall be the interlocutor with the European Court of Auditors.

Financial Assistant (CA-FGIII)

The Financial Assistant verifies the financial and administrative compliance of the grants and contracts, performs the administrative quality checks on files for signature, monitors the operational and administrative expenditures, provides budget planning and reporting for operational and administrative expenditures.

Legal Officer and HR Assistant (CA-FGIV)

The Legal Officer provides the Executive Director with all relevant legal advice and support for the smooth operation of the activities of the JU, monitors the implementation of contractual obligations of the JU, and drafts the legal documents of the JU. As HR Assistant he/she manages HR personal files, assists in the implementation of the staff policy and is the JU's Data Protection Officer.

Administrative Assistant (CA-FGIV)

The Administrative Assistant maintains the Unit activity plans and ensures follow-up and respect of deadlines of the Unit activities, provides support to the activities of the Governing Board, contributes to administrative quality checks on files for signature, participates in the planning of logistics needs and is responsible for the JU's communication activities, including the JU website.