



EUROPEAN COMMISSION

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REGULATORY SCRUTINY BOARD OPINION

**Proposal for a Council Regulation on establishing the European High
Performance Computing Joint Undertaking**

{COM(2018) 8 final}
{SWD(2018) 5 final}
{SWD(2018) 6 final}



EUROPEAN COMMISSION
Regulatory Scrutiny Board

Brussels,
Ares(2017)

Opinion

Title: Impact Assessment / Common European initiative on high performance computing

Overall opinion: POSITIVE WITH RESERVATIONS

(A) Context

Some have expressed concern that the EU does not have world-leading supercomputer technology. The EU also reportedly lacks the high performance computing (HPC) capacity to satisfy public and private needs.

High costs of building and maintaining HPC infrastructures make it difficult for a single Member State to do so on its own. In April 2016, the Commission adopted the European Cloud Initiative. This called on the Commission and Member States to create a leading European HPC and Big Data 'ecosystem.' The Council expressed support for a common project.

Two EU programmes, H2020 and CEF, have jointly set aside EUR 476m to procure high performance computers and to develop European technology supply chain for this purpose. The Commission will propose a joint undertaking to lead this activity and take responsibility for the procurement.

(B) Main considerations

The Board understands that the report serves to inform a decision about how to optimise the use of available public funding for a joint HPC capacity, rather than a decision about whether the EU should co-invest in HPC with Member States.

The report contains significant shortcomings that need to be addressed. As a result, the Board expresses reservations and gives a positive opinion only on the understanding that the report shall be adjusted in order to integrate the Board's recommendations on the following key aspects.

- (1) The report is not clear enough with regard to what decisions it is supposed to inform and what timing it covers.**
- (2) The report does not build sufficiently on past experiences and lessons from earlier applied research projects, such as Galileo, JUs, ERICs, or ECSEL.**
- (3) The report does not provide enough information about how the joint entity would operate. This makes it hard to judge how likely the public-private partnership is to deliver well on its different objectives.**

(4) The report does not adequately present the views of the different groups of stakeholders.

(C) Further considerations and adjustment requirements

(1) The report should be refocused on the decision it is meant to inform, which is the legal form of the joint entity. The report needs to streamline its presentation of context and scope, and set these out vis-a-vis the decision at hand. The report should clarify relevant aspects of funding and the legal base. It should explain the purpose of the decision and why this needs to be taken now.

(2) The report should clearly explain that the current decision only covers the first phase (pre-exascale) and that this is a self-standing project. It should explain how this will not pre-empt the decision (or the financing) of the next step of the exascale HPC.

(3) The report should better describe how the joint structure would work. This includes how it is to be funded, private and public participation, nature of activity and exit strategies. What is this structure supposed to do over time, and what would be its governance structure? Who should be partners and what are the criteria for the participation of private parties? What is the envisaged (exit) strategy when the HPC machines become obsolete? The report should also clarify the relations with third countries and what is meant by an 'indigenous' European project. The assessment criteria for the different legal options should reflect the functionalities that the envisaged structure would require. The intervention logic should adequately reflect the narrow scope of the decision at hand. A number of ambiguities and unnecessary complexities can therefore be removed.

(4) Given this narrower approach, there is no need to justify the decision to jointly invest with the Member States on HPC capability, except in terms of background and context. Repeated arguments on this can be placed in an annex or dropped.

(5) The report should make clear that the project rests on a model that has already been tested and evaluated. In assessing which legal form is the most suitable, the report should review lessons learnt from past experiences about legal forms and pre-commercial procurement. It could usefully draw on experiences with such applied research projects as Galileo, previous JUs and ERICs, and the ECSEL joint undertaking.

(6) The report should clarify in which ways the joint entity will overcome existing barriers for applied research on coordination and synchronisation of Member States' research and HPC activities, in terms of open calls for research grants, and in terms of pre-commercial procurement and IPR rules.

(7) The monitoring section should explain what success would look like. It should define some measurable success criteria, which could be divided into direct operational criteria for the HPC activity undertaken in itself and the wider indirect benefits for broader research and innovation in Europe.

(8) The report should expand on how different groups of stakeholders have responded to the different options, highlighting both support and any concerns.

Some more technical comments have been transmitted directly to the author DG.

(D) RSB scrutiny process

The lead DG shall ensure that the report is adjusted in accordance with the

| recommendations of the Board prior to launching the interservice consultation. | |
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| Full title | Impact Assessment on the proposal for a Council Regulation on a Common European initiative on High Performance Computing |
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| Date of RSB meeting | 25/10-2017 |