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EUROPEAN
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OF AUDITORS

2018

Audit of EU Joint Undertakings in brief

Introducing the European Court of Auditors' 2018 annual report on EU JUs

Contents

3

List of Acronyms

The list of acronyms includes the EU Joint Undertakings and other Union bodies covered by this report.

Acronym	Full name
ARTEMIS	The ARTEMIS Joint Undertaking to implement the Joint Technology Initiative in Embedded Computing Systems
BBI	The Bio-Based Industries Joint Undertaking
CAS	Common Audit Service of the Commission's DG RTD
CEF	Connecting Europe Facility
CFS	Certificate on Financial Statement
CS	The Clean Sky Joint Undertaking
DG RTD	Directorate General for Research and Innovation
EA	Executive Agency
EASA	The European Union Aviation Safety Agency
ECSEL	The Electronic Components and Systems Joint Undertaking
EIT	The European Institute of Innovation and Technology
ENIAC	The European Nano Electronic Initiative Advisory Council
Euratom	European Atomic Energy Community
EuroHPC	The European High-Performance Computing Joint Undertaking
EVM	Earned value management

FP7	Seventh Framework Programme for Research and Technological Development (2007-2013)
F4E	The Fusion for Energy Joint Undertaking
FCH	The Fuel Cells and Hydrogen Joint Undertaking
H2020	Horizon 2020 Framework Programme for Research and Innovation (2014-2020)
IMI	The Innovative Medicines Initiative Joint Undertaking
ITER	International Thermonuclear Experimental Reactor
JU	Joint Undertaking
MFF	Multiannual financial framework
NFA	National funding authority
P2P	Public to Public partnership
PMO	Office for Administration and Payment of Individual Entitlements
S2R	The Shift2Rail (European Rail Initiative) Joint Undertaking
SESAR	The Single European Sky Air Traffic Management Research Joint Undertaking
SNE	Seconded National Expert
TEN-T	Trans European Transport Networks programme

Executive summary

I For the financial year ended 31 December 2018, we issued an unqualified ("clean") audit opinion on the accounts of all Joint Undertakings (JUs). However, as in previous years, our audit opinion on the 2018 annual accounts of the 'Fusion for Energy' (F4E) JU is accompanied by an emphasis of matter, to draw attention to the risk of further cost increases and delays in the ITER project implementation.

II We also issued an unqualified ("clean") audit opinion on the legality and regularity of the payments and revenue underlying the 2018 annual accounts for all JUs.

III Overall, our audit of the annual accounts of the JUs and their underlying transactions confirmed the positive results reported in previous years.

IV The members' contributions in respect of the FP7 and TEN-T activities implemented by five JUs (SESAR, CS, IMI, FCH, ECSEL), amounted to approximately 89 % of the targets set by the JUs' founding regulations at the end of 2018 and the closing phase of the programme. Programme progress and related contribution for the seven JUs implementing H2020 activities (SESAR, CS, IMI, FCH, ECSEL, BBI, S2R) also fell short of targets. At the end of 2018, which was the midpoint of the programme period, the JUs had implemented on average only 39 % of their H2020 and related additional activities. If the additional activities are excluded, the implementation rate was only 31 %. Similarly, the JUs achieved on average only 25 % of their contribution targets for operational activities, as compared to 75 % for their additional activities.

What we are auditing

Legal structure and establishment

01 Joint Undertakings (JUs) are a form of public-private partnership endowed with legal personality that aims to bring project results in strategic areas of research and innovation closer to the market and improve the link between research and societal growth.

02 They are established under Article 187 of the Treaty on the Functioning of the European Union, or – in the case of Fusion for Energy (F4E) - under Articles 45 to 51 of the Treaty establishing the European Atomic Energy Community (Euratom).

03 They consist of public members, typically the European Union (represented by the Commission), participating Member States, and international organisations and private members, which are from industry and in some cases from research. JUs, with the exception of F4E, adopt their own research agenda and award funding mainly through open calls for proposals.

JUs operate under H2020 and Euratom

Eight JUs are currently implementing specific actions of Horizon 2020

04 The first group of seven JUs implements specific actions of Horizon 2020 (H2020):

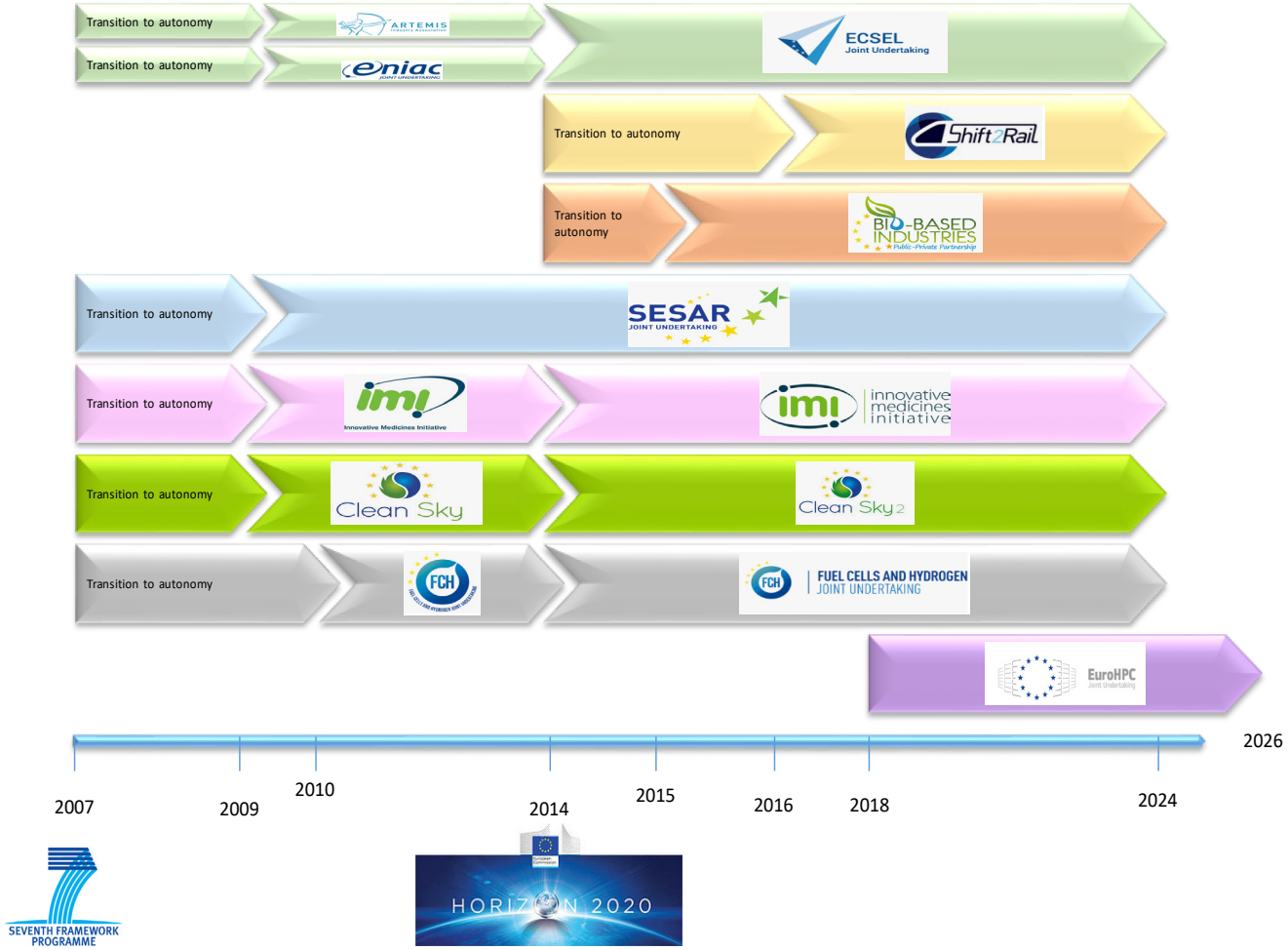
- Clean Sky (CS);
- Single European Sky Air Traffic Management Research (SESAR);
- Fuel Cells and Hydrogen (FCH);
- Innovative Medicines Initiative (IMI);
- Electronic Components and Systems for European Leadership (ECSEL), which was established in 2014 by a merger of two JUs: Nanoelectronics (ENIAC) and Embedded Systems (ARTEMIS);
- Bio-Based Industries (BBI), and
- Shift2Rail (S2R).

05 In addition, in November 2018, the Council established an eighth JU in the digital research area: the European High-Performance Computing JU (EuroHPC). This body was established by a joint initiative between the EU and other European countries to develop a world-class supercomputing ecosystem in Europe. We will audit the accounts of this JU for the first time in 2020.

06 Currently, these JUs are planned to operate until 2024, with the exception of EuroHPC, which will remain operational until the end of 2026.

07 ***Figure 1*** presents an overview of establishment date and the planned duration of operations of these H2020 JUs

Figure 1 – H2020 JUs - date of establishment and planned duration of operations



Source: EC based on the Council Regulations establishing the JUs, modified by ECA.

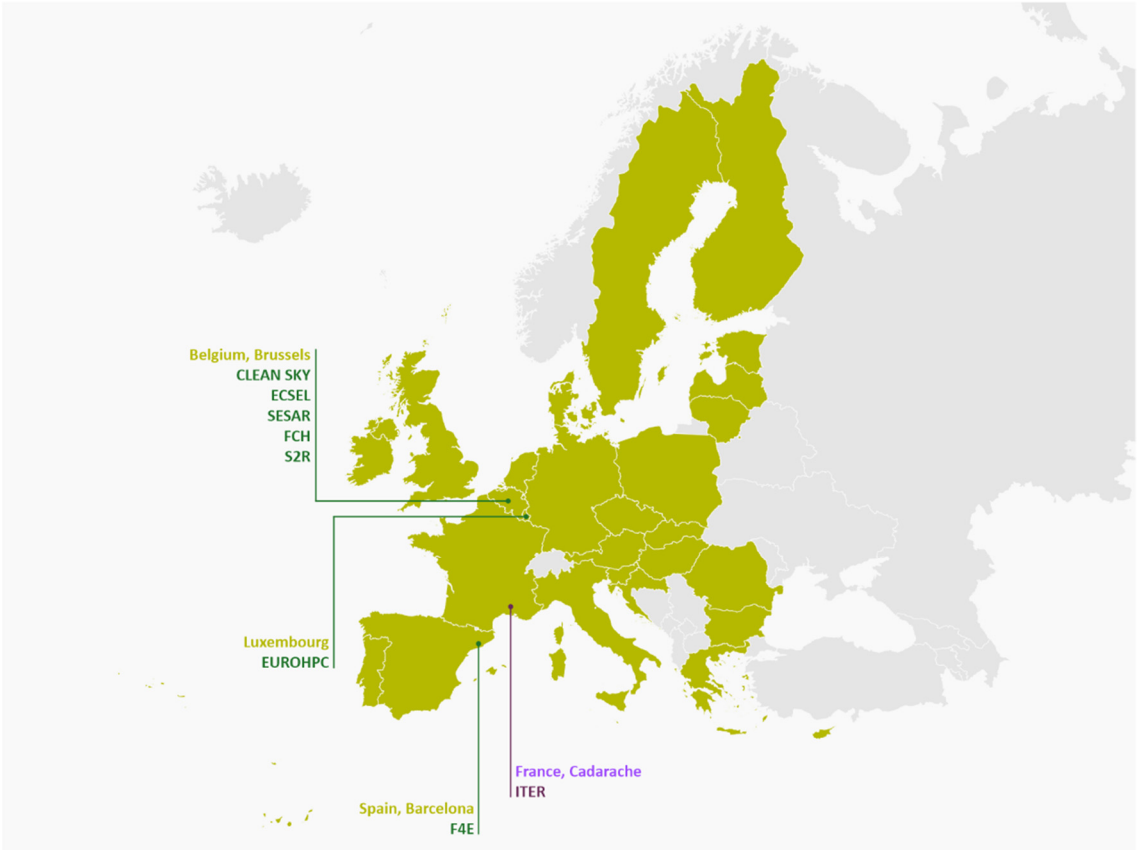
One JU was created for ITER

08 In 2007, under the Euratom Treaty, the EU established the 'Fusion for Energy' (F4E) JU for a period of 35 years. It is responsible for providing Europe's contribution to the International Thermonuclear Experimental Reactor (ITER), a global scientific partnership that aims to demonstrate that nuclear fusion can provide a viable and sustainable source of energy[1]. The founding members of F4E are Euratom, represented by the Commission, the Euratom Member States, and Switzerland.

09 All H2020 JUs are based in Brussels (Belgium), with the exception of EuroHPC, which is located in Luxembourg. F4E is located in Barcelona (Spain), whereas the main fusion facilities are being built in Cadarache, France (see ***Figure 2***).

[1] The ITER project was launched in 2005 to build and operate an experimental facility to demonstrate the scientific viability of fusion as a future sustainable energy source. It involves seven global partners (the EU represented by the European Atomic Energy Community (Euratom), the United States, Russia, Japan, China, South Korea and India).

Figure 2 – JU's location in the European Union



Source: ECA.

Governance arrangements

10 Most JUs follow a bipartite model, with the Commission and industry (and in some cases research) participating in the governing board and contributing to the JU's activities (SESAR, CS, IMI, FCH, BBI, S2R). Some follow a tripartite model in which the Member States, the Commission, and industry participate in the governing board and contribute to the JU's activities (ECSEL and EuroHPC)

JUs' funding and resources for 2018

11 For the JUs implementing FP7 and H2020 projects, both the EU and industry and research partners contribute to funding the JUs' research and innovation activities:

- The Commission provides cash funds from the FP7 and the H2020 Programmes to co-finance the JUs' research and innovation projects. Two JUs (SESAR and S2R) also receive funding from the Trans-European Transport Networks (TEN-T) programme;
- The industry and research partners provide in-kind contributions to the implementation of the JUs' research and innovation projects; and
- Both the Commission and private partners provide equal cash contributions to finance the JUs' administrative cost.

12 For FP7 activities, the amount of in-kind contributions provided by the industry and research partners have to equal the amount of EU cash contributions. However, for H2020 activities, the respective JU founding regulations define the amount of both EU cash contributions and private partners' in-kind contributions for H2020 research and innovation projects.

13 ***Figure 3*** shows an estimated breakdown of the contributions for both FP7 and H2020.

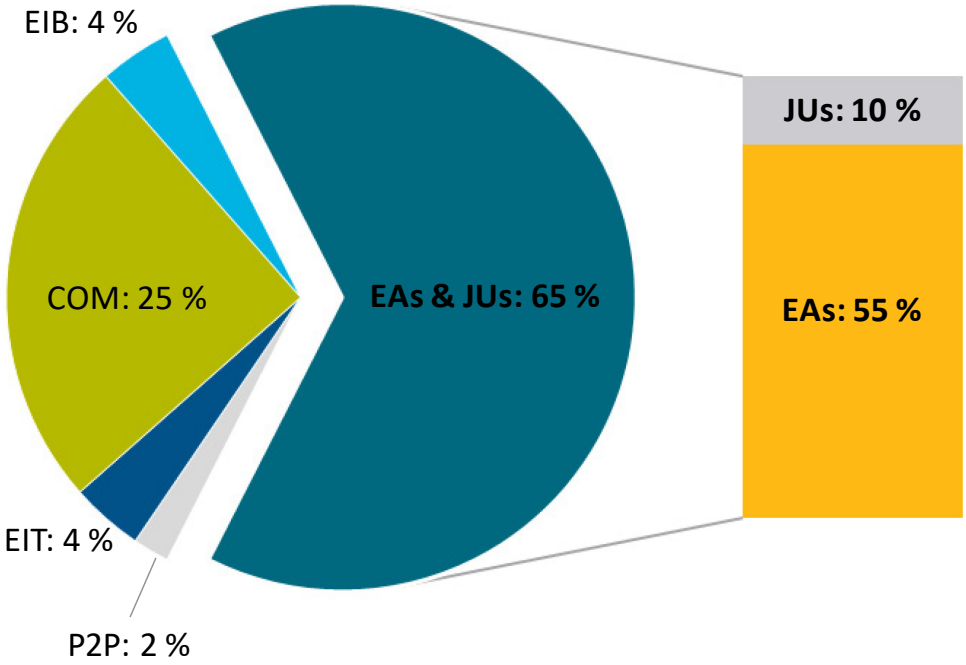
Figure 3 – Members' contributions over JU life time (in million euros)

Source: ECA.

14 There are two types of industry members' contributions: For all JUs, the private members have to contribute a minimum amount to the total costs of the JU research and innovation projects. This contribution is defined as the difference between the total project costs and the EU co-funding. In the case of four JUs (CS, FCH, BBI, S2R), the private members also have to provide a minimum amount of in-kind contributions, which consist of 'additional activities' performed outside the JUs' work programmes but falling within the scope of the JUs' objectives.

15 JUs (excluding F4E) manage around 10 % or 7,2 billion euros of the global H2020 budget, as illustrated in ***Figure 4***. The EU funding leverages about 17 billion euros of research and innovation projects in the H2020 areas delegated to JUs. For 2018, the total payment budget of the seven JUs implementing research programme activities was 1,2 billion euros (2017: 1,2 billion euros) and at the end of 2018 they employed 227 staff (2017: 227), comprising officials, temporary agents, contract agents, and seconded national experts.

Figure 4 – H2020 budget share by implementing body



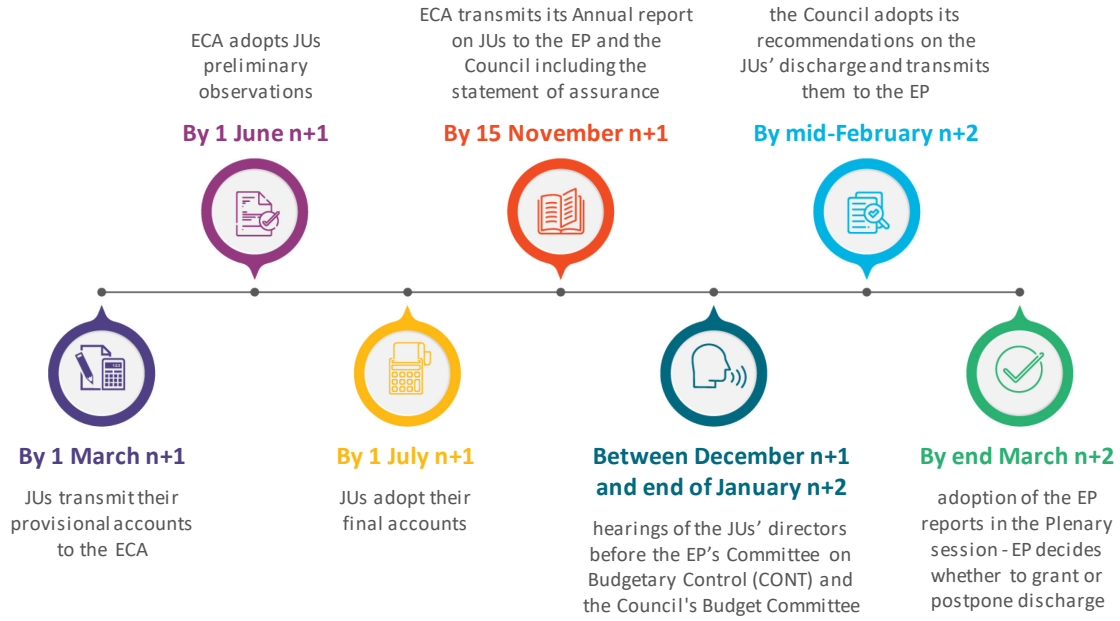
Source: ECA based on EC data.

16 F4E is mainly funded by Euratom and the Euratom Member States. The total Euratom funds dedicated to F4E are limited to 6,6 billion euros until the end of 2020. In 2018, the annual payment budget of F4E was 794,8 million euros (2017: 847,6 million euros). At the end of 2018, F4E employed 442 staff (2017: 449), comprising officials and temporary agents.

Discharge procedure

17 The timeline of the annual discharge procedure is shown in ***Figure 5***.

Figure 5 – Annual discharge procedure



Source: ECA.

Our audit

Our mandate

18 As required by Article 287 of the Treaty on the Functioning of the European Union (TFEU), we audited the accounts of eight JUs for the financial year ended 31 December 2018 and the legality and regularity of the transactions underlying those accounts.

Using the work of others

19 For the audit of the reliability of the JU accounts, we based our opinion on the final audit reports of the independent external auditor contracted by the JU. For each JU, we examined the quality of the audit work for the most risk prone areas.

20 For the audit of the compliance of the underlying payments, we took account of the work performed by other auditors. Therefore, we assessed and tested the JUs' internal control system, reviewed and re-performed the *ex post* audit work done by the Commission's Common Audit Service (CAS) and its contracted external auditors, and analysed the JU-related audits performed by the Commission's Internal Audit Service (IAS).

Our risk assessment

21 The 2018 annual audit of the JUs' accounts and underlying transactions took into consideration our risk assessment of the JUs, which is briefly presented below:

- The JUs' accounts are established by applying the accounting rules adopted by the Commission's accounting officer. These rules are based on internationally accepted accounting standards for the public sector. As the number of material errors found in the past was small, we considered the risk to the reliability of the accounts to be low. However, due to an important change in accounting policy in 2018, the risk for F4E was assessed as medium.

- Salaries are administered by the Commission's Office for Administration and Payment of Individual Entitlements (PMO), which we audit within the framework of our specific assessment of EU administrative expenditure. No material errors were found in relation to such payments in recent years.

- For recruitment procedures, the risk to the legality and regularity was low in general, but medium for JUs with high staff turnover.
- For grant payments, the risk was assessed to be medium in general because for H2020 the Certificates on Financial Statements (CFS) are only required from the beneficiary at the end of the project where EU contributions exceed 325 000 euros, and beneficiaries are not obliged to provide detailed documentation or evidence for H2020 interim payments (trust principle).
- For contract payments and public procurement procedures, given the limited number of such procedures, the risk was low in general, but medium for F4E, which manages complex procurement procedures for high value contracts.

Overall results from the JUs' annual audits for the financial year 2018

Unqualified ("clean") opinions …

… on the accounts for all JUs, but emphasis of matter for F4E related to the EU contribution to ITER

22 We issued unqualified audit opinions on the accounts of all JUs. In our opinion, these accounts present fairly, in all material respects, the JUs' financial positions as of 31 December 2018 and the results of their operations and their cash flows for the year then ended, in accordance with the provisions of the applicable financial regulations and the accounting rules adopted by the Commission's Accounting Officer.

23 As in previous years, our audit opinion on the 2018 annual accounts of F4E is accompanied by an emphasis of matter[2] to draw attention to the following:

- In November 2016, the ITER Council approved a new ITER project baseline, based on the expected commencement of the operational phase (i.e., when Plasma[3] will be achieved first) in 2025 and the completion of the construction phase in 2035. This new baseline is presented as the earliest possible technically achievable date. The previous 2010 baseline estimated the achievement of the construction phase in 2020.

- F4E recalculated its contribution to the project construction phase at 12 billion euros (in 2008 values), up from the 6,6 billion euros (in 2008 values) approved by the EU Council in 2010. This estimate does not include contingencies, even though the Commission suggested that a contingency of up to 24 months in terms of schedule and 10-20 % in terms of budget would be appropriate.

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[2] An emphasis of matter draws attention to a matter, which is not materially misstated in the accounts, but which is of such importance that it is fundamental to the users' understanding of the accounts.

[3] First Plasma represents the stage in the construction of the fusion machine that will allow testing the essential components of the machine; it is also the point where the operation phase starts.

- On 29 March 2017, the United Kingdom notified the European Council of its decision to withdraw from the EU and Euratom. This may have a significant effect on the post-2020 activities of F4E and the ITER project.

24 While F4E has taken positive steps to improve the management and control of its contribution to the project construction phase, the risk of further cost increases and delays in project implementation compared to the current baseline remains.

… on the revenue underlying all JUs' accounts

25 For all JUs, we issued *unqualified audit opinions* on the legality and regularity of the revenue underlying the annual accounts for the year ended 31 December 2018. In our opinion, transactions were legal and regular in all material respects.

… on the payments underlying all JUs' accounts

26 For all JUs, we issued *unqualified audit opinions* on the legality and regularity of the payments underlying the annual accounts for the year ended 31 December 2018. In our opinion, transactions were legal and regular in all material respects.

27 For the first time, we also gave an unqualified audit opinion on the legality and regularity of payments underlying the 2018 accounts for ECSEL. As the share of FP7 payments (for which ECSEL was unable to calculate a single error rate), was at a low level (around 20 % of payments), we had reasonable assurance that the error rate for ECSEL's total 2018 payments was below the materiality threshold of 2 % (see also paragraph ***38***).

28 ***Figure 6*** gives an overview of ECA's opinions for the eight JUs as to the reliability of accounts and legality and regularity of underlying transactions (revenue and payments) from 2016 to 2018.

Figure 6 – Opinions on JUs from 2016 to 2018

Source: ECA.

Our observations also address areas for improvement

29 We also made various observations highlighting important matters and areas for improvement, mainly on budgetary and financial management issues, in-kind contributions by members, internal controls for payments, and grant procedures.

Budgetary and financial management

30 We found persisting shortcomings in the budget planning for payment appropriations. In particular:

- F4E had to increase the 2018 payment appropriations by around 160 million euros, or 25 % of the initial budget, to cover its actual payment needs in 2018; and
- In the case of SESAR and ECSEL, the implementation rate for payment appropriations in 2018 was significantly lower than expected. This occurred due to delays in project implementation and the fact that unused payment appropriations carried over from previous years, had not been fully taken into account when planning the need of the 2018 budget.

Level of implementation of the JUs' activities under FP7 and members' contributions

31 In 2018, the implementation of the five JUs' FP7 and TEN-T activities (SESAR, CS, IMI, FCH, ECSEL) was in its closing phase. At the end of 2018, members' contributions for such activities represented approximately 89 % of the contribution targets set by the JUs' founding regulations (see ***Table 1***).

Table 1 – FP7 and TEN-T – Members' contributions (in million euros)

Members' contributions (as per founding regulation)				Members' contributions (as at 31.12.2018)			
EU	Other members	Total	JUs under FP7	EU	Other members	Total	Implementation rate
700,0	1 284,3	1 984,3	**SESAR 1**	634,1	1 099,8	1 733,9	87 %
800,0	600,0	1 400,0	**CS 1**	800,0	608,5	1 408,5	101 %
1 000,0	1 000,0	2 000,0	**IMI 1**	916,0	735,8	1 651,8	83 %
470,0	470,0	940,0	**FCH 1**	421,3	442,5	863,8	92 %
655,5	1 784,4	2 439,9	**ECSEL (for Artemis/Eniac)**	655,5	1 495,4	2 150,9	88 %
3 625,5	**5 138,7**	**8 764,2**	**Total**	**3 426,9**	**4 382,0**	**7 808,9**	**89 %**

Source: Data provided by the JUs.

Level of implementation of the JUs' activities under H2020 and members' contributions

32 Members' contributions fell behind the targets specified for the seven JUs (SESAR, CS, IMI, FCH, ECSEL, BBI, S2R) implementing activities of the H2020 programme. In 2018 and the fifth year of the programme period, only 39 % of their H2020 and related additional activities were implemented. If the additional activities are excluded, the implementation rate was only 31 % (see ***Table 2***).

33 By the end of 2018, the Commission contributed 2,5 billion euros in cash (35 % of the agreed total contributions of 7,2 billion euros), while industry and research partners contributed 4 billion euros (41 % of the agreed total contributions of 9,8 billion euros). This 4 billion euros consisted of:

- 1,7 billion euros of in-kind contributions to the JUs' H2020 own operational activities (of which approximately 0,6 billion euros were certified at the end of 2018); and
- 2,3 billion euros of in-kind contributions to additional activities performed outside the JUs' work programmes but within the scope of the JUs' objectives.

Table 2 – Horizon 2020 – Members' contributions (in million euros)

Members' contributions (as per founding regulation)					Members' contributions (as at 31.12.2018)						
EU	Other members' IKOP (1)	Other members' IKAA (2)	Total	JUs under Horizon 2020	EU	IKOP validated	IKOP reported not validated	IKAA	Total	Implementation rate with IKAA	Implementation rate without IKAA
585,0	1 000,0	N/A	1 585,0	SESAR 2020	216,9	128,6	120,2	N/A	465,7	29 %	29 %
1 755,0	1 228,6	965,3	3 948,9	CS2	816,7	288,0	157,6	801,7	2 064,0	52 %	42 %
1 638,0	1 425,0	N/A	3 063,0	IMI2	241,9	144,0	83,9	N/A	469,8	15 %	15 %
665,0	95,0	285,0	1 045,0	FCH2	318,8	5,4	7,7	636,3	968,2	93 %	44 %
1 185,0	1 657,5	N/A	2 842,5	ECSEL	512,0	11,3	694,1	N/A	1 217,4	43 %	43 %
975,0	975,0	1 755,0	3 705,0	BBI	264,6	21,2	36,8	699,9	1 022,5	28 %	17 %
398,0	350,0	120,0	868,0	S2R	158,9	28,2	63,7	160,4	411,2	47 %	34 %
7 201,0	6 731,1	3 125,3	17 057,4	Total	2 529,8	626,7	1 164,0	2 298,3	6 618,8	39 %	31 %

(1) In-kind contributions to the JU's operational activities within the JU's work plan
(2) In-kind contributions to additional activities outside of the JU's work plan

Source: Data provided by the JUs.

34 In the case of four JUs (CS, FCH, BBI, S2R), the founding regulation allows for in-kind contributions by private members to additional activities outside the JU's work programme. As shown in ***Table 2***, by the end of 2018, the bulk of contributions by industry members consisted in the declaration of costs for these activities.

35 The implementation rate for in-kind contributions for operational activities was 25 %, while that for in-kind contributions to additional activities was close to 75 %. Since there is no obligation to disclose the corresponding 'in-kind contributions to additional activities' in the annual accounts, they are outside our audit scope.

36 We note that the founding regulation for BBI was amended in 2018 to enable industry members to account for their cash contributions at project level. Nevertheless, we consider that a high risk remains that industry members will not achieve the minimum required amount of operational cash contributions of 182,5 million euros by the end of the BBI programme. In this context, the Commission decided at the end of 2018 to reduce the JU's 2020 budget of 205 million euros by 140 million euros.

Internal controls for payments

37 The JUs have set up *ex ante* control procedures based on financial and operational desk reviews. For FP7 interim and final payments, independent external audit firms contracted by the JUs perform *ex post* audits at beneficiaries, whilst for H2020 cost claims the Commission's CAS is responsible for the *ex post* audits at beneficiaries.

38 For FP7 grant payments, the JUs (with the exception of ECSEL) reported residual error rates below the materiality level of 2 %, based on the *ex post* audit results at the end of 2018. We confirmed this result by our substantive testing of final grant payments. For ECSEL, the significant variation in the methodologies and procedures used by the National Funding Authorities (NFAs) does not allow the JU to calculate a single residual error rate for FP7 payments. For these payments we applied the residual error rate established by DG RTD for the whole FP7 programme, which was 3,36 % at the end of 2018. As a result, given the low percentage of FP7 payments in 2018, the residual error rate for ECSEL's total operational payments made in that year is considered as below the materiality threshold.

39 For H2020 grant payments, at the end of 2018, all JUs implementing H2020 projects, reported a residual error rate below the materiality threshold of 2 %, based on the *ex post* audit results at the end of 2018. Our review of the audit work of the Commission's CAS and of the external audit firms, as well as selected re-performance tests at the beneficiaries confirmed this result.

40 However, our review also showed similar findings to those reported in Chapter 5 of our 2018 annual report[4]. We reviewed *ex post* audits carried out by both the Commission's CAS and its contracted external auditors on a sample basis for grant payments made by all EU bodies implementing H2020 activities. In some of the files we reviewed, we found inconsistent sampling approaches and weaknesses in the documentation and reporting of audit findings, as well as in the quality of audit procedures. We also found a methodological weakness relating to the error rate calculation: although *ex post* audits rarely achieve their aim of maximum coverage of accepted costs, the error rate is systematically calculated based on all accepted costs, instead of the amount actually audited. This leads to an understatement compared to the error rate estimated by us based on our methodology.

Project and grant management

41 In 2018, for the first time, S2R launched a pilot call with a lump sum funding scheme, restricted to its members. During the evaluation process, the financial experts came across some material discrepancies between the financial proposals and the beneficiaries' historical financial data.

42 For BBI, due to the design of its 2018 call for proposals and the management of the ranking system for proposals, one of two flagship topics in the call remained unfunded, despite there being eligible and highly evaluated proposals for both topics. For SESAR, weaknesses in the design of the 2018 call for proposals for Connecting Europe Facility (CEF) funds resulted in overlaps and inconsistencies among award criteria, which put at risk the overall effectiveness of the grant evaluation process.

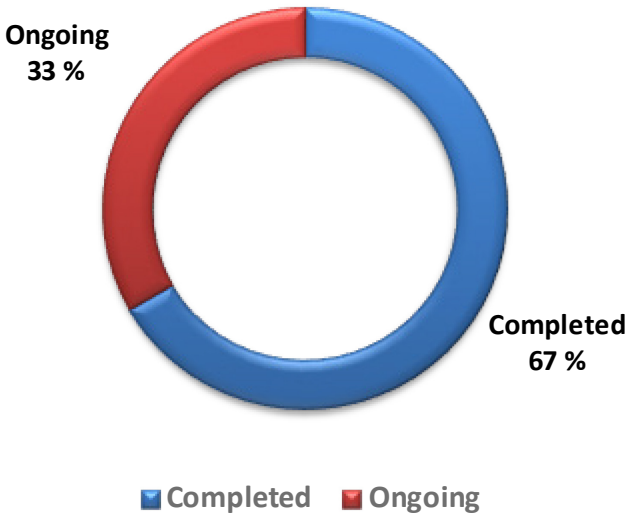
[4] See Chapter 5 of ECA's 2018 Annual Report - Competitiveness for Growth and Jobs, Module 2.

43 Finally, for several years, we, and external experts have recommended that F4E implements an Earned Value Management (EVM) system[5] to measure performance based on technical project progress coupled with the cost incurred for that progress. While F4E still continued to use the ITER credit system to monitor the progress of its project during 2018, the Governing Board endorsed in April 2019 the proposal of its ad-hoc work group of an EVM system.

Follow up on previous audit findings

44 In most cases, the JUs have taken corrective action to follow up the observations and comments in our specific annual reports from previous years. ***Figure 7*** shows that for the 30 observations not addressed at the end of 2017, corrective actions were taken in 2018: 20 observations (67 %) were completed while 10 observations (33 %) remained ongoing at the end of 2018. Further details can be found in the annexes to Chapter 3 of the full report.

Figure 7 – Follow-up previous years' observations



Source: ECA.

[5] EVM helps project managers to measure project performance. It is a systematic project monitoring process used to find deviations in project progress based on the comparison of worked performed and work planned. It is used on the cost and time schedule control and to provide quantitative data for project decision making. The project baseline is an essential component of EVM and serves as a reference point for all EVM related activities.

Other JU-related audits and reviews

45 During 2018 and 2019, we also issued a number of special reports and reviews, which referred to JUs (see ***Figure 8***)

Figure 8 – Audit results from other JU-related products recently issued by ECA

ECA special report 28/2018:
The majority of simplification measures brought into Horizon 2020 have made life easier for beneficiaries, but opportunities to improve still exist

Horizon 2020 provides funding to researchers, research institutes, universities, private companies and public bodies, either individually or in consortia as part of collaborative research projects. With a budget of 76.4 billion euro for the period from 2014 to 2020, it ranks as the world's largest public research and innovation programme.

Our audit examined whether the changes introduced with Horizon 2020 have been effective in reducing the administrative burden for beneficiaries. We concluded that the majority of the simplification measures have been effective, although not all actions produced the desired result and opportunities to improve still exist. Beneficiaries need more user-friendly guidance and tools, and the Commission has to test further the appropriateness and usability of new funding schemes. Stability in the rules is also important and, while beneficiaries are able to adapt to complexity, frequent modifications to guidance can cause confusion and uncertainty.

The details on the audit conclusions, related recommendations and the auditee's reply can be consulted on the ECA website eca.europa.eu.

ECA special report 11/2019:
The EU's regulation for the modernisation of air traffic management has added value – but the funding was largely unnecessary - SESAR - deployment

In 2005, the EU launched a programme known as SESAR to harmonise and modernise air traffic management (ATM) systems and procedures across Europe. These systems have traditionally been developed at a national level. Overall, the EU has committed €3.8 billion to SESAR between 2005 and 2020, of which 2.5 billion euro was earmarked to support the deployment of such systems and procedures.

In this audit, we reviewed the EU's intervention in the deployment phase of SESAR, the technological pillar of the EU's Single European Sky (SES) initiative. We concluded that the EU's regulatory intervention in the form of common projects has added value. However, we also found that EU funding in support of ATM modernisation was largely unnecessary, and that the management of the funding is affected by some shortcomings. We also made a number of recommendations to the European Commission to help improve its support for ATM modernisation.

The details on the audit conclusions, related recommendations and the auditee's reply can be consulted on the ECA website eca.europa.eu.

Landscape review 2018:
Towards a successful transport sector in the EU: challenges to be addressed

This landscape review describes and analyses what the EU does in the field of transport. We focus on infrastructure investments funded from the EU budget and present cross-cutting themes that we identified in recent audits in the five main modes of transport: road, rail, air, inland waterways and maritime.

We found the EU had made progress in infrastructure development and the opening of the internal transport market, but we also warn the EU needs to address six key challenges on the road towards improved mobility within the Union. These include matching objectives and priorities with resources, better planning, infrastructure maintenance, effective enforcement, shifting goods traffic off roads and ensuring EU added value.

By providing clear and accessible information to stakeholders and interested parties, this landscape review aims to encourage stakeholders to improve actions and/or co-ordinate them better in order to add value to the EU's efforts to meet its transport policy objectives.

The details on the audit conclusions, related recommendations and the auditee's reply can be consulted on the ECA website eca.europa.eu.

Source: ECA.

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