



Press Release

Luxembourg, 14 November 2019

Auditors sign off 2018 accounts of all EU research Joint Undertakings

The European Court of Auditors (ECA) has given a clean bill of health for all the EU's Joint Undertakings, issuing clean opinions on their financial transactions and confirming the positive results reported in previous years.

Joint Undertakings (JUs) are the EU's public-private partnerships with industry, research groups and Member States, established to carry out specific projects and policies in the field of research and innovation. Seven JUs are currently implementing specific actions under Horizon 2020, while the 'Fusion for Energy' (F4E) JU was established to take part in the International Thermonuclear Experimental Reactor (ITER) project. In 2018, the EU, as public partner, contributed €2.2 billion to the JUs' 2018 budget, about 1.5% of the total EU budget. The private partners provide in-kind contributions to operational activities and cash contributions towards administrative costs. JUs mainly award funding to private partners through open calls for proposals.

"Joint Undertakings can improve the link between research and societal growth, and bring innovation closer to the market", said Ildikó Gáll-Pelcz, the Member of the European Court of Auditors responsible for the audit. "Our audit for 2018 confirms that their financial management is healthy, but we make various observations to indicate areas for improvement as regards in-kind contributions, internal control, grant management and staff turnover."

The auditors have signed off the accounts of all eight JUs as reliable, as well as issuing clean opinions on the legality and regularity of their payment and revenue transactions. Internal controls on payments were generally effective and kept the level of error below the materiality threshold of 2%, say the auditors, but several undertakings still had weaknesses in their procurement, grant and recruitment procedures.

As regards the closing of the previous framework programme for research and innovation (the Seventh Framework Programme or FP7) and of the Trans-European Transport Networks (TEN-T) programme, the JUs have achieved a high level of project implementation and private partner contributions (89 % of the targets set by the JUs' founding regulations). However, at the halfway stage of the current Horizon 2020 programme, its implementation is delayed and further efforts

The purpose of this press release is to convey the main messages of the European Court of Auditors' annual report on EU's Joint Undertakings. The full report is available at www.eca.europa.eu.

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are needed to meet the agreed targets (only 40 % of Horizon 2020 and related additional activities have been implemented so far).

The auditors also draw attention to the EU's contribution to the ITER nuclear fusion project, which is at risk of further cost increases and implementation delays compared to the current approved baseline.

Notes to Editors

The European Commission is the public member of the Joint Undertakings and represents the EU. The private members include various partners from industry and research. Most EU JUs are located in Brussels, except F4E, which is in Barcelona, and the European High-Performance Computing (EuroHPC), established in November 2018 in Luxembourg to develop a world-class supercomputing ecosystem in Europe. The ECA will audit the accounts of EuroHPC for the first time in 2020. Currently, all JUs are planned to operate until 2024, with the exception of EuroHPC, which will remain operational until the end of 2026.

In 2018 and 2019, we have published a number of other special reports and reviews referring to JUs: [special report 11/2019 on SESAR deployment](#), the 2018 [briefing paper on the successor to Horizon 2020](#) and the [special report no 28/2018 on Horizon 2020](#), and the 2018 [landscape review on transport](#).

F4E	Development of Fusion Energy
BBI	Bio-based Industries
CS – Clean Sky	Clean Air Transport Technologies
IMI	Innovative Medicines Initiative
FCH	Fuel Cells and Hydrogen
SESAR	Single European Sky Air Traffic Management Research
ECSEL	Electronic Components and Systems for European Leadership
S2R	Shift2Rail Innovative Rail Product Solutions
EuroHPC	European High-Performance Computing

The summary document “2018 audit of EU Joint Undertakings in brief” and the full “2018 annual report on EU Joint Undertakings”, with details on each JU, are available on the ECA website (eca.europa.eu) in 23 EU languages. This is the first year the ECA has published one single report on all JUs.

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