



Press Release

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Auditors sign off 2019 accounts of all EU Joint Undertakings

The European Court of Auditors (ECA) has given a clean bill of health for all the EU's Joint Undertakings (JUs) - the EU's public-private partnerships with industry, research groups, international organisations and Member States - issuing clean opinions on their accounts and financial transactions. However, as in previous years, the auditors again draw attention to the 'Fusion for Energy' (F4E) JU, mainly because of the risk of further cost increases and delays in implementing the International Thermonuclear Experimental Reactor (ITER) project.

"The added value of Joint Undertakings is that the EU, private industry and research groups are partners for the common good. This brings innovation and economic growth", said Ildikó Gáll-Pelcz, the member of the European Court of Auditors responsible for the audit. "Our audit for 2019 confirms that their financial management is healthy, although several aspects can be further improved, for instance the management of procurements, grant payments and human resources."

Joint Undertakings (JUs) are established to carry out research and innovation activities in the specific fields allocated to them by the Council. They mainly use calls for proposals to select the best projects for funding. The European Commission is the public member of the Joint Undertakings and represents the EU; in 2019, it contributed around 1.9 billion euros to the research and innovation activities of the JUs. The private partners include industry, various research groups, and international organisations. They provide mainly in-kind contributions by implementing the JUs' activities, in which they invest their own financial and human resources, assets and technologies.

The auditors have signed off the 2019 accounts of all JUs, meaning that the accounts reliably present their financial situation, and that there are no material faults in their payment and revenue transactions according to accounting rules. However, the auditors observed various matters needing improvement: for instance, while internal controls on payments were generally effective and kept the level of error below the materiality threshold of 2%, several JUs still had weaknesses in their procurement, grant payments and recruitment procedures.

The auditors also checked the implementation rate of the JUs activities. Those falling within the Seventh Framework Programme for Research and Technological Development (FP7) and the Trans-European Transport Network programme (TEN-T) – which were established in the 2007-2013 EU

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

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budget cycle (MFF) - are in the closing phase. According to the auditors, they have achieved a high level of project implementation and private partner contributions (90 % of the targets set by the JUs' founding regulations). By contrast, some JUs under Horizon 2020 (H2020) fell short of targets. Although they were mostly planned with a life span of 10 years (2014-2024), the auditors found that only an average of 51 % of H2020 and related additional activities had been implemented so far. On the other hand, the JUs dealing with those H2020 activities completed most of the call procedures and had already awarded and/or signed on average 78 % of their planned activities at the end of 2019.

Finally, as regards the 'Fusion for Energy' (F4E) JU, this year again the auditors warn that the EU's contribution to the ITER nuclear fusion project in Cadarache (France) risks further cost increases and implementation delays compared to the current approved baseline, and draw attention to the consequences the withdrawal of the UK from the Union might have after 2020. Moreover, F4E's weaknesses in procurement planning, as well as human resource and project management, place its operational effectiveness at risk, according to the auditors.

Background information

Most EU JUs are located in Brussels, except F4E, which is in Barcelona, and the EuroHPC, in Luxembourg, whose accounts were not audited in 2019 but will be for the 2020 financial year.

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	Develop a European world-class supercomputing ecosystem

The summary document "2019 audit of EU Joint Undertakings in brief" and the full details on each JU are available on the ECA website (eca.europa.eu) in 23 EU languages.

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