



## Press Release

Luxembourg, 15 November 2022

### Auditors give a clean bill of health to the EU's public-private partnerships for research and innovation

The European Court of Auditors (ECA) has signed off the 2021 accounts of all the EU's Joint Undertakings (JUs), and confirmed the positive results reported in previous years. The new Horizon Europe research and innovation funding programme sets ambitious goals for the 2021-2027 budget period, and the auditors call for action to get the Horizon 2020 contribution targets over the line, to address remaining weaknesses in internal controls, and to prepare for new challenges, such as human resources planning and management.

Joint Undertakings are partnerships between the European Commission and industry, and in some cases research, intergovernmental organisations or participating states. JUs are financed by cash funds from the EU's research and innovation programmes (Horizon 2020, Horizon Europe and Digital Europe), and by in-kind contributions and other financial contributions from the other partners.

*"These European public-private partnerships foster the translation of scientific knowledge into marketable breakthrough innovations, and can respond to needs currently insufficiently served by industry", said Ildikó Gáll-Pelcz, the member of the European Court of Auditors responsible for the audit. "That is why they need to prepare well for the challenges ahead."*

In 2021, the Council of the EU adopted new regulations setting up eleven JUs to implement actions under Horizon Europe and Digital Europe programmes, the multiannual research and innovation programmes for the 2021-2027 financial period. These JUs implement their specific research and innovation agendas in the areas of transport, energy, health, bio-based industries, key digital technologies, supercomputing and smart network systems. Eight of them were already operating under the previous programme (Horizon 2020), and will continue under the new programmes as new legal entities, with new names and increased or slightly changed remits. In addition to the JUs which are already operating, three new ones have been established: the Smart Networks and Services JU, the Global Health JU and the European Cybersecurity Competence Centre. The ECA will audit these three new JUs for the first time after they have obtained their financial autonomy, which is expected in 2023.

*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](http://www.eca.europa.eu).*

## ECA Press

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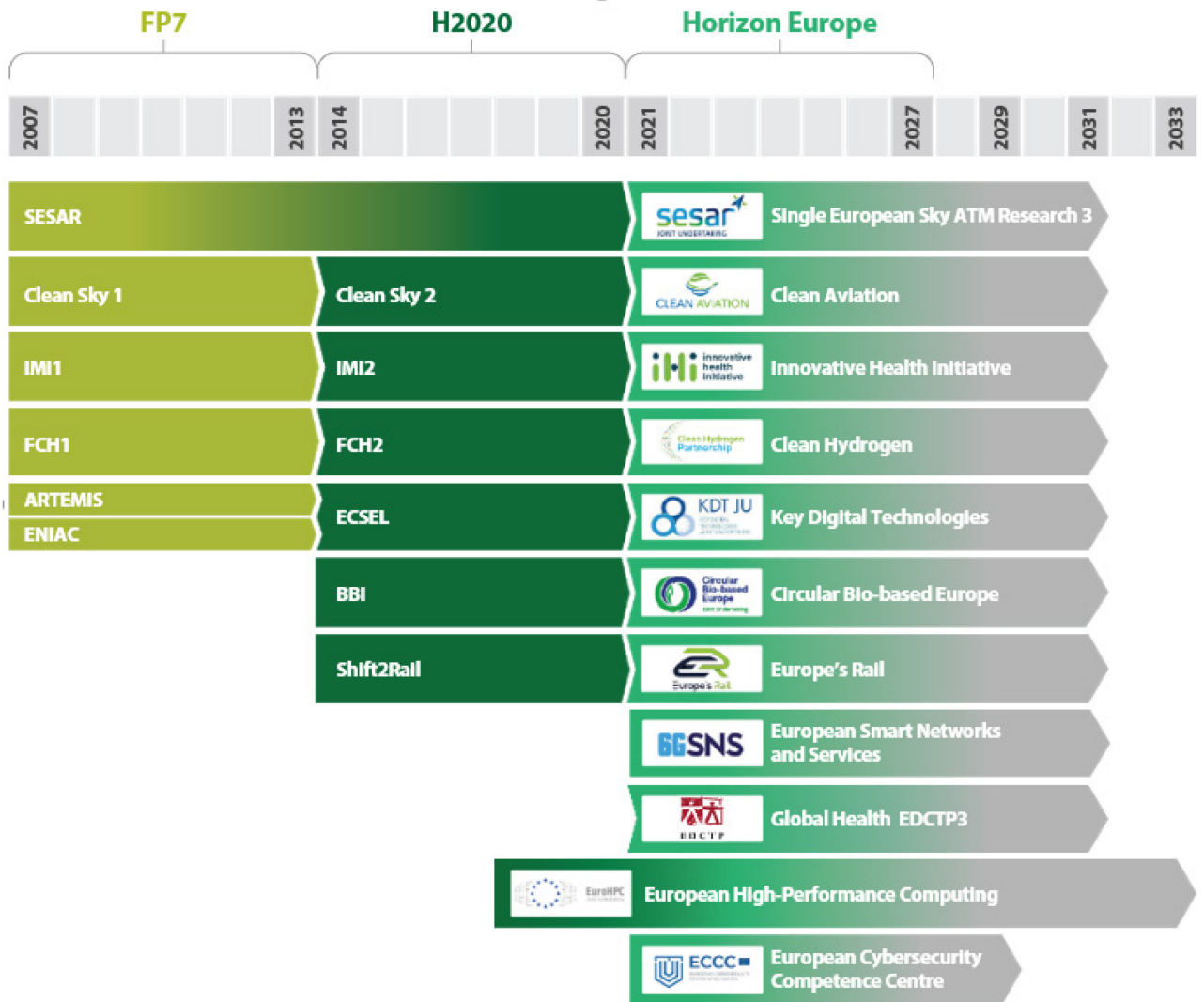
For the 2021-2027 financial period, the EU funding for JUs of €15.1 billion is expected to leverage additional contributions of €19.1 billion from partners (industry, participating states or international organisations) to achieve research and innovation projects to the value of about €34.2 billion.

Fusion for Energy (F4E), the Joint Undertaking under Euratom for the implementation of the European part of the ITER nuclear fusion project in France, assessed in 2021 the total costs of completing its delivery obligations at €18.3 billion. However, the auditors highlight risks regarding deadlines and costs which should be considered in the new 2023 ITER baseline. As Russia is a member of the ITER international organisation, with the obligations to provide annual contributions and to deliver several components, the current sanctions on Russia may also present additional risks in terms of increased costs or delays.

The auditors note that, in most cases, the JUs have taken corrective action to follow up their observations from previous years. However, they observed various matters which still need improvement: for example, the audit results for grant payments indicated that staff costs remain the main source of error due to the complexity of the calculation process. As regards the implementation rate of the JUs' activities, the auditors note that while their Horizon 2020 research and innovation agenda is fully committed, a significant number of projects will only be finalised under the 2021-2027 financial period. This parallel implementation of several programmes may increase work pressure on JU staff. In general, the auditors warn of human resource challenges that, in the end, could negatively affect the JUs' overall performance and even jeopardise the fulfilment of their tasks.

### **Background information**

The “2021 audit of EU Joint Undertakings”, with the statement of assurance and observations for each JU, is available on the [ECA website](#).



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