2013 discharge: European Joint Undertaking for ITER and the Development of Fusion Energy (Fusion for Energy)

2014/2129(DEC) - 31/03/2015 - Committee report tabled for plenary, single reading

The Committee on Budgetary Control adopted the report by Anders Primdahl VISTISEN (ECR, DK) on discharge in respect of the implementation of the budget of the **Joint Undertaking for ITER and the Development of Fusion Energy** for the financial year 2013.

It called on the European Parliament to postpone its decision on granting the Director of the Joint Undertaking discharge in respect of the implementation of the joint undertaking’s budget for the financial year 2013.

The committee called on Parliament to **postpone the closure of the accounts of the Joint Undertaking for the financial year 2013**.

It made a number of recommendations that needed to be taken into account when the discharge is granted, in addition to the general recommendations that appear in the draft resolution on performance, financial management and control of EU agencies.

Budgetary and financial management: Members were concerned that there was a significant risk of increase to which the amount of the Joint Undertaking's contribution to the construction phase of the ITER project was exposed. They wanted to see a **realistic approach for an effective budget and financial management**, with an overall realistic schedule for the whole project. They recalled that EUR 6.6 billion was approved in 2008 values, in order for the Joint Undertaking to contribute to the ITER construction phase of the project, but this amount was double compared to the initial budgeted costs and did not include an amount of EUR 663 000 000 proposed by the Commission and intended to cover potential contingencies. Members considered that the significant increase of the project might **put into danger other programmes** that were also financed by the Union’s budget and might be contradictory to the "value for money" principle. They pointed out with concern that the Joint Undertaking had not detailed in its financial statements the degree of advancement of the work in-progress. However, this information was essential in reflecting the status of the activities carried out so far. The report noted in regard to the Joint Undertaking's commitment appropriations that, out of EUR 1 254 000 000 which were available for operational activities, 61.7 % were implemented through direct individual commitments while the remaining 38.3 % were implemented through global commitments. Members were concerned that seven members had paid their 2013 annual membership contribution late, which might have had an impact on the way the project was run. They awaited a report to the discharge authority concerning the contributions of all members other than the Commission, including the application of the evaluation rules for in-kind contributions, together with an assessment by the Commission.

Members also made a series of observations on conflicts of interests at the JU as well as on public procurement and the legal framework of the Undertaking. They called on the Joint Undertaking to submit in a due term a report to the discharge authority concerning **the actual level of project implementation**, potential risks and future development of the project, together with an assessment by the Commission.

Other observations: lastly, Members noted that the Joint Undertaking had not yet adopted and implemented certain measures aimed at mitigating specific risks related to the protection of the intellectual property rights and the dissemination of research results. They acknowledged the Joint Undertaking's

opinion that the costs of implementation of such measures did not appear proportionate to the size of the residual risk and would be difficult to implement in practice.