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

2014/2129(DEC) - 29/04/2015 - Text adopted by Parliament, single reading

The European Parliament decided by 227 votes to 459, with 9 abstentions, to defer the decision to postpone the discharge to the Director of the **Joint Undertaking for ITER and the Development of Fusion Energy** for the financial year 2013. With the rejection of the decision to postpone, discharge shall be granted and the accounts shall be deemed closed (see Annex V, Article 5(1) of the Rules of Procedure).

Parliament also adopted by 634 votes to 31, with 9 abstentions, a resolution containing a number of recommendations that form an integral part of the discharge decision and as well as the general recommendations that appear in the resolution on performance, financial management and control of EU agencies:

Budgetary management and additional cost of the ITER project: Parliament was 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. It wanted to see a **realistic approach for an effective budget and financial management**, with an overall realistic schedule for the whole project. It 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.

Parliament is deeply concerned that in November 2013 the Joint Undertaking estimated the budget shortfall until the finalisation of the construction phase of the project to be EUR 290 000 000, representing a deviation of 4.39% over the figure approved by the Council in 2010 and representing an increase of 10.7% compared to the initial budget of the project. In relation to these risks, the Joint Undertaking has not yet implemented a system at contract level to regularly monitor the cost deviations and has not updated the valuation of the Joint Undertaking to the ITER project beyond the finalisation of the construction phase.

Parliament 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. It 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 resolution 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. Parliament 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.

Other observations: Parliament 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. It 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.

Parliament 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. It 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. Moreover, it noted that the Joint Undertaking’s contractors are offered exclusive exploitation rights over intellectual property produced in fields outside fusion, while in the field of fusion the contractors have non-exclusive rights.