2014 discharge: European Joint Undertaking for ITER and the Development of Fusion Energy - Fusion for Energy (F4E)

2015/2196(DEC) - 07/04/2016 - Committee report tabled for plenary, single reading

The Committee on Budgetary Control adopted the report by Marian-Jean MARINESCU (EPP, RO) on discharge in respect of the implementation of the budget of the European Joint Undertaking for ITER and the Development of Fusion Energy for the financial year 2014.

The parliamentary committee calls on the European Parliament to **postpone its decision to grant the Director of the joint undertaking the discharge in respect of the implementation of the joint undertaking's budget for the financial year 2014**.

Accordingly, Members call on Parliament to delay the approval the closure of the joint undertaking's accounts.

They made, however, a number of recommendations that need to be taken into account when the discharge is granted. They may be summarised as follows:

- **Budget and financial management:** Members note that the Court of Auditors, in its report, emphasised the fact that the Council, in 2011, had approved EUR 6.6 billion (in 2008 values) for the Joint Undertaking contribution to the ITER construction phase of the project. That figure is **double the initial budgeted costs for this phase of the project** and did not include EUR 663 million proposed by the Commission in 2010 to cover potential contingencies. Although the ITER Organization set up a Reserve Fund with the aim of providing a clearer mechanism that compensates the domestic agencies for design changes, Members call on ITER to adopt solutions **that minimise costs in an attempt to rectify the weakness identified by 2013 ITER Management Assessment**. Members consider that the significant increase of the project costs may put in danger other programmes which are also financed by the Union budget and may be contradictory to the "value-for-money" principle. They also note with concern that the amount of the contribution to the construction phase of the project by the Joint Undertaking is exposed to significant risks of increase due to changes in the scope of the project deliverables and delays in the current schedule which was considered to be **unrealistic**. They also note that the latest estimate of the shortfall (negative contingency) until the finalisation of the construction phase, calculated by the Joint Undertaking in November 2014, was EUR 428 million (2008 values).
- **Action plan:** Members stress that because of the problems currently faced by the ITER project, the new Director-General of the ITER Organisation presented an action plan setting out specific measures to tackle the main issues facing the project's progress. They note that the Commission publically stated that it had "rejected" the proposed action plan made by the new Director General of the ITER Organization. They urge the new Director General of the ITER Organization to present publically the new ITER action plan which clearly avoids any further delay or additional costs to the ITER Project.

Members make a series of observations on conflicts of interest in the joint undertaking, procurement, the headquarters agreement with Spain, working conditions, controls in the joint undertaking, and its legal framework, as well **as intellectual property rights in regard to exclusive exploitation rights** over intellectual property produced in fields outside fusion.