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

2015/2196(DEC) - 28/04/2016 - Text adopted by Parliament, single reading

The European Parliament decided by 594 votes to 30, with 5 abstentions, to postpone the decision to grant discharge to the Director of the European Joint Undertaking for ITER and the Development of Fusion Energy for the financial year 2014.

It postponed the closure of the accounts of the Joint Undertaking (in accordance with Annex V, Article 5 (1)(b) to Parliament's Rules of Procedure.

Parliament adopted by 570 votes to 55 with 7 abstentions, a resolution containing a series of recommendations, which form an integral part of the decision on discharge and which add to the general recommendations set out in the resolution on performance, financial management and control of EU agencies:

- **Budget and financial management**: Parliament noted 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, Parliament called on ITER to adopt solutions **that minimise costs in an attempt to rectify the weakness identified by 2013 ITER Management Assessment**. Parliament considered 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**. It also noted 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**. It also noted 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). Parliament acknowledged that the Joint Undertaking is currently working on a more accurate and updated estimate through cost-containment measures and that cost control will continue to be a priority at global project management level under the leadership of the new Director General of the ITER Organization.
- **Action plan**: Parliament stressed 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. It noted that the Commission publically stated that it had "rejected" the proposed action plan made by the new Director General of the ITER Organization. It urged 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. It noted that the Joint Undertaking has implemented a central system to manage costing data in order to maintain close control of the evolution of the budget and to monitor **cost deviations** on a regular basis.

Parliament made 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.