

# 2015 discharge: European Joint Undertaking for ITER and the Development of Fusion Energy - Fusion for Energy Joint Undertaking (F4E)

2016/2194(DEC) - 29/03/2017 - Committee report tabled for plenary, single reading

The Committee on Budgetary Control adopted the report by Miroslav POCHE (S&D, CZ) on discharge in respect of the implementation of the budget of the ITER and the Development of Fusion Energy for the financial year 2015.

The committee called on the European Parliament to grant the Director of the European Joint Undertaking for ITER and the Development of Fusion Energy discharge in respect of the implementation of the Joint Undertaking's budget for the financial year 2015.

Noting that the Court of Auditors issued a statement of assurance as to the reliability of the accounts and the legality and regularity of the underlying transactions for the financial year 2015, Members called on Parliament to **approve 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:

**General:** Members expressed concern that the Court's report once again emphasises that the complexity of ITER activities puts the amount of the Joint Undertaking's contribution to the construction phase of the ITER project at significant risk of increasing. They recognised that significant progress across a range of areas impacting on the whole management structure of the project has been achieved. Highlighting the need to maintain the budget cap of **EUR 6.6 billion until 2020**, Members stressed that the main challenge for the ITER project is to make sure that the realistic schedule and budgeting are kept and that any potential deviation or problem is detected at the earliest stage possible. The Commission is invited to **present, before July 2017, a communication on ITER project**, which is essential for ensuring transparency of the whole project and setting out the way forward.

**Budget and financial management:** the final 2015 budget available for implementation included commitment appropriations of EUR 467 901 000 and payment appropriations of EUR 586 080 000. The utilisation rates for commitment and payment appropriations were **100 % and 99 %** respectively. The full implementation of the 2015 budget made the level of cancelled appropriations very low for 2015. Out of the EUR 467 900 000 available for commitment appropriations, 52 % was implemented through direct individual commitments and the remaining 48 % through global commitments. As regards **individual commitments, lower performance** than originally foreseen was mainly due to a decrease in the amount of cash contribution requested by ITER Organisation, a decrease in the amount of cash contribution requested by Japan and postponements of contracts in areas such as remote handling, diagnostics and plasma engineering. As for **global commitments**, the main domains were buildings (for amendments or options on the main buildings contracts) and a vacuum vessel (for completion of the procurement of the main vessel).

**Other observations:** the report also contained a series of observations on the prevention and management of conflicts of interests, personal selection and recruitment, internal control measures, operational procurements and grants, intellectual property rights and industrial policy.

The report also noted in particular:

- the development of contract tracker tool (a portal by which to exchange documentation with suppliers), which is an important tool for monitoring of milestones and overall project progress;
- the launch of 73 operational procurement procedures the signing of 79 procurement contracts for a value of about EUR 326 million. The average time to contract for procurements above EUR 1 million decreased from 240 days to 140 days during 2015 in comparison with 2014;
- the adoption of the single intellectual property document in 2016;
- the signature of a renewed long-term lease agreement with Spain for its offices.

The Director is encouraged to continue in his effort towards optimising resources between the Joint Undertaking and the ITER Organisation.