2016 discharge: European Joint Undertaking for ITER and the Development of Fusion Energy - Fusion for Energy Joint Undertaking (F4E)

2017/2180(DEC) - 26/06/2017 - Non-legislative basic document

PURPOSE: presentation by the Commission of the consolidated annual accounts of the European Union for the financial year 2016, as part of the 2016 discharge procedure.

Analysis of the accounts of the **European Joint Undertaking Fusion for ITER and the Development of Fusion Energy - Fusion for Energy Joint Undertaking (F4E)**

CONTENT: the organisational governance of the EU consists of institutions, agencies and other EU bodies whose expenditure is included in the general budget of the Union.

This Commission document concerns the EU's consolidated accounts for the year 2016 and details how spending by the EU institutions and bodies was carried out. The consolidated annual accounts of the EU provide financial information on the activities of the institutions, agencies and other bodies of the EU from an accrual accounting and budgetary perspective.

It is the responsibility of the Commission's Accounting Officer to prepare the EU's consolidated annual accounts and ensure that they present fairly, in all material aspects, the financial position, the result of the operations and the cash flows of the EU institutions and bodies, including **the ITER-F4E Joint Undertaking**, with a view to granting discharge.

Discharge procedure: the final step of a budget lifecycle is the discharge of the budget for a given financial year. It represents the political aspect of the external control of budget implementation and is the decision by which the European Parliament, acting on a Council recommendation, "**releases**" the Commission (and other EU bodies) from its responsibility for management of a given budget by marking the end of that budget's existence. The European Parliament is the discharge authority within the EU.

The discharge procedure may produce three outcomes: (i) the granting; (ii) postponement or; (iii) the refusal of the discharge.

The final discharge report including specific recommendations to the Commission for action is adopted in plenary by the European Parliament and are subject to an annual follow up report in which the Commission outlines the concrete actions it has taken to implement the recommendations made.

Each agency is subject to its own discharge procedure, including **ITER and Fusion for Energy**.

ITER and Fusion for Energy Joint Undertaking (F4E): Fusion for Energy (F4E) is a Joint Undertaking created under the Euratom Treaty by Council Decision 2007/198/Euratom. F4E was established for a period of 35 years from 19 April 2007 and its seat is located in Barcelona, Spain. ITER was created to manage and to encourage the exploitation of the ITER facilities, to promote public understanding and acceptance of fusion energy, and to undertake any other activities that are necessary to achieve its purpose. ITER involves the EU, China, India, Russia, South Korea, Japan and the USA.

Main changes in 2016: during the period covered by this report there have been some important changes at the ITER Organization and F4E:

- a new Director, Johannes Schwemmer, took up his duties on 1 January 2016;
- the F4E Director took over the Action Plan prepared and used by the Acting Director to implement the necessary actions in F4E. He closely collaborated with the ITER Organization Director General to carry out further improvements to the project;
- he also modified the existing F4E structure and a new Organization Breakdown Structure was effective as of 1 October 2016;
- the close collaboration with the ITER Organization led to the approval of the updated overall project schedule (in November 2016 at the ITER Council-19). As for the overall ITER project cost and the associated estimate of resources for the overall period 2016-2035, it was approved "ad referendum" (i.e. subject to domestic processes of obtaining approval including approval of budgetary authorities and/or parliament if required). A staged approach is now foreseen for the project with first plasma in December 2025. These decisions were in line with the conclusions from the independent review of the Updated ITER Long Term Schedule and with the conclusions of the work carried out by F4E as explained below.

As regards the accounts:

Commitment appropriations:

- available: EUR 764 million;
- made: EUR 763 million.

Payment appropriations:

- available: EUR 730 million;
- paid: EUR 716 million.

Please also refer to the final accounts of ITER-F4E.