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

2017/2180(DEC) - 18/04/2018 - Text adopted by Parliament, single reading

The European Parliament decided to grant discharge to the Director of the European Joint Undertaking for ITER and the Development of Fusion Energy on the implementation of the budget of the Joint Undertaking for the financial year 2016 and to approve the closure of the accounts of the Joint Undertaking for the same financial year.

Noting that the Court of Auditors considered that the annual accounts of the Joint Undertaking for the financial year 2016 accurately reflected the financial position of the Joint Undertaking as at 31 December 2016, as well as the results of its operations, Parliament adopted by 494 votes in favor, 193 against and 10 abstentions, a resolution containing a series of observations which form an integral part of the discharge decision

General: Members noted that in November 2016, the Council of ITER Organisation (the "ITER Council") approved a **new ITER project baseline** for the scope, schedule and the costs of the project. They noted, moreover, that the overall project schedule for operations ´First Plasma ´ and ´Deuterium-Tritium´ was approved. Following the approval of the new ITER project baseline, the Joint Undertaking set the **new timetable** and recalculated the related cost at completion of the Joint Undertaking's contribution to the project construction phase.

Parliament expressed ongoing concern that the estimated completion date for the whole construction phase is currently planned with a **delay of about 15 years** compared to the original baseline. The new schedule endorsed by the ITER Council set out a four-stage approach, making **December 2025 the deadline** for achieving the first strategic milestone of the project construction phase ('First Plasma') and **December 2035** the estimated completion date for the whole construction phase.

Members noted the Court's report finding that the results, which were presented to the Joint Undertaking's Governing Board in December 2016, indicated an expected additional funding requirement to that already committed of EUR 5.4 billion for the construction phase after 2020, which represents an increase of 82 % in relation to the approved EUR 6.6 billion budget. Additional funding required to complete the ITER project must involve **future Multiannual Financial Framework commitments.**

Parliament stressed that on 29 March 2017, the United Kingdom notified the European Council of its decision to withdraw from the EU and Euratom. An agreement setting out the arrangements for its withdrawal is being negotiated. However, the United Kingdom has expressed its interest in further participating in EU fusion energy activities.

The resolution stressed that the **United Kingdom** has expressed its interest in further participating in EU fusion energy activities. Fusion communities have expressed their hope that the JET (*Joint European Torus*) experiment at Culham in the United Kingdom continue beyond 2018.

Budget and financial management: the final 2016 budget available for implementation included commitment appropriations of EUR 488 000 000 and payment appropriations of EUR 724 510 000. The utilisation rates for commitment and payment appropriations were 99.8 % and 98 % respectively. The full implementation of the 2016 budget made the **level of cancelled appropriations very low for 2016**. Out

of EUR 488 000 000 available for commitment appropriations, almost 100 % was implemented through direct individual commitments.

Other observations: the resolution 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.

It noted in particular:

- that the governing board adopted an anti-fraud strategy and corresponding action plan, of which most of the actions were implemented in 2016; however, that the Joint Undertaking has not set up a specific tool to facilitate the monitoring of its actions in relation to procurement procedures, in particular those related to risk assessment and the evaluation;
- further to the adoption of the Joint Undertaking's whistleblowing rules in 2015, an implementation process was drafted on how serious irregularities and wrongdoings can be reported and are being followed-up;
- the Joint Undertaking did not provide detailed information on the selection and recruitment of staff in 2016;
- 40 operational procurement procedures were launched and 52 procurement contracts were signed;
- concern about the worrying increase in the timeframe to contract for procurements for both amounts above and below the EUR 1 000 000 threshold.