# 2018 discharge: Fusion for Energy Joint Undertaking (F4E)

2019/2099(DEC) - 13/05/2020 - 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 2018 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 2018 accurately reflected the financial position of the Joint Undertaking as at 31 December 2018, as well as the results of its operations, Parliament adopted by 619 votes to 55 against and 17 abstentions, a resolution containing a series of observations which form an integral part of the discharge decision.

***General***

Parliament noted that in November 2016, the ITER Organization Council (ITER Council) approved a new ITER project baseline. The new ITER baseline estimates the achievement of ‘first plasma’ and the start of the operational phase in 2025 with the completion of the construction phase in 2035. It observed that the previous 2010 baseline estimated the completion of the construction phase in 2020. The new baseline is considered to be the earliest possible technically achievable date.

Members noted that in March 2017, the United Kingdom notified the Council of its decision to withdraw from the Union and from Euratom. This may have effects on the post-2020 activities of the Joint Undertaking and the ITER project.

In April 2018, the Council mandated the Commission to approve the new ITER baseline on behalf of Euratom and reaffirmed the commitment to make resources available within the limits of the next Multiannual Financial Framework (MFF) without prejudice to any subsequent MFF negotiations, which will determine the details of the future funding. In addition to the construction phase, the Joint Undertaking will have to contribute to the ITER operational phase after 2035 and to the subsequent ITER deactivation and decommissioning phases. The contribution to the deactivation and the decommissioning phases were estimated to be EUR 95 540 000 and EUR 180 200 000 respectively. The ITER project will continue to operate until the expiry of the ITER Agreement in 2042 and that the Union will continue to contribute to the ITER costs until then.

***Budget and financial management***

The final 2018 budget available for implementation included commitment appropriations of EUR 706 230 231 and payment appropriations of EUR 847 366 988. The utilisation rates for commitment and payment appropriations were 98.4 % and 96.1 % respectively. Due to the shortcomings in the budget planning process in 2017, the payment appropriations needed in 2017 and 2018 exceeded the payment appropriations of the initial budget. The additional payment appropriations needed by the Joint Undertaking amounted to EUR 160 700 000, 25 % above the initial budget.

In 2018, the Joint Undertaking made a regulation payment transferring EUR 1 000 000 of authorised and verified payments relating to staff duty travel costs from the administrative budget to the operational budget.

***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 Joint Undertaking adopted a checklist based in its own set of procurement fraud risk indicators, namely, red flags, considered a prerequisite to the development of the anti-fraud IT tool, having developed them internally;

- significant shortcomings were found by the Court in relation to the recruitment of key management staff;

- at the end of 2018, the Joint Undertaking had 162 women and 284 men on its establishment plan, with men occupying the majority of posts in three out of the five staff categories, while over 50 % of Union contract agents and officials in assistant posts are women;

- shortcomings in the internal communication strategies were also highlighted;

- that during 2018, 55 operational procurement procedures were launched, and 69 operational procurement contracts were signed, while one grant procedure was launched and two were signed.