

2019 discharge: International Fusion Energy Organisation (ITER)

2020/2182(DEC) - 28/04/2021 - Text adopted by Parliament, single reading

The European Parliament decided by 521 votes to 143, with 33 abstentions, to **grant discharge** to the Director of the European Joint Undertaking for ITER and the Development of Fusion Energy (F4E) in respect of the implementation of the budget of the Joint Undertaking for the financial year 2019 and to approve the closure of the accounts of the Joint Undertaking for that year.

Noting that the Court of Auditors found that the Joint Undertaking's annual accounts for the financial year 2019 present fairly the financial situation of the Joint Undertaking on 31 December 2019, as well as the results of its operations, Parliament adopted, by 624 votes to 35 with 32 abstentions, a resolution containing a series of observations which form an integral part of the discharge decision.

General comments

The new ITER baseline sets the achievement of the 'first plasma' and the start of the exploitation phase at 2025 and the completion of the construction phase at 2035. The baseline is still in place and will be updated in November 2021. The Joint Undertaking's progress report to the Council and Parliament indicates that ITER's progress rate in the realisation of the first plasma phase is 67.3% and that the progress rate of the ITER construction phase is 53.3%.

Members noted with concern that the Joint Undertaking has recalculated its contribution to the construction phase of the project at EUR 12 billion, up from the EUR 6.6 billion approved by the Council in 2010 (at 2008 prices). As this amount does not take into account contingencies, Members called on the Joint Undertaking to report to the discharge authority on any developments in this area.

Parliament is concerned that there remains a risk of further cost overruns and delays in the implementation of the ITER project. The COVID-19 pandemic has created additional risks which make it unclear whether the schedule for the first plasma can be met.

To ensure the highest possible level of schedule reliability while taking into account the consequences of the global health situation, Parliament proposed that the ITER Organisation should provide for reasonable contingencies in relation to any revised schedule. It suggested a contingency margin of up to 24 months and between 10% and 20% of the Commission's proposed budget.

The resolution stated that the UK will access Euratom again as an associate member and will continue to contribute to F4E and ITER.

Budgetary and financial management

The final budget available for the year 2019 included commitment appropriations of EUR 729 708 445 and payment appropriations of EUR 761 187 699. The implementation rates for commitment and payment appropriations were 99.8% and 97.1% respectively (compared to 98.4% and 96.1% in 2018).

Of the EUR 729 708 445 of available commitment appropriations, 100% were used in the form of direct individual commitments (compared to 98.4% in 2018), an increase of 1.6%. For the financial year 2019, the balance of the budget implementation amounted to EUR 824 174 (compared to EUR 1 316 734 in 2018).

Parliament called on the Joint Undertaking to:

- review its budget lines and reporting methods in the light of the Court's report, which recommends creating a separate chapter in the budget for each category of expenditure;
- improve its procurement planning process by publishing realistic timeframes from the beginning and its evaluation and negotiation process by defining the precise scope of negotiations in the tender documents.

Other observations

The resolution also contains a series of observations on performance, prevention and management of conflicts of interest, staff and recruitment, internal control measures, operational contracts and grants.

In particular, it notes the following:

- the Joint Undertaking uses key performance indicators for various projects and programme areas as well as technical and non-technical indicators and ensures that the baseline is maintained through change control processes with the ITER Organisation;
- the updated Anti-Fraud Strategy of the Joint Undertaking was adopted by the Governing Board at the end of 2019 together with an action plan for the period 2020-2023;
- due to restrictions on the number of statutory staff in the establishment plan, the Joint Undertaking is increasingly relying on external resources and insourcing, including for positions of high responsibility and requiring key competences for the Joint Undertaking (e.g. the Nuclear Safety Unit). This situation creates significant risks. The Joint Undertaking should review its human resources policies, recruitment procedures and budget and human resources estimates;
- at the end of 2019, 159 women and 279 men were registered in the F4E Joint Undertaking, with men occupying the majority of posts in two out of three staff categories, while more than 50% of the Union's contract staff were women. The Joint Undertaking is invited to achieve gender balance and balanced geographical representation;
- the Joint Undertaking has an effective risk management system at corporate and project level based on its integrated management system and internal management and control standards;
- in 2019, 43 procurement procedures for operational activities were launched, 74 contracts were awarded and 75 contracts were concluded.