2020 discharge: European Joint Undertaking for ITER and the Development of Fusion Energy (Fusion for Energy)

2021/2152(DEC) - 04/05/2022 - Text adopted by Parliament, single reading

The European Parliament 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 2020 and to approve the closure of the Joint Undertaking's accounts for that year.

Noting that the Court of Auditors found that the Joint Undertaking's annual accounts for the financial year 2020 present fairly the financial situation of the Joint Undertaking on 31 December 2020, as well as the results of its operations, Parliament adopted, by 596 votes to 36 with 10 abstentions, a resolution containing a series of observations which form an integral part of the discharge decision.

General comments

Parliament expressed concern about the estimate of the total cost for completing the delivery obligations for the ITER project in 2042 which may see an increase due to changes in assumptions. The Joint Undertaking should control better the costs of the project and communicate more transparently on all the expenses related to the overall operation.

It also noted that the ITER Council decided to maintain temporarily its baseline plan with First Plasma set in December 2025 despite the forecasted delay of eight months due to the accumulation of delays in component deliveries, the start of the installation activities at the Cadarache site, and the effect of the COVID-19 pandemic. ITER has acknowledged that there is an irreversible slippage of the schedule for First Plasma with a delay estimated in total at about 17 months.

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 as specified in the Agreement on the Establishment of the ITER International Fusion Energy Organization for the Joint Implementation of the ITER Project. The contribution to the deactivation and decommissioning phases were estimated, respectively, at EUR 95 540 000 and EUR 180 200 000 (in 2001 values).

For the next MFF period 2021-2027, the European Council has agreed a budget for the Euratom contribution to ITER amounting to a total value of EUR 5 614 000 000 (in current values) of which EUR 5 560 000 000 (in current value) of direct contribution to the project.

Budget and financial management

The final 2020 available budget included commitment appropriations of EUR 885 669 069 and payment appropriations of EUR 816 458 884. The utilisation rates for commitment and payment appropriations were 100% and 98% respectively (compared to 99.8 % and 97.1 % in 2019).

Of the EUR 885 669 069 available for commitment appropriations, 100 % was implemented through individual commitments.

Parliament called on the Joint Undertaking to comply with the provisions of its financial regulation as regards the calculation method for the 2020 annual membership contributions.

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 noted the following:

- the overall project had reached 72.1 % of the total construction work scope to First Plasma against a planned value of 77.3 %, and that including all post First Plasma construction work to achieve Deuterium-Tritium the ITER project execution reached 57.7 %;

- a lack of a common project identity and common goal was detected, in particular at managerial level between the F4E and the ITER Organization and that these 'soft' elements of project management are of central importance;

- the impact of the COVID-19 pandemic has been serious but not significant and that by April 2021, the pandemic had caused delays of up to four months for some deliveries, with a resulting increase in costs of around EUR 47 million (in 2008 values) for the overall ITER project, and that further repercussions are possible should the pandemic worsen in 2021;

- 33 anti-fraud actions have been implemented;

- the Joint Undertaking should diligently review and continue to improve its recruitment policy with the aim of increasing transparency and fairness of the process. It should also improve its working conditions and anti-harassment policy;

- in 2020, the 14 % of the F4E's senior managers were female and 86 % were male and that 16 % of its middle managers were female and 84 % were male;

- a critical deficiency related to the formalisation of legal commitments for operational expenditure in the Joint Undertaking's contract management tool (DACC) was noted. Errors were detected regarding the signature phase of some operational contracts in DACC and therefore not in line with the Joint Undertaking's financial regulation, and that although the contracts are still considered legal under Spanish and French law, the issue revealed serious deficiencies in the Joint Undertaking's internal control systems;

- during 2020, 42 operational procurement procedures were launched, and that 47 operational procurement contracts were awarded and 55 were signed, while only one grant was launched, and none signed.