2021 discharge: European Joint Undertaking for ITER and the Development of Fusion Energy (Fusion for Energy)

2022/2129(DEC) - 10/05/2023 - 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 2021 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 202 present fairly the financial situation of the Joint Undertaking on 31 December 2021, as well as the results of its operations, Parliament adopted, by 587 votes to 24 with 16 abstentions, a resolution containing a series of observations which form an integral part of the discharge decision.

General comments

Parliament regretted that the Court's report draws attention to the fact that the Joint Undertaking's annual accounts for the financial year 2021 disclose the Joint Undertaking's estimate of the total cost for completing its delivery obligations for the ITER project, assessed at EUR 18.3 billion (in 2021 values) and to the fact that changes in key assumptions for the estimate and risk exposure could lead to significant increases in costs and/or to further delays in the implementation of the ITER project.

It was also noted with concern that since Russia is a member of ITER-IO, with the obligations to deliver to the ITER assembly site in France (Cadarache), several components for the ITER projects and to provide annual contributions to the ITER-IO, represents a risk of further delays and increased costs for the ITER project.

The Joint Undertaking maintains an estimate of the total costs of completing its delivery obligations for the ITER project (estimate at completion), which includes the costs of the construction and operational phase until 2035, as well as the decommissioning and deactivation phase until 2042. Moreover, at the end of 2021, the Joint Undertaking assessed this total cost at EUR 18.3 billion (in 2021 values), consisting of the total payments made at the end of 2021, amounting to EUR 8.3 billion and the estimate of the future payments, assessed at EUR 10 billion (in 2021 values).

Changes in key assumptions including the new baseline for the ITER project planned for the first quarter of 2023, the late delivery of components, the sanctions imposed on Russia, the ongoing approval of the French Nuclear Safety Authority (NSA) for the assembly of the components of the tokamak pit and the expected revision of the cost estimate for the Hot Cell Complex, may ay lead to further cost increases and projects delays.

The Joint Undertaking is called on to revise the cost estimate for the Hot Cell Complex in order to allow for the preparation of a reliable cost estimate in line with the current maturity stage of the ITER-IO design requirements.

Budget and financial management

In December 2020, the Joint Undertaking's governing board adopted the Joint Undertaking's original budget for 2021 for EUR 1 048,77 million in commitment appropriations and EUR 742,81 million in payment appropriations and that the governing board amended this budget in November 2021. Parliament welcomed the fact that the final available appropriations, including the carry-over from the previous year, amount to EUR 1 069.88 million in commitment appropriations and EUR 764.83 million in payment appropriations.

The implementation rates for commitment and payments appropriations were 99.7 % and 97.4 % respectively (compared to 100 % and 98 % in 2020). From EUR 1 069.88 million available for commitments appropriations, 88.4 % was implemented through individual commitments (corresponding to EUR 942.50 million).

Other observations

The resolution also contains a series of observations on performance and staff and recruitment.

In particular, it noted the following:

- 2021 was the first year of the 2021-2027 Multiannual Financial Framework;

- the Joint Undertaking has further progressed in the work and continued the delivery of some of the major components to ITER in order to start the assembly activities according to plan for the achievement of First Plasma at the end of 2025;

- during 2021, the COVID-19 pandemic continued to have a significant impact on the Joint Undertaking's supply chain, as many of the Joint Undertaking's suppliers were affected by restrictions on work attendance and travel, and ongoing and future efficiency impacts due to enhanced sanitation measures required in most Member States; delays in some deliveries were up to four months, resulting in a 'cost at completion' impact of EUR 45 million (EUR 57 million in 2020 - both in 2008 values);

- the indirect effect of the COVID-19 pandemic is still having impact on many of the Joint Undertaking's contracts, due to the high increases in prices of raw materials, and that the effect on cost at completion is still under estimation;

- in November 2021, the staff of the Joint Undertaking went on strike and that, according to internal and external management assessments and several internal surveys, the main reasons for the deterioration of the working environment at the Joint Undertaking were shortcomings at senior management level, such as non-transparent and dysfunctional decision-making and a lack of social dialogue. Parliament called for a change in management culture;

- as of 31 December 2021, the occupied staff posts at the Joint Undertaking included 47 officials, 226 temporary agents and 166 contract agents.