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*Plenary sitting*

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**A8-0275/2016**

29.9.2016

## **SECOND REPORT**

on discharge in respect of the implementation of the budget of the European Joint Undertaking for ITER and the Development of Fusion Energy for the financial year 2014  
(2015/2196(DEC))

Committee on Budgetary Control

Rapporteur: Marian-Jean Marinescu

## CONTENTS

	<b>Page</b>
1. PROPOSAL FOR A EUROPEAN PARLIAMENT DECISION .....	3
2. PROPOSAL FOR A EUROPEAN PARLIAMENT DECISION .....	5
3. MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION .....	7
RESULT OF FINAL VOTE IN COMMITTEE RESPONSIBLE.....	9

## 1. PROPOSAL FOR A EUROPEAN PARLIAMENT DECISION

### **on discharge in respect of the implementation of the budget of the European Joint Undertaking for ITER and the Development of Fusion Energy for the financial year 2014 (2015/2196(DEC))**

*The European Parliament,*

- having regard to the final annual accounts of the European Joint Undertaking for ITER and the Development of Fusion Energy for the financial year 2014,
- having regard to the Court of Auditors' report on the annual accounts of the European Joint Undertaking for ITER and the Development of Fusion Energy for the financial year 2014, together with the Joint Undertaking's reply<sup>1</sup>,
- having regard to the statement of assurance<sup>2</sup> as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2014, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of 12 February 2016 on discharge to be given to the Joint Undertaking in respect of the implementation of the budget for the financial year 2014 (05587/2016 – C8-0052/2016),
- having regard to its decision of 28 April 2016<sup>3</sup> postponing the discharge decision for the financial year 2014, and the replies from the Director of the European Joint Undertaking for ITER and the Development of Fusion Energy,
- having regard to Article 319 of the Treaty on the Functioning of the European Union,
- having regard to Article 106a of the Treaty establishing the European Atomic Energy Community,
- having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002<sup>4</sup>, and in particular Article 208 thereof,
- having regard to Council Decision 2007/198/Euratom of 27 March 2007 establishing a European Joint Undertaking for ITER and the Development of Fusion Energy and conferring advantages upon it<sup>5</sup>, and in particular Article 5(3) thereof,
- having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November

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<sup>1</sup> OJ C 422, 17.12.2015, p. 33.

<sup>2</sup> OJ C 422, 17.12.2015, p. 34.

<sup>3</sup> OJ L 246, 14.9.2016, p. 438.

<sup>4</sup> OJ L 298, 26.10.2012, p. 1.

<sup>5</sup> OJ L 90, 30.3.2007, p. 58.

2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities<sup>1</sup>,

- having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council<sup>2</sup>,
  - having regard to Rule 94 of and Annex V to its Rules of Procedure,
  - having regard to the second report of the Committee on Budgetary Control (A8-0275/2016),
1. Grants the Director of the European Joint Undertaking for ITER and the Development of Fusion Energy discharge in respect of the implementation of the Joint Undertaking's budget for the financial year 2014;
  2. Sets out its observations in the resolution below;
  3. Instructs its President to forward this decision and the resolution forming an integral part of it to the Director of the European Joint Undertaking for ITER and the Development of Fusion Energy, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

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<sup>1</sup> OJ L 357, 31.12.2002, p. 72.

<sup>2</sup> OJ L 328, 7.12.2013, p. 42.

## 2. PROPOSAL FOR A EUROPEAN PARLIAMENT DECISION

### **on the closure of the accounts of the European Joint Undertaking for ITER and the Development of Fusion Energy for the financial year 2014 (2015/2196(DEC))**

*The European Parliament,*

- having regard to the final annual accounts of the European Joint Undertaking for ITER and the Development of Fusion Energy for the financial year 2014,
- having regard to the Court of Auditors' report on the annual accounts of the European Joint Undertaking for ITER and the Development of Fusion Energy for the financial year 2014, together with the Joint Undertaking's reply<sup>1</sup>,
- having regard to the statement of assurance<sup>2</sup> as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2014, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of 12 February 2016 on discharge to be given to the Joint Undertaking in respect of the implementation of the budget for the financial year 2014 (05587/2016 – C8-0052/2016),
- having regard to its decision of 28 April 2016<sup>3</sup> postponing the discharge decision for the financial year 2014, and the replies from the Director of the European Joint Undertaking for ITER and the Development of Fusion Energy,
- having regard to Article 319 of the Treaty on the Functioning of the European Union,
- having regard to Article 106a of the Treaty establishing the European Atomic Energy Community,
- having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002<sup>4</sup>, and in particular Article 208 thereof,
- having regard to Council Decision 2007/198/Euratom of 27 March 2007 establishing a European Joint Undertaking for ITER and the Development of Fusion Energy and conferring advantages upon it<sup>5</sup>, and in particular Article 5(3) thereof,
- having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of

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<sup>1</sup> OJ C 422, 17.12.2015, p. 33.

<sup>2</sup> OJ C 422, 17.12.2015, p. 34.

<sup>3</sup> OJ L 246, 14.9.2016, p. 438.

<sup>4</sup> OJ L 298, 26.10.2012, p. 1.

<sup>5</sup> OJ L 90, 30.3.2007, p. 58.

Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities<sup>1</sup>,

- having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council<sup>2</sup>,
  - having regard to Rule 94 of and Annex V to its Rules of Procedure,
  - having regard to the second report of the Committee on Budgetary Control (A8-0275/2016),
1. Approves the closure of the accounts of the European Joint Undertaking for ITER and the Development of Fusion Energy for the financial year 2014;
  2. Instructs its President to forward this decision to the Director of the European Joint Undertaking for ITER and the Development of Fusion Energy, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

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<sup>1</sup> OJ L 357, 31.12.2002, p. 72.

<sup>2</sup> OJ L 328, 7.12.2013, p. 42.

### 3. MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

**with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Joint Undertaking for ITER and the Development of Fusion Energy for the financial year 2014 (2015/2196(DEC))**

*The European Parliament,*

- having regard to its decision on discharge in respect of the implementation of the budget of the European Joint Undertaking for ITER and the Development of Fusion Energy for the financial year 2014,
  - having regard to Rule 94 of and Annex V to its Rules of Procedure,
  - having regard to the second report of the Committee on Budgetary Control (A8-0275/2016),
- A. whereas the European Joint Undertaking for ITER and the Development of Fusion Energy (the “Joint Undertaking”) was set up in March 2007 for a period of 35 years;
- B. whereas the members of the Joint Undertaking are Euratom, represented by the Commission, the Member States of Euratom, and third countries which have concluded cooperation agreements with Euratom in the field of controlled nuclear fusion;
- C. whereas the Joint Undertaking started to work autonomously on March 2008;
1. Notes that the Court of Auditors (the “Court”), in its report on the Joint Undertaking’s annual accounts for the financial year 2014 (the “Court’s report”), stated that the Joint Undertaking’s annual accounts present fairly, in all material respects, its financial position as at 31 December 2014 and the results of its operations and its cash flows for the year then ended, in accordance with the provisions of its financial rules;
  2. Takes note of the fact that the final 2014 budget available for implementation included commitment appropriations of EUR 1 168 800 000 and payment appropriations of EUR 567 600 000; the utilisation rates for commitment and payment appropriations were 100 % and 88,5 % respectively; notes, however, that the implementation rate for payment appropriations with respect to the 2014 initial budget was 73 %;
  3. Notes that, due to the challenges currently faced by the ITER Project, the new Director General of the ITER Organization presented to the ITER Council an action plan including specific measures to address the main constraints that are currently affecting the development of the ITER Project; notes, furthermore, that, as regards the Joint Undertaking, its new acting director prepared an action plan for the Joint Undertaking which largely supports the ITER Organization action plan; acknowledges that the Joint Undertaking’s acting director presented the action plan to the Joint Undertaking’s Governing Board in March 2015, when it was fully endorsed, and that the Joint Undertaking’s action plan complements the ITER Organization action plan in a number of respects and identifies further improvements in the Joint Undertaking’s own operations;

observes that at the time of the audit, the practical measures for the implementation of both action plans were still being established; notes, moreover, that since March 2015, those action plans have been implemented and closely followed by the ITER Organization and the Joint Undertaking and that they are expected to bring improvements; calls for a report on the implementation of those action plans to be presented in good time;

4. Welcomes the conclusions of the ITER Council of 15 and 16 June 2016 which confirmed that the ITER Project is now going in the right direction, in a way that will allow for a sound, realistic and detailed proposal for schedule and associated cost up to First Plasma, endorsed the updated Integrated Schedule for the ITER Project, which identifies the date of First Plasma as December 2025, indicated that the successful completion of all project milestones to date, on or ahead of schedule, is a positive indicator of the collective capacity of the ITER Organization and the Domestic Agencies to continue to deliver on the updated Integrated Schedule and underlined that the evidence of increased effectiveness of decision-making, improved understanding of risks, and rigour in adhering to commitments provides a renewed basis for confidence that the ITER Project will maintain its current positive momentum;
5. Welcomes the position of the ITER Council that a sharp focus on the core elements through First Plasma should effectively reduce ITER Project risks and that the updated Integrated Schedule represents the best technically achievable path forward to First Plasma, which will mark the completion of the key assembly and commissioning phases of the Tokamak and support facilities;
6. Notes that the milestones set up at the ITER Council meeting of 18 and 19 November 2015 are well advanced and that four out of the six milestones attributed to Fusion for Energy (F4E) for 2016 have already been fulfilled;
7. Notes that the issue of the lease of the premises of the Joint Undertaking has been solved, as the Spanish government offered a long-term lease agreement for the current premises and an extension of the current office space by one additional floor; observes in this regard that the Governing Board of the Joint Undertaking at its meeting of 29 and 30 June 2016 took note of the conclusion of the long-term lease agreement for the F4E offices between the Kingdom of Spain and the building owner and endorsed the plans to refurbish the office space attributed to the Joint Undertaking;
8. Notes the partial implementation of the Staff Regulations and encourages the Joint Undertaking to continue implementing the remaining regulations; takes positive note of the fact that, as of 1 January 2016, the new Financial Regulation and new Implementing Rules of the Joint Undertaking entered into force; acknowledges that the Joint Undertaking has established a working definition of fusion/non-fusion application which facilitates establishing the scope of the exclusive use of Intellectual Property rights generated within the contracts.



## RESULT OF FINAL VOTE IN COMMITTEE RESPONSIBLE

<b>Date adopted</b>	26.9.2016
<b>Result of final vote</b>	+: 16 -: 7 0: 1
<b>Members present for the final vote</b>	Nedzhmi Ali, Inés Ayala Sender, Ryszard Czarnecki, Dennis de Jong, Martina Dlabajová, Luke Ming Flanagan, Jens Geier, Ingeborg Gräßle, Verónica Lope Fontagné, Georgi Pirinski, Petri Sarvamaa, Claudia Schmidt, Bart Staes, Marco Valli, Derek Vaughan, Tomáš Zdechovský, Joachim Zeller
<b>Substitutes present for the final vote</b>	Cătălin Sorin Ivan, Andrey Novakov, Julia Pitera, Miroslav Poche, Richard Sulík
<b>Substitutes under Rule 200(2) present for the final vote</b>	John Stuart Agnew, Edouard Ferrand