



Procedure file

Basic information		
DEC - Discharge procedure	2010/2187(DEC)	Procedure completed
2009 discharge: European Joint Undertaking for ITER and the Development of Fusion Energy		
Subject 8.70.03.07 Previous discharges		

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	CONT Budgetary Control	S&D STAVRAKAKIS Georgios	23/03/2010
		Shadow rapporteur	
		PPE MACOVEI Monica	
		ALDE GERBRANDY Gerben-Jan	
		Verts/ALE STAES Bart	
	Committee for opinion	Rapporteur for opinion	Appointed
	ITRE Industry, Research and Energy	The committee decided not to give an opinion.	
European Commission	Commission DG Budget	Commissioner ŠEMETA Algirdas	

Key events			
20/07/2010	Non-legislative basic document published	SEC(2010)0963	Summary
07/10/2010	Committee referral announced in Parliament		
21/03/2011	Vote in committee		Summary
06/04/2011	Committee report tabled for plenary	A7-0131/2011	
10/05/2011	Results of vote in Parliament		
10/05/2011	Debate in Parliament		
10/05/2011	Decision by Parliament	T7-0204/2011	Summary
10/05/2011	End of procedure in Parliament		
27/09/2011	Final act published in Official Journal		

Technical information	
Procedure reference	2010/2187(DEC)
Procedure type	DEC - Discharge procedure
Stage reached in procedure	Procedure completed
Committee dossier	CONT/7/04073

Documentation gateway					
Non-legislative basic document		SEC(2010)0963	20/07/2010	EC	Summary
Court of Auditors: opinion, report		N7-0005/2011 OJ C 342 16.12.2010, p. 0022	20/10/2010	CofA	Summary
Committee draft report		PE450.716	31/01/2011	EP	
Document attached to the procedure		05894/2011	03/02/2011	CSL	Summary
Committee report tabled for plenary, single reading		A7-0131/2011	06/04/2011	EP	
Text adopted by Parliament, single reading		T7-0204/2011	10/05/2011	EP	Summary

Final act	
Decision 2011/608 OJ L 250 27.09.2011, p. 0237	Summary

2009 discharge: European Joint Undertaking for ITER and the Development of Fusion Energy

PURPOSE: presentation by the Commission of the consolidated annual accounts of the European Union for the financial year 2009, as part of the 2009 discharge procedure.

Analysis of the accounts of the European Joint Undertaking for ITER.

CONTENT: this Commission document sets out the consolidated annual accounts of the European Union for the financial year 2009 as prepared on the basis of the information presented by the institutions, organisations and bodies of the EU, in accordance with Article 129 (2) of the Financial Regulation applicable to the EU's General Budget, including the European Joint Undertaking for ITER and the Development of Fusion Energy.

In 2009, the tasks and budget of this agency were as follows:

- description of joint undertakings's tasks: the joint undertaking is located in Barcelona, while the main fusion facilities are to be developed at Cadarache, in France. It was set up under [Council Decision 2007/198/Euratom](#), for a period of 35 years. Its tasks include providing the contribution of Euratom to the ITER International Fusion Energy Organisation, as well as complementary joint fusion research activities with Japan for the rapid development of fusion energy;
- the joint undertaking's budget for the 2009 financial year: the total contribution from Euratom for the period 2007 to 2041 was set at EUR 9 653 million. For 2009, the budget allocation was EUR 173.61 million in payment appropriations.

The complete version of the joint undertaking's final accounts may be found at the following address:

<http://fusionforenergy.europa.eu/mediacomer/annualreport.aspx>

2009 discharge: European Joint Undertaking for ITER and the Development of Fusion Energy

PURPOSE: presentation by the Court of Auditors of its report on the annual accounts of the European Joint Undertaking for ITER for the financial year 2009, together with the Joint Undertaking's replies

CONTENT: in accordance with the tasks and objectives conferred on it by the Treaty on the Functioning of the European Union (TFEU), the Court of Auditors, in the context of the discharge procedure, addresses to the European Parliament and the Council a Statement of Assurance on the reliability of the annual accounts, as well as of the legality and regularity of the transactions underlying them of each EU institution, body or agency, on the basis of an external, independent audit.

This audit also covered the annual accounts of the European Joint Undertaking for ITER (also called F4E ?Fusion for Energy?).

In the Court's opinion, F4E's annual accounts presented fairly, in all material respects, its financial position as of 31 December 2009 and the results of its operations and its cash flows for the year then ended, in accordance with the provisions of its Financial Regulation.

The Court also stated that the transactions underlying the annual accounts of F4E for the financial year ended 31 December 2009 were, in all material respects, legal and regular.

The report again confirmed that total resources deemed necessary for the period 2007 to 2041 were EUR 9 653 million. The total contribution from Euratom was set at EUR 7 649 million, of which a maximum of 15% for administrative expenditure. Other resources consist of contributions from the ITER host State (France), the annual membership contributions, voluntary contributions from members other than Euratom, and additional resources to be received under terms approved by the Governing Board. The Court draws attention to the need for substantially increased resources for the ITER project

The report also included comments on F4E's budgetary and financial management, together with its replies. The main comments are as follows:

The Court's comments:

- shortcomings in the implementation of the joint enterprise's budget (the overall utilisation rate for payment appropriations was 65.3%);
- shortcomings in the internal control and financial information systems (at the end of 2009, several of F4E's key activities had not been sufficiently formalised and appropriate tools for the management of operational contracts were not in place);
- shortcomings in the internal audit system;
- late payment of membership contributions;
- shortcomings in the financial control systems.

The Agency's replies:

- in 2010, an improved payment profile is being implemented with more rigorous reporting and control mechanisms on budget execution;
- throughout 2009 and 2010, substantial progress has been achieved in the development of the non-financial control framework, especially concerning: processes and procedures, business continuity, document management and internal audit. A contract management tool is under consideration;
- regarding membership contributions, the Commission presented guidelines which should improve the situation very shortly;
- as regards financial controls, F4E's internal audit now complies with the main financial management standards since its reorganisation, which took place in April 2009.

Lastly, the Court of Auditor's report contained a summary of F4E's activities in 2009 in the following areas:

- the award of contracts for the ITER project;
- the award of grants and signature of various administrative contracts;
- the building up of the organisation (recruitment of 58 official or temporary agents, as well as 34 contractual agents).

2009 discharge: European Joint Undertaking for ITER and the Development of Fusion Energy

The Committee on Budgetary Control adopted the report by Georgios STAVRAKAKIS (S&D, EL) on discharge to be granted to the Director of the European Joint Undertaking for ITER and the Development of Fusion Energy in respect of the implementation of the Joint Undertaking's budget for the financial year 2009.

Noting that the Joint Undertaking's annual accounts for the financial year 2009 are reliable, and the underlying transactions are legal and regular, MEPs approve the closure of the Joint Undertaking's accounts. However, they make a number of recommendations that need to be taken into account when the discharge is granted, in addition to the general recommendations that appear in the draft resolution on financial management and control of EU agencies (see [DEC/2010/2271](#)):

- implementation of the budget: Members notes that the Joint Undertaking final 2009 budget was EUR 173 600 000 and its overall utilisation rate for payment appropriations was 65.3%. They recognise that the Joint Undertaking is still in a start-up period and that the underspending mostly relates to delays in the progress of the Euratom fusion programme, as was also reported by the Court of Auditors in 2008. However, they also note that year-end bank deposits totalling EUR 42 000 000 represent a breach of the budgetary principle of equilibrium. They consider it to be important, in order to define the application of this derogation from the general budgetary principle of equilibrium, to specify the conditions;
- presentation of accounts: Members call on the Joint Undertaking to harmonise its Accounts under the guidance of the Commission and acknowledge that, unlike other EU Joint Undertakings, ITER is entirely publicly funded;
- internal control systems: Members urge the Joint Undertaking to complete the implementation of its internal controls and financial information system. They also call on it to include in its Financial Rules a specific reference to the powers of the Internal Audit Service of the Commission as its internal auditor. They consider, in particular, that the role of the Commission as internal auditor should be to advise the Joint Undertaking on how to deal with risks, by issuing independent opinions and by issuing recommendations for improving the conditions of implementation of operations. In view of the size of its budget and the complexity of its tasks, the Joint Undertaking should consider establishing an audit committee;
- Financial Regulation: lastly, Members urge the Joint Undertaking to amend its Financial Regulation in order to integrate the Court of Auditors' recommendations on a certain number of points.

2009 discharge: European Joint Undertaking for ITER and the Development of Fusion Energy

PURPOSE: to grant discharge to the European Joint Undertaking for ITER and the Development of Fusion Energy in respect of the implementation of the Agency's budget for the financial year 2009.

NON-LEGISLATIVE ACT: Decision 2011/608/EU of the European Parliament 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 2009.

CONTENT: with the present decision, the European Parliament grants discharge to the Director of the European Joint Undertaking for ITER and the Development of Fusion Energy for the implementation of its budget for the financial year 2009.

This decision is in line with the European Parliament's resolution adopted on 10 May 2011 and comprises a series of observations that form an integral part of the discharge decision (please refer to the summary of the opinion of 10/05/2011).

A parallel decision, adopted on the same day, approves the closure of this Agency's accounts.

2009 discharge: European Joint Undertaking for ITER and the Development of Fusion Energy

The European Parliament adopted by 468 votes to 124, with 44 abstentions, a decision to grant discharge to the Director of the European Joint Undertaking for ITER and the Development of Fusion Energy in respect of the implementation of the Joint Undertaking's budget for the financial year 2009. The decision to grant discharge is also an approval of the closure of the accounts of ITER.

Noting that the Court of Auditors stated that it has obtained reasonable assurances that the annual accounts for the financial year 2009 are reliable and that the underlying transactions are legal and regular, Parliament adopted a resolution by 487 votes to 120, with 23 abstentions in which it makes number of recommendations that need to be taken into account when the discharge is granted:

- implementation of the budget: Parliament notes that the Joint Undertaking final 2009 budget was EUR 173.6 million and its overall utilisation rate for payment appropriations was 65.3%. It recognises that the Joint Undertaking is still in a start-up period and that the underspending mostly relates to delays in the progress of the Euratom fusion programme, as was also reported by the Court of Auditors in 2008. It also notes that year-end bank deposits totalling EUR 42 million represent a breach of the budgetary principle of equilibrium. It considers it to be important, in order to define the application of this derogation from the general budgetary principle of equilibrium, to specify the conditions;
- presentation of accounts: Parliament calls on the Joint Undertaking to harmonise its Accounts under the guidance of the Commission and acknowledges that, unlike other EU Joint Undertakings, ITER is entirely publicly funded;
- internal control systems: Parliament urges the Joint Undertaking to complete the implementation of its internal controls and financial information system. It also calls on it to include in its Financial Rules a specific reference to the powers of the Internal Audit Service of the Commission as its internal auditor. In view of the size of its budget and the complexity of its tasks, the Joint Undertaking should consider establishing an audit committee;
- Financial Regulation: lastly, Parliament urges the Joint Undertaking to amend its Financial Regulation in order to integrate the Court of Auditors' recommendations on a certain number of points.