



EUROPEAN PARLIAMENT

2009 - 2014

Committee on Budgets

2011/0460(NLE)

27.3.2013

OPINION

of the Committee on Budgets

for the Committee on Industry, Research and Energy

on the proposal for a Council decision on the adoption of a Supplementary Research Programme for the ITER project (2014-2018)
(COM(2011)0931 – C7-0032/2012 – 2011/0460(NLE))

Rapporteur: Nils Torvalds

PA_Legam

SHORT JUSTIFICATION

The Commission's proposal for the Council Decision on the adoption of a Supplementary Research Programme for the ITER project under the Euratom Treaty aims to define the future EU funding for ITER for the period 2014-2018.

Through his amendments, your Rapporteur would like to stress that the EU involvement in the ITER project should continue for the next programming period through a specific financial contribution from the EU budget, given the strategic importance of the project.

One crucial aspect to be ensured is that the project benefits from a sufficient funding to achieve the foreseen results without at the same time endangering the implementation of other EU programmes, in particular in the research field.

Your Rapporteur decided to follow, in this respect, the official position taken by the Parliament in its Interim report on the MFF of October 2012 and to support, therefore, the Commission's proposal of putting ITER outside the MFF, meaning over and above its ceilings. Such a solution would have the advantage of avoiding possible redeployments in favour of ITER at the expense of other EU programmes and specifically research programmes under Heading 1a (Horizon 2020 mainly), as has already been the case in the past. This is in compliance with the principle of the unity of the budget enshrined in the Treaty and at the same time preserves Parliament's prerogatives as budgetary authority.

The funding for ITER during the period 2014-2018 should be ring-fenced to a maximum amount, fixed into the MFF regulation, so as to avoid possible costs overruns threatening the implementation of other EU policies, particularly in the research area. This means that any cost overruns above the maximum amount should be financed through an increase of MFF ceilings or through additional resources above the ceilings as appropriate.

As regards its financing, your Rapporteur is of the opinion that the project should be funded through the Union's ordinary own resources and not through external assigned revenue. However, this funding is to be seen as additional to the resources proposed by the Commission for the Horizon 2020 programme, the EURATOM framework programme or other Union programmes.

It has to be considered, however, that under the Euratom Treaty, to which the current proposal refers, the Parliament has a mere consultative role towards the Council. The European Council of 7-8 February 2013 decided to put ITER under Heading 1a, fixing a maximum amount of EUR 2 707 million for its financing. To take account of this political reality and considering the consultative role of Parliament, your Rapporteur would like to bring to the attention and discussion of the BUDG Committee the alternative solution of accepting the positioning of ITER inside Heading 1a but ring-fencing it inside a sub-ceiling to a maximum amount which is meant to be additional to what the Commission proposed for the other EU programmes within this heading, in order not to reduce their allocations.

The possible benefit of such an approach would be bringing Parliament's position closer to that of the Council while achieving the central goal of ring-fencing. However, it must be

borne in mind that this option for ring-fencing relies solely on a political construct and lacks the legal guarantees of ring-fencing over and above the ceilings.

AMENDMENTS

The Committee on Budgets calls on the Committee on Industry, Research and Energy, as the committee responsible, to incorporate the following amendments in its report:

Amendment 1 **Proposal for a decision** **Recital - 1 (new)**

Text proposed by the Commission

Amendment

(-1) The European Union commitment to the Agreement on the Establishment of the ITER International Fusion Energy Organisation for the Joint Implementation of the ITER Project¹ (hereinafter the "ITER Agreement") is reaffirmed.

¹ OJ L 358, 16.12.2006, p. 62

Amendment 2 **Proposal for a decision** **Recital 1**

Text proposed by the Commission

Amendment

(1) The Agreement on the Establishment of the ITER International Fusion Energy Organization for the Joint Implementation of the ITER Project (hereinafter the "ITER Agreement") was signed on 21 November 2006 by the European Atomic Energy Community (Euratom), the People's Republic of China, the Republic of India, Japan, the Republic of Korea, the Russian Federation and the United States of America. The ITER Agreement establishes the ITER International Fusion Energy Organization (hereinafter the "ITER Organization"), which has full responsibility for

(1) The ITER Agreement was signed on 21 November 2006 by the European Atomic Energy Community (Euratom), the People's Republic of China, the Republic of India, Japan, the Republic of Korea, the Russian Federation and the United States of America. The ITER Agreement establishes the ITER International Fusion Energy Organization (hereinafter the "ITER Organization"), which has full responsibility for constructing, operating, exploiting and de-activating the ITER facilities.

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Amendment 3
Proposal for a decision
Recital 5

Text proposed by the Commission

(5) For the period after 2013 the Commission in its communication "A Budget for Europe 2020" proposed to fund the ITER project *outside* the MFF. Therefore a Supplementary Research Programme for the ITER project should be established for the period of 2014 to 2018.

Amendment

(5) For the period after 2013 the Commission in its communication "A Budget for Europe 2020" proposed to fund the ITER project *over and above* the MFF *ceilings, so as to ensure that possible cost overruns do not threaten the funding and successful implementation of other Union policies particularly in the research area, while maintaining the full powers of both arms of the budgetary authority.* Therefore a Supplementary Research Programme for the ITER project should be established for the period of 2014 to 2018. *On the basis of the overall cost to be agreed, the funding should be ring fenced in commitment appropriations in the MFF regulation in order to guarantee the funding for ITER without jeopardising other EU priorities like Horizon 2020 or the Erasmus Programme.*

Amendment 4
Proposal for a decision
Recital 6

Text proposed by the Commission

(6) The Supplementary Research Programme for the ITER project should be funded by contributions from the *Member States based on a call rate applied to each Member State's Gross National Income (GNI) as defined for the purpose of calculating the GNI own resource contribution to the General Budget of the European Union. Those contributions*

Amendment

(6) The Supplementary Research Programme for the ITER project should be funded *over and above the MFF ceilings* by contributions from the *Union's own resources and the maximum amount of its funding should be ring-fenced from the Union's budget in the MFF Regulation. This maximum amount is to be seen as additional to the budget proposed by the*

shall be made to the General Budget of the European Union, and shall be assigned to that Programme. Third countries which have concluded a cooperation agreement with Euratom in the field of controlled nuclear fusion that associates their respective research programmes with the Euratom programmes should also be able to contribute to that Programme.

Commission for the Horizon 2020 programme, the EURATOM framework programme or other Union programmes. Third countries which have concluded a cooperation agreement with Euratom in the field of controlled nuclear fusion that associates their respective research programmes with the Euratom programmes should also be able to contribute to that Programme.

Amendment 5
Proposal for a decision
Recital 7 a (new)

Text proposed by the Commission

Amendment

(7a) Any cost overruns above the maximum amount of (...) laid down in Article 3 should not have any impact on other projects financed from the Union's budget and should be financed through additional resources over and above the ceilings as appropriate.

Amendment 6
Proposal for a decision
Recital 7 b (new)

Text proposed by the Commission

Amendment

(7b) Both arms of the budgetary authority agree that any postponement or rolling over of unmet payment appropriations related to the ITER project should be avoided and they commit to work together in order to avoid such a situation.

Amendment 7
Proposal for a decision
Article 2

Text proposed by the Commission

The Programme shall be financed through a maximum contribution of EUR 2,573 million (in current values) according to Article 3.

Amendment

The Programme shall be financed through a maximum contribution of EUR 2,573 million (in current values) ***over and above the MFF ceilings***, according to Article 3, ***additionally to the budget proposed by the Commission for the Horizon 2020 programme, the EURATOM framework programme or other Union programmes. Any cost overruns above this maximum amount shall have no impact on other projects financed from the Union's budget and shall be financed through additional resources above the ceilings as appropriate.***

Amendment 8
Proposal for a decision
Article 3

Text proposed by the Commission

The Programme shall be funded ***by contributions of the Member States, based on a call rate applied to each Member State's Gross National Income (GNI) as defined for the purposes of calculating GNI own resource contribution to the General Budget of the European Union. Those contributions shall be considered as external assigned revenue for the Programme in accordance with [Article XX of Regulation (EU) No XX/2012 of the European Parliament and the Council [New Financial Regulation].***

Amendment

The Programme shall be funded ***through the Union's own resources.***

Amendment 9
Proposal for a decision
Article 6 – paragraph 1

Text proposed by the Commission

1. The Commission shall take appropriate measures ensuring that, when actions

Amendment

1. The Commission shall take appropriate measures ensuring that, when actions

financed under this Decision are implemented, the financial interests of the Union are protected by the application of preventive measures against fraud, corruption and any other illegal activities, by effective checks and, where irregularities are detected, by the recovery of the amounts wrongly paid and, where appropriate, by effective, proportionate and deterrent penalties.

financed under this Decision are implemented, the financial interests of the Union are protected by the application of preventive measures against fraud, corruption and any other illegal activities, by effective checks and, where irregularities are detected, by the recovery of the amounts wrongly paid and, where appropriate, by effective, proportionate and deterrent penalties. ***The Commission shall also put in place appropriate measures ensuring adequate risk control and the avoidance of cost overruns.***

Amendment 10
Proposal for a decision
Article 6 – paragraph 2 – subparagraph 1

Text proposed by the Commission

2. The Commission or its representatives and the Court of Auditors shall have the power of audit, on the basis of documents and on-the-spot checks and inspections, over all grant beneficiaries, contractors, subcontractors and other third parties who have received Union funds under this Decision.

Amendment

2. The Commission or its representatives and the Court of Auditors shall have the power of audit, on the basis of documents and on-the-spot checks and inspections, over all grant beneficiaries, contractors, subcontractors and other third parties who have received Union funds under this Decision. ***Considering that the magnitude and the past severe shortcomings of the ITER project calls for close scrutiny from the European Parliament in its capacity of budget authority and discharge authority, the Commission shall inform the European Parliament on the development of the programme in particular in terms of cost and schedule on a regular basis.***

RESULT OF FINAL VOTE IN COMMITTEE

Date adopted	26.3.2013
Result of final vote	+: 26 -: 2 0: 1
Members present for the final vote	Richard Ashworth, Zuzana Brzobohatá, Jean Louis Cottigny, José Manuel Fernandes, Eider Gardiazábal Rubial, Salvador Garriga Polledo, Jens Geier, Ingeborg Gräßle, Jutta Haug, Sidonia Elżbieta Jędrzejewska, Anne E. Jensen, Ivailo Kalfin, Jan Kozłowski, Alain Lamassoure, Giovanni La Via, George Lyon, Jan Mulder, Vojtěch Mynář, Dominique Riquet, László Surján, Helga Trüpel
Substitute(s) present for the final vote	François Alfonsi, Frédéric Daerden, Hynek Fajmon, Charles Goerens, Jürgen Klute, María Muñoz De Urquiza, Georgios Stavrakakis, Catherine Trautmann