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REPORT

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))

Committee on Industry, Research and Energy

Rapporteur: Vladimír Remek

Symbols for procedures

- * Consultation procedure
- *** Consent procedure
- ***I Ordinary legislative procedure (first reading)
- ***II Ordinary legislative procedure (second reading)
- ***III Ordinary legislative procedure (third reading)

(The type of procedure depends on the legal basis proposed by the draft act.)

Amendments to a draft act

In amendments by Parliament, amendments to draft acts are highlighted in ***bold italics***. Highlighting in *normal italics* is an indication for the relevant departments showing parts of the draft act which may require correction when the final text is prepared – for instance, obvious errors or omissions in a language version. Suggested corrections of this kind are subject to the agreement of the departments concerned.

The heading for any amendment to an existing act that the draft act seeks to amend includes a third line identifying the existing act and a fourth line identifying the provision in that act that Parliament wishes to amend. Passages in an existing act that Parliament wishes to amend, but that the draft act has left unchanged, are highlighted in **bold**. Any deletions that Parliament wishes to make in such passages are indicated thus: [...].

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DRAFT EUROPEAN PARLIAMENT LEGISLATIVE RESOLUTION

**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))**

(Consultation)

The European Parliament,

- having regard to the Commission proposal to the Council (COM(2011)0931),
 - having regard to Article 7 of the Euratom Treaty,,
 - having regard to the request for an opinion received from the Council (C7-0032/2012),
 - having regard to Rule 55 of its Rules of Procedure,
 - having regard to the report of the Committee on Industry, Research and Energy and the opinion of the Committee on Budgets (A7-0211/2013),
- A. Whereas the Treaty establishing the European Atomic Energy Community still does not entitle the European Parliament to be a co-legislator,
1. Gives a favourable opinion on the Commission proposal as amended;
 2. Calls on the Commission to alter its proposal accordingly, in accordance with Article 293(2) of the Treaty on the Functioning of the European Union and Article 106a of the Euratom Treaty;
 3. Calls on the Council to notify Parliament if it intends to depart from the text approved by Parliament;
 4. Asks the Council to consult Parliament again if it intends to substantially amend the Commission proposal;
 5. Instructs its President to forward its position to the Council and the Commission.

Amendment 1

Proposal for a decision

Recital - 1 (new)

Text proposed by the Commission

Amendment

(-1) The Union's commitment to the Agreement on the Establishment of the ITER International Fusion Energy Organisation for the Joint

Implementation of the ITER Project¹ (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

(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 constructing, operating, exploiting and de-activating the ITER facilities.

Amendment

(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 *Organisation* (hereinafter the "*ITER Organisation*"), which has full responsibility for constructing, operating, exploiting and de-activating the ITER facilities.

Amendment 3
Proposal for a decision

Recital 3

Text proposed by the Commission

(3) In the framework of the negotiations to obtain the support of the other ITER parties to fix the site for ITER in Europe, the Agreement between the European Atomic Energy Community and the Government of Japan for the Joint Implementation of the Broader Approach Activities in the Field of Fusion Energy Research was concluded in

Amendment

(3) In the framework of the negotiations to obtain the support of the other ITER parties to fix the site for ITER in Europe, the Agreement between the European Atomic Energy Community and the Government of Japan for the Joint Implementation of the Broader Approach Activities in the Field of Fusion Energy Research was concluded in

2007 setting out complementary joint fusion research activities in the territory of Japan to ensure the rapid start-up of high performance operation of ITER. The Broader Approach activities and other ITER related activities are channelled through the European Joint Undertaking for ITER and the Development of Fusion Energy. The funding of the Broader Approach activities is mainly ensured by in kind contributions from some members of the European Joint Undertaking for ITER and the Development of Fusion Energy, while the remaining part of the Euratom contribution is covered by the Euratom budget.

2007 setting out complementary joint fusion research activities in the territory of Japan to ensure the rapid start-up of high performance operation of ITER. The Broader Approach activities and other ITER related activities are channelled through the European Joint Undertaking for ITER and the Development of Fusion Energy. The funding of the Broader Approach activities is mainly ensured by in kind contributions from some members of the European Joint Undertaking for ITER and the Development of Fusion Energy, while the remaining part of the Euratom contribution is covered by the Euratom budget. *The 2012 European Fusion Development Agreement (EFDA) Roadmap to the Realisation of Fusion Energy identifies the need for the continuous financial support for key projects, and for research and development activities in key domains, until the start date of ITER's functioning, in order to meet the scientific and technological challenges leading to the realisation of fusion energy.*

Amendment 4 **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) The ITER project should consolidate Union leadership in the field of fusion by a timely completion of the stated construction and exploitation goals.

Amendment 5
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 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.

Amendment 6
Proposal for a decision

Recital 7 a (new)

Text proposed by the Commission

Amendment

(6) *Despite cost containment measures which should continue to be implemented, the ITER project may continue to incur cost overruns due to its scientific nature, and to its extensive scale and technological risk. Any cost overruns above the maximum amount laid down in Article 2 should not have any impact on other projects financed by the Union budget in particular those under Heading 1a research budget (Horizon 2020), and should be financed through additional resources over and above the ceilings as appropriate.* 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 ***the Supplementary Research Programme.***

Amendment 7
Proposal for a decision

Recital 8 a (new)

Text proposed by the Commission

Amendment

(8a) As called for in the priorities proposed in the 2012 EFDA fusion roadmap, the Joint European Torus (JET) project should play a key role in the energy transition.

Amendment 8
Proposal for a decision
Article 2 – paragraph 1

Text proposed by the Commission

Amendment

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

The Programme shall be financed through a maximum contribution of EUR 2,573 million (in current values) ***over and above the ceilings of the Multiannual Financial Framework ("MFF"), namely outside Heading 1A, and in addition to the budget for the Horizon 2020 programme, the EURATOM framework programme or other Union programmes, while maintaining the full powers of both arms of the budgetary authority. Therefore, the funding for the Programme should have sufficient financial resources to enable the Union to implement the Programme while also setting in the MFF regulation a ring-fenced maximum amount for contributions from the Union budget for the years 2014-2018. Any cost overruns above this maximum amount shall not have any impact on the budgetary allocations for other projects and shall be financed through additional resources over and above the ceilings as appropriate.***

Amendment 9
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 10
Proposal for a decision

Article 4 – paragraph 1

Text proposed by the Commission

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 (hereinafter "associated countries") may ***also*** contribute to the Programme.

Amendment

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 (hereinafter "associated countries") may contribute to the Programme.

Amendment 11
Proposal for a decision

Article 5 – paragraph 2 a (new)

Text proposed by the Commission

Amendment

The Commission shall submit a mid-term review of the progress of the Programme to the European Parliament and the Council for their opinion before

30 June 2016.

Amendment 12
Proposal for a decision
Article 6 – paragraph 1

Text proposed by the Commission

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.

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 **or errors** 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 13
Proposal for a decision

Article 6 – paragraph 2

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 European Parliament, 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. ***Given the magnitude and the past considerable shortcomings of the ITER project close scrutiny by the European Parliament will be required in its capacity as budgetary authority and discharge authority, and the Commission***

shall inform the European Parliament of the development of the Programme, in particular in terms of costs and schedule, on a regular basis.

Amendment 14
Proposal for a decision

Article 6 – paragraph 2 – subparagraph 3

Text proposed by the Commission

Without prejudice to the first and second subparagraphs, cooperation agreements with third countries and international organisations, grant agreements, grant decisions and contracts resulting from the implementation of this Decision shall expressly empower the Commission, the Court of Auditors and the OLAF to conduct audits, on-the-spot checks and inspections.

Amendment

Without prejudice to the first and second subparagraphs, cooperation agreements with third countries and international organisations, grant agreements, grant decisions and contracts resulting from the implementation of this Decision shall expressly empower the Commission, the Court of Auditors and the OLAF to conduct audits, on-the-spot checks and inspections. ***The results of such audits, on-the-spot checks and inspections shall be forwarded to the European Parliament.***

Amendment 15
Proposal for a decision

Annex – Scientific and technological objective – paragraph 2

Text proposed by the Commission

The first priority of the strategy to achieve the objective shall be the construction of ITER (a major experimental facility which demonstrates the scientific and technical feasibility of fusion power), followed by the construction of a demonstration fusion power plant.

Amendment

The first priority of the strategy to achieve the objective shall be the construction of ITER (a major experimental facility which demonstrates the scientific and technical feasibility of fusion power), followed by the construction of a demonstration fusion power plant. ***The priorities proposed in the 2012 EFDA fusion roadmap should be taken into account in order to ensure that ITER will play a key role in the energy transition.***

Amendment 16

Proposal for a decision

Annex – Scientific and technological Objective – paragraph 2 a (new)

Text proposed by the Commission

Amendment

The demonstration of competitive electricity production by 2050 must be ensured. In response to that target, the Commission shall review the Programme regularly and produce a progress report on an annual basis in response to physics, technological, budgetary and safety challenges. In its report, the Commission must provide an analysis of potential impacts on the three main phases, in addition to a contingency plan specifying the priorities according to the benefits, risks and costs to achieve the commercial fusion objectives. The Commission must consider implementing an early warning system to identify risks and to accelerate the mitigation process.

Amendment 17

Proposal for a decision

Annex – Rationale – paragraph 1

Text proposed by the Commission

Amendment

Fusion has the potential to make a major contribution to the realisation of a sustainable and secure energy supply for the Union a few decades from now. Its successful development would provide energy which is safe, sustainable and environmentally friendly.

Fusion has the potential to make a major contribution to the realisation of a sustainable and secure energy supply for the Union a few decades from now. Its successful development would provide energy which is safe, sustainable and environmentally friendly. ***Harnessing fusion energy is a very promising goal but also a significant challenge, as there are still remaining physics and engineering issues in order to make progress in demonstrating the feasibility of fusion energy. In order to best meet some of these challenges, it is essential that the Union makes every effort to support and***

exploit the efforts of the Joint European Taurus (JET) facility in order to help bridge any knowledge or experience gap.

Amendment 18

Proposal for a decision

Annex – Activities – paragraph 2 – point a

Text proposed by the Commission

(a) To provide the Euratom contribution to the ITER International Fusion Energy Organisation, including those R&D activities necessary for developing the basis for the procurement of the ITER components and the procurement of the ITER Test Blanket Modules;

Amendment

(a) To provide the Euratom contribution to the ITER International Fusion Energy Organisation, including those R&D activities necessary for developing the basis for the procurement of the ITER components and the procurement of the ITER Test Blanket Modules *and to suggest potential improvements in the governance of the Programme.*

Amendment 19

Proposal for a decision

Annex 1 – Activities – paragraph 2 – point c

Text proposed by the Commission

(c) As appropriate, other activities in order to prepare the basis for the design of a demonstration reactor and related facilities.

Amendment

(c) As appropriate, other activities in order to prepare the basis for the design of a demonstration reactor and related facilities, *mainly those required to properly solve the remaining issues concerning DEMO construction and operation. This will include ensuring the continuance of the JET exploitation until the start date of ITER's full functioning. Standard solutions must be promoted in order to be reused as far as possible when building commercial power plants.*

Amendment 20

Proposal for a decision

Annex – Activities – paragraph 2 – point c a (new)

Text proposed by the Commission

Amendment

(ca) To implement an industrial policy suitable for involving industry, including small and medium-sized enterprises, in order to foster competition and to prepare the European system for the fusion era.

Amendment 21

Proposal for a decision

Annex 1 – Activities – paragraph 2 – point c b (new)

Text proposed by the Commission

Amendment

(cb) To involve industry, including specialised small and medium-sized enterprises, as widely and as early as possible in order to develop and to validate standard reliable solutions and equipment. This will be helpful in achieving the Programme within the budget.

Amendment 22

Proposal for a decision

Annex 1 – Activities – paragraph 2 – point c c (new)

Text proposed by the Commission

Amendment

(cc) To promote the availability of a skilled and experienced workforce and scientists as a key to the success of fusion. The ramping-up of ITER should be associated with specific measures in support of training and education in fusion science and technology.

Amendment 23

Proposal for a decision

Annex 1 – Activities – paragraph 2 – point c d (new)

Text proposed by the Commission

Amendment

(cd) To develop a communication programme for Union citizens to keep them fully informed of and consulted about nuclear fusion challenges, risks and safety.

Amendment 24

Proposal for a decision

Annex 1 – Activities – paragraph 4

Text proposed by the Commission

The detailed work programmes implementing the above activities will be decided, on an annual basis, by the Fusion for Energy Governing Board.

Amendment

The detailed work programmes implementing the above activities will be decided ***and communicated to the European Parliament, the Council and the Commission*** on an annual basis, by the Fusion for Energy Governing Board.

EXPLANATORY STATEMENT

On 3 February 2012, the Council decided to consult the European Parliament under Article 7 of the Euratom Treaty, on the Proposal for a Decision of the Council on a Supplementary Research Programme for the ITER project (2014-2018) COM(2011) 931 final – 2011/0460 (NLE).

On 23 May 2012 the European Economic and Social Committee (EESC) adopted an opinion on this Commission proposal, calling amongst others to invest more in R&D of technologies with a potential of climate-friendly energy including the development and exploitation of fusion energy. The EESC also strongly advocated and opposes the Commission's proposal to remove (International Thermonuclear Experimental Reactor) ITER from the Multi Financial Framework (MFF).

Legal basis

The legal basis for the Supplementary Research Programme is provided for by Article 7 of the Euratom Treaty. The Supplementary Research Programme, with a duration of 5 years, will be adopted through a specific Council Decision

Fusion

Fusion is a process that exists in nature. In fact it is fusion that powers the sun and thus makes life possible on Earth. Unlike nuclear fission, which releases energy when a heavy atom splits into two lighter elements, fusion releases energy when the nuclei of two light atoms combine, such as when two hydrogen nuclei fuse to form a single new atom. This process releases a very large amount of energy without emitting any Green House Gases (GHG).

A brief history¹

Fusion device were built long time ago, but major step forward occurred in 1968 when the results from a new type of magnetic confinement device called a tokamak were announced. Today, the tokamak is the dominant experimental technique for studying fusion. ITER, the largest tokamak ever constructed, is the next step for fusion, building on the experience and knowledge gained by its predecessors as it takes the next big steps on the road to fusion as a worldwide energy source.

Euratom/Horizon 2020

The proposed Euratom Research and Training Programme (2014-2018), concerns research activities in nuclear energy (fusion and fission and the JRC's activities) and radiation protection. The proposal is an integral part of Horizon 2020, the Framework Programme for Research and Innovation. It will cover the fusion energy research and development programme clearly linked to the objectives of the Europe and Energy 2020 strategies. Generic research carried out in the 27 Member States institutes will cover demonstration of feasibility

¹ http://ec.europa.eu/research/energy/euratom/index_en.cfm.

of fusion as a power source by exploiting existing and future fusion facilities, laying down the foundations for future fusion power plants by developing complex advanced technologies and materials, and conceptual design activities and by promoting innovation and industry competitiveness.

ITER

ITER is 'first of a kind' large scale global project. By signing the Agreement on the Establishment of the ITER International Fusion Energy Organisation (the EU, Japan, Russia, USA, China, the Korean Republic and India) for the Joint Implementation of the ITER Project¹, the Community has undertaken to host and lead the ITER construction and expectedly, its future operation. The Community contribution is managed through the 'European Joint Undertaking for ITER and the Development of Fusion Energy' (F4E or 'Fusion for Energy'), established by Council Decision of 27 March 2007². The activities of Fusion for Energy, including ITER³, are to be regulated by a separate legislative act.

Skills

Fusion R&D will address the diminishing nuclear skills in Europe. This can be tackled effectively by exploiting synergies between the research efforts of international participants, EU Member States, the private sector and between scientific disciplines and technological sectors. This international endeavour will contribute to also strengthen the research and innovation framework in the fusion fields and is essential for the long term future of the fusion programme.

Global Challenges

The reduction of global emissions will restrict use of fossil energies in order to keep the temperature rise in the order of 2C°. Progressively, oil and natural gas will decline. In such a perspective, ITER is a key element of energy research and thus features also of the Strategic Energy Technology (SET) Plan.

Strategy

The strategy to develop fusion power as a credible option for commercial GHG free energy production shall follow a roadmap with milestones towards the goal of electricity production by 2050. Such a roadmap⁴ has been conducted by the European Fusion Development Agreement (EFDA), involving all national Fusion Institutes. To implement that strategy, a radical restructuring of fusion-related work in the Union, including governance, funding and management, shall be carried out to ensure a shift of emphasis from pure research to designing, building and operating future facilities such as ITER, DEMO and beyond, **without jeopardizing the national fusion institutes**. Close cooperation between EU fusion community, presently working under the umbrella of the European Fusion Development

¹ OJ L 358, 16.12.2006, p.62.

² OJ L 90, 30.03.2007

³ <http://www.iter.org/>.

⁴ <http://www.efda.org/wpcms/wp-content/uploads/2013/01/JG12.356-web.pdf?91a98e>.

Agreement, and the Commission is crucial. The EFDA roadmap updates the fusion facility review¹ published in October 2008 and proposes a strategy to fusion electricity by 2050.

Safety of fusion

In contrast to fission there is no chain reaction involved in fusion. Fuel is inexhaustible as it can derive directly from the isotopes of hydrogen, with deuterium easily extractable from sea water and tritium that needs to be produced from the easily available lithium, a light metal. The technology of tritium breeding inside the fusion reactor will be tested in ITER. Tritium is a radioactive element, but its inventory is kept very low (only about a couple of grams in ITER chamber). The decree authorising the ITER Organization to create formally the "nuclear installation" ITER has been issued.

Priority setting and recommendations

The Rapporteur considers that the ITER research project is valuable as it will demonstrate fusion as a possible future, safe, sustainable, environmentally responsible and economically viable energy sources for Europe and its financing should be continued.

It is crucial to implement the priorities proposed in the EFDA fusion roadmap in order to ensure that ITER will play a key role in the energy transition.

In the short term the costs, the procurement and security aspects of tritium the fuel for fusion reactors should be addressed. In a longer term for the DEMO and future commercial reactors the supply of fuel should be addressed and secured by delivering satisfactory answers to the tritium breeding technology.

In parallel to ITER's construction, Europe and Japan are involved in the so called "broader approach" (that ITER forms part) which includes the design and engineering validation of the International Fusion Materials Irradiation Facility (IFMIF²).

Waste production should be considered as a priority at the early stages to avoid later recycling difficulties, although their radioactivity decay lifetime is by far lower and thus not comparable to fission waste.

As regards schedule the first ITER plasma is now moved to 2020, one year later than previously scheduled.

There is a potential to improve the ITER governance taking into account the experience of successful fusion projects and taking in account the leading role of Europe.

¹ http://ec.europa.eu/research/energy/pdf/978-92-79-10057-4_en.pdf.

² <http://www.ifmif.org/c/index.htm>.

Budget

Due to the political, technical and organisational complexity of the ITER program, it is likely that budgetary constraints might have an impact on the programme and compromises will be necessary. It is therefore essential to provide a strategy and a contingency plan to achieve the fusion objectives.

The "Baseline"¹ was adopted by the F4E Governing Board in July 2010 and specifies the scope, schedule and cost.

There are a number of risks associated with several factors. However, contingencies to provide for unforeseen events, like the Fukushima accident of 2011 and its consequences are not accounted for in the present budget for ITER. The absence of any contingency, which resulted from the capping of the budget by the Council at €6.6 billion rather than the €7.2 billion requested, implies that every increase will have to be offset by savings.

For ITER it is essential to prevent any further cost risk increases, to reduce the current cost risk and to seek real savings without compromising the overall scope of the project. Cost containment and savings plans had been requested by the Council and are included in the annual progress reports of F4E.

Budget control, more cost-effective management in F4E, improvement of procurement and monitoring operations by F4E and full compliance with the recommendations provided by the Court of Auditors is absolutely essential. Evaluation is also important on the coordination of Quality Assurance and Quality Control aspects of the project and the European contribution. An external auditor was employed following the Conclusions on 12 July 2010 of the Council of the European Union which had requested a number of initiatives. Moreover, the European Parliament has awarded a contract for a study concerning the ITER project².

Spill-over effects

ITER is the penultimate stage prior to producing electricity through a DEMO reactor. The close collaboration between the Fusion community (including fusion facilities) and industry in order to swiftly transfer the R&D results has already resulted in successful spin-offs³ in many areas. The involvement of and interaction with industry should be strengthened to develop and exploit actual and future fusion technologies such as superconducting magnets and high-power systems, remote handling, manufacturing, engineering, computer simulation, materials with high thermal and mechanical loads including joining, forming and coating technologies, non destructive inspection and quality insurance.

The fusion programme should undertake further study of the socio-economic, environmental and safety issues related to the implementation of thermonuclear fusion as a future energy

¹ F4E ("Fusion For Energy") is the European Joint Undertaking for ITER, established by the Council in March 2007 (OJ L 90, 30.3.2007, p. 58). It is the European Domestic Agency responsible for providing the EU contributions to ITER, and is based in Barcelona.

² The title of the study is "Potential for reorganization within the ITER project to improve cost-effectiveness". The study was requested by the Budgetary Control Committee.

³ http://ec.europa.eu/research/energy/pdf/spin_off_en.pdf.

source to be included in the energy mix.

European contribution to ITER

The Rapporteur is of the opinion that the EC proposal is not the appropriate instrument to provide a long term and secure European contribution to the ITER project. ITER should be financed by the MFF. Financing it outside would not be understood by the European stakeholders involved in the programme, nor by our international partners in the project. On the contrary the EU, as the Host Party, does have the duty to give all insurances that it will continue to strongly support ITER in the coming decades. Lastly, reintegrating ITER in the MFF will provide the European parliament a better project control.

For these reasons, the Rapporteur supports EESC and outcome on ITRE Committee vote concerning the regulation on the Research and Training Programme of the European Atomic Energy Community (2014-2018) complementing Horizon 2020, calling for the reintegration of ITER in the MFF. All the options to reintegrate ITER within MFF should be examined.

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

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

(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 constructing, operating, exploiting and de-activating the ITER facilities.

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

(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.

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 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.

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 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

(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

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

Amendment

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

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

Amendment

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***

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

***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 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 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.

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. ***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

RESULT OF FINAL VOTE IN COMMITTEE

Date adopted	30.5.2013
Result of final vote	+: 37 -: 5 0: 6
Members present for the final vote	Amelia Andersdotter, Josefa Andrés Barea, Zigmantas Balčytis, Ivo Belet, Bendt Bendtsen, Fabrizio Bertot, Jan Březina, Reinhard Bütikofer, Giles Chichester, Pilar del Castillo Vera, Christian Ehler, Vicky Ford, Adam Gierek, Norbert Glante, Jacky Hénin, Kent Johansson, Romana Jordan, Krišjānis Kariņš, Lena Kolarska-Bobińska, Judith A. Merkies, Jaroslav Paška, Vittorio Prodi, Miloslav Ransdorf, Herbert Reul, Teresa Riera Madurell, Jens Rohde, Paul Rübig, Amalia Sartori, Salvador Sedó i Alabart, Patrizia Toia, Evžen Tošenovský, Catherine Trautmann, Ioannis A. Tsoukalas, Claude Turmes, Vladimir Urutchev, Adina-Ioana Vălean, Kathleen Van Brempt, Alejo Vidal-Quadras
Substitute(s) present for the final vote	António Fernando Correia de Campos, Ioan Enciu, Elisabetta Gardini, Roger Helmer, Jolanta Emilia Hibner, Yannick Jadot, Seán Kelly, Vladimír Remek, Algirdas Saudargas, Lambert van Nistelrooij