



European Economic and Social Committee

INT/633
Research Programme for
the ITER project
(2014-2018)

Brussels, 23 May 2012

OPINION

of the
European Economic and Social Committee
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)

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Rapporteur : **Mr Wolf**
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On 3 February 2012, the Council decided to consult the European Economic and Social Committee, 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).

The Section for the Single Market, Production and Consumption, which was responsible for preparing the Committee's work on the subject, adopted its opinion on 8 May 2012.

At its 481st plenary session, held on 23 and 24 May 2012 (meeting of 23 May), the European Economic and Social Committee adopted the following opinion by 183 votes to seven with nine abstentions.

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1. **Summary and recommendations**

- 1.1 The Committee repeats its urgent call to invest more in R&D of technologies with the potential for long-term provision of sufficient, sustainable and climate-friendly energy in order to bring about the ambitious adjustment of our energy system that is needed. This includes efforts to develop and exploit fusion energy. Energy is the lifeblood of our present-day civilisation and culture.
- 1.2 As a major international project based in EU territory, ITER is the decisive, globally unique step forward needed to exploit fusion energy in the future. ITER is therefore an important element of energy research and of the SET-Plan. The Committee reiterates the importance of this project – not just for future energy provision, but also for the competitiveness of European industry in developing the most ambitious new technologies.
- 1.3 The Committee therefore strongly opposes the Commission's proposal to deviate from previous practice and remove European commitments in constructing ITER from the Multi-annual Financial Framework (MFF), which would retain only the research activity related to ITER. Doing so would not only compromise the project, but also throw into question the reliability of the EU as an international partner. Instead, construction of ITER should be included as a part/project of the EU's Euratom Programme for research, technological development and demonstration activities during the period 2014-2018 – albeit one that is independent and separate from other parts of the programme – and included within the MFF.

- 1.4 Given that the Commission regrettably did not build ITER into the MFF as a matter of course, the Committee recommends that a way be sought, together with the Council, the Parliament and the EIB, to enable this retroactively without significantly compromising the programme's other elements, particularly those related to energy research.
- 1.5 In order to achieve this, the Committee recommends drawing on surplus funds from the MFF that would otherwise be returned to the Member States, which is apparently already the approach taken to funding ITER for the period 2012-2013.
- 1.6 The Committee agrees with initiatives in the European Parliament, according to which surplus MFF funds should not, as a rule, be taken out of the MFF, but rather channelled towards Community programmes as proposed here for ITER specifically.
- 1.7 Only if these measures prove insufficient or impossible should the existing items in the MFF be cut by no more than around 0.3% each.
- 1.8 Strong project leadership, sufficient technical and administrative decision-making power and a streamlined project structure are all now needed to stay on schedule and within budget.
- 1.9 As far as the period beyond 2018 is concerned, the Committee supports the Commission's well warranted interest in creating a stable planning and legal framework soon for inner-European and especially international planning security.

2. **Gist of the Commission proposal and its rationale**

- 2.1 The aim of the Commission's proposal is to determine the funding arrangements for the EU contribution to the ITER project for the period 2014-2018 by way of a **Supplementary Research Programme** in accordance with the Euratom Treaty. The Supplementary Research Programme is to be specially funded separately from the MFF by the Member States (as well as some "associated third countries"). This funding is to amount to EUR 2.6 billion, or some 0.26% of the MFF (however, see also points 4.7 and 4.7.1).
- 2.2 The main purpose of the international ITER project is to build and operate an experimental fusion reactor as a major and decisive step towards demonstrating fusion as a sustainable source of energy. The research programme for ITER has the declared objective of "contributing to the long-term decarbonisation of the energy system in a safe, efficient and secure way. The Programme will contribute to the Europe 2020 strategy and to the 'Innovation Union' flagship".
- 2.3 ITER is part of the Strategic Energy Technology (SET) Plan and will contribute to the Europe 2020 strategy, as the involvement of the European high tech industry should provide the EU with a global competitive advantage in this extremely important and promising sector.

- 2.4 The ITER project is being carried out under the terms of the international Agreement on the Establishment of the ITER International Fusion Energy Organization for the Joint Implementation of the ITER Project (the "ITER Agreement")¹ between the European Atomic Energy Community ("Euratom") and six other Parties: China, India, Japan, Korea, Russia, and the USA.
- 2.5 The EU contribution to the ITER project is managed through the European Joint Undertaking for ITER and the Development of Fusion Energy ("Fusion for Energy"), established by Council Decision on 27 March 2007².
- 2.6 Construction costs for ITER will exceed original estimates³, which is why additional funds are needed (see point 2.1). In the Commission's view, this means that the money would have to come from either redeploying funds that had already been earmarked for other priorities or ignoring the limits agreed for the Multi-annual Financial Framework (MFF).
- 2.7 A different approach is needed, one that provides long-term certainty for this challenging project. For this reason, in its communication of 29 June 2011 on *A Budget for Europe 2020*⁴, the Commission proposed that the EU contribution to the ITER project be funded outside the MFF after 2013.
- 2.8 The Euratom Treaty limits the duration of Research Programmes to a maximum of five years. According to the ITER Agreement, the ITER project will have an initial duration of 35 years (i.e. until 2041). Therefore, subsequent Council decisions will be needed to sustain the EU's financial contribution to this project.

3. **Committee remarks on the current situation**

- 3.1 Based on its earlier remarks⁵ on the importance of nuclear fusion for the low-carbon energy provision of the future, the Committee shares the Commission's view that ITER⁶ is the decisive, globally unique step forward needed to exploit fusion energy in the future. Fusion energy is the only known alternative in the toolbox of technologies not yet available or at least in the testing stages that has the potential to meet the massive challenge of providing sustainable, sufficient and secure energy without adversely affecting the climate. ITER is a key element of energy research and thus also of the Strategic Energy Technology (SET) Plan.

1 [OJ L 358 16.12.2006.](#)

2 [OJ L 90, 30.3.2007.](#)

3 See CESE 806/2012, point 5.5.3.

4 COM(2011) 500 final, 29.6.2011.

5 e.g. [OJ C 302, 7.12.2004, p. 27](#); [OJ C 21, 21.1.2011, p. 49](#); [OJ C 218, 23.7.2011, p. 87](#) and CESE 806/2012.

6 See also <http://www.iter.org/>.

- 3.2 The JET (Joint European Torus)⁷ fusion experiment, a global leader at the time in terms of its features and results, already exceeded the possibilities or willingness of individual Member States to carry out and finance the project at national level due to its considerable cost; as a result, a model and testing ground were created for successful common European action within the scope of the Euratom Treaty. Since its creation, JET has been a cornerstone of the European fusion programme.
- 3.3 Based on the worldwide insights of fusion research and the results of JET in particular, the ITER project substantially exceeds even JET in terms of its scientific and technical ambition, size and cost. Therefore, the idea of international cooperation beyond the EU suggested itself at an early stage. It followed an initiative from Reagan, Gorbachev and Mitterrand that eventually gave rise to the international ITER project. ITER is meant to produce thermal fusion power of 500 megawatts with a net power gain.
- 3.4 On 26 November 2006, the Agreement on the Establishment of the ITER International Fusion Energy Organization for the Joint Implementation of the ITER Project was signed by representatives of the seven parties: 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 Commission not only signed on behalf of the EU, it also coordinated both the wider programme within the scope of the European Joint Undertaking for ITER, and the existing fusion programme.
- 3.5 The decision to locate ITER in the EU (Cadarache in the south of France), taken at the same time, made it possible to base one of the most important research projects within Europe and to enjoy the benefits of attracting top researchers and engineers and the knock-on effects for the most ambitious industry sectors. Following complex preparatory work – never before had a scientific and technical joint initiative of this nature involved so many and such different international partners – it turned out that the original budget, including the share to be contributed via the Euratom Programme, had to be revised upwards for various reasons⁸. The Committee understands that the Commission was already aware of this situation before the Multi-annual Financial Framework (MFF) was drawn up.

4. **Committee remarks on aspects to consider and recommendations**

- 4.1 The Committee generally supports the Commission's intention to boost the R&D budget available for energy research – in this case, available for ITER via Euratom. The Committee already noted in its opinion on the SET Plan⁹ that "despite the still growing world population with its energy hunger and massive catch-up needs, the finite stocks of fossil primary energy

⁷ See also www.jet.efda.org.

⁸ See also CESE 806/2012, point 5.5.3.

⁹ [OJ C 21, 21.1.2011, p. 49, point 3.1.1.](#)

sources and Europe's growing import dependency, clearly the seriousness of the energy and climate problem and the necessary investments are still seriously underestimated by many politicians and other players." The Committee repeated this warning in its opinion on Horizon 2020 and accordingly recommended that a larger share of the MFF go to energy research¹⁰.

- 4.1.1 That is why the Committee supports¹¹ the Commission's – unfortunately, not yet successful – efforts to expand the Multi-annual Financial Framework (MFF) to more actively address this and other important Community tasks. However, the Committee believes that the Commission should not try to achieve this through the back door, as it were, by creating an ad hoc, additional research programme outside the MFF in deviation from previous practice, in order to finance the European contribution to building ITER. Instead, ITER should be included as a part – albeit a standalone one – of the EU's Euratom Programme for research, technological development and demonstration activities also during the period 2014-2018 and included within the MFF.
- 4.2 This is not the only argument against failing to include Europe's commitments in building ITER within the MFF. The Committee is also unable to follow the Commission's arguments in point 2.6. When, with full knowledge of the facts, the Commission deliberately proposes an MFF that excludes the cost of building ITER, it has only itself to blame for creating a situation that, by its own admission, makes it difficult to incorporate these costs within the MFF.
- 4.3 There are also, however, powerful substantive arguments against excluding ITER from the MFF.
- 4.3.1 On the one hand, they concern the subsidiarity principle and the question of added value for Europe. What is under discussion here, however, is exactly the sort of scheme that exceeds the capabilities of individual Member States: large-scale scientific and technical infrastructure or projects like Galileo and ITER, which constitute a prototype for joint Community projects within the scope of the MFF, leaving no doubt about their added value for Europe. The RTD Framework Programme was created within the MFF for precisely this purpose.
- 4.3.2 On the other hand, they concern the impression made on international partners. Given that this partnership also has political significance, the Committee believes that the Commission's proposal sends the wrong signal and will undermine faith in the EU as a partner in international agreements. This not only concerns the fusion programme, but also efforts to forge additional international partnerships or binding agreements on security, energy or climate policy, for example.

¹⁰ CESE 806/2012, point 4.2.1.

¹¹ OJ C 143, 22.5.2012, point 6.

- 4.3.3 They also have to do with another, more general consideration already addressed by the Committee in its opinion¹² on Horizon 2020: the explicit move towards offloading existing research and innovation support tasks and activities onto agencies, with the Commission restricting itself to dealing with legal matters and financial administration. The Committee has strong reservations about this. For not only does this mean that the Commission abandons its role as provider of expert supervision and reservoir of judgement (including the experts needed for this), it also fails to adequately engage with and identify the actual content and objectives. This engagement is essential, however, to successfully representing the key area of research, development and innovation at policy level with the requisite expertise and commitment. Without it, an important lever of control will be lost in the fragile system of checks and balances, a crucial weight on the policy scale.
- 4.4 Given that, as already noted, the Committee fully supports the Commission's desire for a stronger MFF on the one hand, but believes that ITER should be financed through, and structurally anchored within, the MFF on the other, it recommends, together with the Council, the Parliament and the EIB, that ways be sought to enable this retroactively without significantly compromising the programme's other elements, particularly those related to energy research.
- 4.5 In order to achieve this, the Committee recommends that suitable procedures be developed to ensure that the entirety of the budget approved for the MFF actually be available for Community initiatives, and not diminished by the flow of unused funds back to Member States. This recommendation corresponds to an initiative in the European Parliament of 5 July 2010¹³.
- 4.6 In light of the questions posed therein, the Committee recommends drawing on these surplus funds to plug the gap in funding for ITER (as it seems has already happened for 2012/2013¹⁴). To the extent that this necessitates additional formal or legal measures, the Committee recommends that the issue be discussed with the EIB and then negotiated with the responsible bodies.
- 4.7 Only in the event that the solution advocated in point 4.6 proves inadequate or impossible does the Committee recommend that the funds in question, including an appropriate "contingency" amount (see point 4.7.1), be raised through minor (if a contingency of around 10% is included, this amounts to a maximum of around 0.3% rather than 0.26% each) cuts to all other items in the MFF.

12 See CESE 806/2012, point 3.12.1.

13 A7 – 0254 (2011): European Parliament resolution of 5 July 2011 on Council's position on Draft amending budget No 3/2011 of the European Union for the financial year 2011, Section III – Commission (11630/2011 – C7-0166/2011 – 2011/2075(BUD)).

14 Council of the European Union (Competition Council), 19.12.2011, Document no. 18807/11, Press: 508.

- 4.7.1 Thus, the Committee urgently recommends that experience with large-scale projects of this nature, that venture into new technological territory, be better taken into account by creating an appropriate "contingency" of e.g. 10%; if need be, the Commission's rules should be amended to allow this. This would increase the 0.26% mentioned in point 2.1 to around 0.3%. The budget for these contingency funds must be administered separately from the project management, and should only be released according to strict criteria so that they do not simply become part of the overall budget and lose their purpose.
- 4.7.2 In point 4.1.1, the Committee recommends that construction of the European share of ITER be made a separate part/project of the fusion programme, uncoupled from other parts of the programme. In order to stay on schedule and within the budget of the European share of ITER, strong project leadership, sufficient technical and administrative decision-making power and a streamlined project structure are all now required. The Committee recommends that the Commission follow examples like CERN, ESA or ESO.
- 4.8 As far as the years beyond the period addressed here (2014-2018) are concerned, the Committee supports the Commission's well warranted interest in creating a stable framework and a secure, long-term basis for the entire duration of the international ITER project – only, the Committee believes that this should be done within the MFF. Doing so ought to provide planning security for inner-European and international projects and show international partners that they can rely on the EU.

Brussels, 23 May 2012

The President
of the
European Economic and Social Committee

Staffan Nilsson
