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THE EUROPEAN UNION**

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**RECH 387
ATO 95
COMPET 617**

COVER NOTE

From: Secretary-General of the European Commission,
signed by Mr Jordi AYET PUIGARNAU, Director

date of receipt: 28 August 2013

To: Mr Uwe CORSEPIUS, Secretary-General of the Council of the European
Union

No. Cion doc.: COM(2013) 607 final

Subject: Proposal for a COUNCIL DECISION amending Decision
2007/198/Euratom establishing the European Joint Undertaking for ITER
and the Development of Fusion Energy and conferring advantages upon it

Delegations will find attached document COM(2013) 607 final.

Encl.: COM(2013) 607 final



Brussels, 28.8.2013
COM(2013) 607 final

2013/0295 (NLE)

Proposal for a

COUNCIL DECISION

**amending Decision 2007/198/Euratom establishing the European Joint Undertaking for
ITER and the Development of Fusion Energy and conferring advantages upon it**

EXPLANATORY MEMORANDUM

1. CONTEXT OF THE PROPOSAL

This Council Decision amends the Council Decision (2007/198/Euratom) of 27 March 2007 establishing the European Joint Undertaking for ITER and the Development of Fusion Energy and conferring advantages upon it to provide the basis for the financing of the activities of this Joint Undertaking (hereinafter "Fusion for Energy") for the period 2014-2020 under the Euratom Treaty.

The Fusion for Energy cost estimates for the construction phase (cost for Europe only), covering the period 2007-2020, amounted in March 2010 to EUR 7.2 billion (in 2008 value). In July 2010 the Council capped the European contribution to that phase to EUR 6.6 billion (in 2008 value). In February 2013, the European Council set up the maximum level of the Euratom commitments for ITER in the Multiannual Financial Framework Regulation for the period 2014-2020 at EUR 2.707 billion (in 2011 value).

Under the Seventh Framework Programme the Euratom contribution was made available through the Community research and training programme adopted pursuant to Article 7 of the Euratom Treaty. This financing modality required to comply with a series of requirements in terms of participation, rules, planning, monitoring and evaluation which are specific to research programmes. These requirements are now redundant given the competencies and role assigned to Fusion for Energy in its Statutes.

Differently from what was done under the Seventh Framework Programme, this proposal is not designed as a research programme under Article 7 of the Euratom Treaty. It is instead based on Article 47 and refers to the participation of Euratom in the financing of the Joint Undertaking.

This amendment would serve the purpose of ensuring the transfer of funds from the Commission to Fusion for Energy for the European contribution to ITER without the aforementioned requirements specific to research programmes. This, however, does not prevent, in particular in case of additional costs, voluntary contributions from Members of the Joint Undertaking other than Euratom as provided for in Article 12(1)(c) of the Statutes of that Undertaking.

This amendment allows securing the financing of the project for the next Multiannual Financial Framework. The transfer of funds will have the advantage not to be limited anymore to the five years foreseen by Article 7 of the Euratom Treaty for research and training programmes. It will be aligned with the period covered by the Multiannual Financial Framework and run for seven years. According to the ITER Agreement, the ITER project will have an initial duration of 35 years (i.e. until 2041); thus, subsequent Council decisions will be needed to continue to fund the Euratom contribution to this project.

Activities to be funded by this Decision are supporting the implementation of the roadmap towards the production of electricity from fusion by 2050, adopted by members of the European Fusion Development Agreement (EFDA) in November 2012. As such, this Decision will allow synergies and complementarities with fusion research activities funded under Council Regulation XXX [the Euratom Research and Training Programme].

2. RESULTS OF CONSULTATIONS WITH THE INTERESTED PARTIES AND IMPACT ASSESSMENTS

This proposal takes full account of the responses to an extensive public consultation based on the Green Paper 'From Challenges to Opportunities: Towards a Common Strategic Framework for EU research and innovation funding'¹, within the preparation of the Euratom Research and Training Programme (2014-2018) contributing to the "Horizon 2020" Framework programme for Research and Innovation.

ITER was included in this consultation and in the internal and external evaluations for the drafting of the impact assessment. This impact assessment concluded that the benefits of ITER, which balance scientific, technical and financial risks, are, in the long term, the commercial exploitation of fusion energy and, in the near term, the competitiveness benefits to industry.

On the basis of the decision adopted by the European Council on 8 February 2013, this proposal will provide continuity for the project, in particular vis-à-vis our international partners and secure the ITER funding for the whole duration of the next MFF.

3. LEGAL ELEMENTS OF THE PROPOSAL

The legal basis for this Council Decision is provided for by Article 47 of the Euratom Treaty. This Decision shall constitute the basic act for the period covered by the next Multiannual Financial Framework and will be the basis for the adoption of the yearly financing decisions by the Commission. The Commission decisions will allow the transfer of funds to Fusion for Energy during the period 2014-2020. This proposal will replace the proposal for a Council Decision on the adoption of a Supplementary Research Programme for the ITER project (2014-2018)² adopted by the Commission on 21 December 2011.

There is an ongoing process to amend the Statutes of Fusion for Energy, in particular to grant Croatia voting rights after its accession to Euratom on 1st July 2013. An amendment to Article 12.1 (a)³ will also be introduced to extend the possibilities of financing through the general budget of the European Union.

4. BUDGETARY IMPLICATION

The 'legislative financial statement' attached to this proposal for a Council Decision sets out the budgetary implications and the human and administrative resources needed for its implementation.

¹ COM (2011) 48

² COM (2011) 931

³ This Article provides for "the Euratom contribution shall be made available through the Community research and training programmes adopted pursuant to Article 7 of the Treaty"

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amending Decision 2007/198/Euratom establishing the European Joint Undertaking for ITER and the Development of Fusion Energy and conferring advantages upon it

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Atomic Energy Community, and in particular the third and fourth paragraph of Article 47 thereof,

Having regard to the proposal from the European Commission,

Whereas:

- (1) Council Decision 2007/198/Euratom⁴ established the European Joint Undertaking for ITER and the Development of Fusion Energy (hereinafter "Joint Undertaking") to provide the contribution of the European Atomic Energy Community (hereinafter "Euratom") to the ITER International Fusion Energy Organisation and the Broader Approach Activities with Japan as well as to prepare and coordinate a programme of activities in preparation for the construction of a demonstration fusion reactor and related facilities.
- (2) Decision 2007/198/Euratom provided a financial reference amount deemed necessary for the Joint Undertaking together with the indicative total contribution of Euratom towards such amount, which should be made available through the Community research and training programmes adopted pursuant to Article 7 of the Treaty.
- (3) The resources deemed necessary for the Joint Undertaking during the ITER construction phase, covering the period 2007-2020, amounted in March 2010 to EUR 7 200 000 000 (in 2008 value). In July 2010 the Council of the European Union capped this amount to EUR 6 600 000 000 (in 2008 value).
- (4) The European Parliament and the Council set the maximum level of the Euratom commitments for ITER in the Multiannual Financial Framework for the period 2014-2020 at EUR 2 707 000 000 (in 2011 value).
- (5) It is necessary to amend Decision 2007/198/Euratom to allow the financing of the activities of the Joint Undertaking for the period 2014-2020 from the general budget of the European Union and not through the Euratom research and training programmes.
- (6) Third countries which have concluded a cooperation agreement with Euratom in the field of nuclear energy research, including the controlled nuclear fusion, that associate their respective research programmes with the Euratom programmes are to contribute to the

⁴ Council Decision 2007/198/Euratom of 27 March 2007 establishing the European Joint Undertaking for ITER and the Development of Fusion Energy and conferring advantages upon it (OJ L 90, 30.03.2007, p. 58).

financing of the activities of the Joint Undertaking. Their contribution should be determined in the respective cooperation agreement with Euratom.

- (7) It is also appropriate to update Decision 2007/198/Euratom as regards the provisions on protection of the Union's financial interests.
- (8) It is appropriate to inform the Council and the European Parliament on the implementation of Decision 2007/198/Euratom on the basis of information provided by the Joint Undertaking.
- (9) Decision 2007/198/Euratom should therefore be amended accordingly,

HAS ADOPTED THIS DECISION:

Article 1

Decision 2007/198/Euratom is amended as follows:

(1) in Article 4(2), the following subparagraph is added:

"The contribution of third countries which have concluded a cooperation agreement with Euratom in the field of nuclear energy research, including the controlled nuclear fusion, that associate their respective research programmes with the Euratom programmes shall be determined in the respective cooperation agreement with Euratom."

(2) in Article 4, paragraph 3 is replaced by the following:

"3. The Euratom contribution to the Joint Undertaking for the period 2014-2020 is set at EUR 2 915 015 000 (in current values)."

(3) in Article 4, paragraph 4 is deleted.

(4) the following Article 5a is inserted:

"Article 5a

Protection of Union's Financial Interests

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 dissuasive penalties.

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 Euratom funds under this Decision.

3. The European Anti-fraud Office (OLAF) may carry out investigations, including on-the-spot checks and inspections, in accordance with the provisions and procedures laid down in Regulation (EC) No 1073/1999 of the European Parliament and of the Council* and Council Regulation (Euratom, EC) No 2185/96** with a view to establishing whether

there has been fraud, corruption or any other illegal activity affecting the financial interests of the Union in connection with an agreement or decision or a contract funded under this Decision.

Without prejudice to paragraph 2 and the first subparagraph of this paragraph, cooperation agreements with third countries and international organisations, contracts, agreements and decisions resulting from the application of this Decision shall expressly empower the Commission, the Court of Auditors and the OLAF to conduct audits, on-the-spot checks and inspections.

* Regulation (EC) No 1073/1999 of the European Parliament and of the Council of 25 May 1999 concerning investigations conducted by the European Anti-Fraud Office (OLAF) (OJ L 136, 31.05.1999, p. 1).

** Council Regulation (Euratom, EC) No 2185/96 of 11 November 1996 concerning on-the-spot checks and inspections carried out by the Commission in order to protect the European Communities' financial interests against fraud and other irregularities (OJ L 292, 15.11.1996, p. 2)."

(5) the following Article 5b is inserted:

"Article 5b
Mid-term review

The Commission shall submit to the Council and to the European Parliament, by 31 December 2017, at the latest, a progress report on the implementation of this Decision on the basis of information provided by the Joint Undertaking. That report shall set out the results of the use of the Euratom contribution referred to in Article 2 as regards commitments and expenditure."

Article 2
Entry into force

This Decision shall enter into force on the third day following that of its publication in the *Official Journal of the European Union*.

It shall apply from 1 January 2014.

Article 3
Addressees

This Decision is addressed to the Member States.

Done at Brussels,

For the Council
The President

LEGISLATIVE FINANCIAL STATEMENT

1. FRAMEWORK OF THE PROPOSAL/INITIATIVE

- 1.1. Title of the proposal/initiative
- 1.2. Policy area(s) concerned in the ABM/ABB structure
- 1.3. Nature of the proposal/initiative
- 1.4. Objective(s)
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- 1.6. Duration and financial impact
- 1.7. Management method(s) envisaged

2. MANAGEMENT MEASURES

- 2.1. Monitoring and reporting rules
- 2.2. Management and control system
- 2.3. Measures to prevent fraud and irregularities

3. ESTIMATED FINANCIAL IMPACT OF THE PROPOSAL/INITIATIVE

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LEGISLATIVE FINANCIAL STATEMENT

FRAMEWORK OF THE PROPOSAL/INITIATIVE

Title of the proposal/initiative

Council Decision amending Council Decision (2007/198/Euratom) of 27 March 2007 establishing the European Joint Undertaking for ITER and the development of Fusion Energy and conferring advantages upon it

Policy area(s) concerned in the ABM/ABB structure⁵

- 08 – Research and Innovation

Nature of the proposal/initiative

- The proposal/initiative relates to **a new action**
- The proposal/initiative relates to **a new action following a pilot project/preparatory action**⁶
- The proposal/initiative relates to **the extension of an existing action**
- The proposal/initiative relates to **an action redirected towards a new action**

Objectives

The Commission's multiannual strategic objective(s) targeted by the proposal/initiative

This Council Decision shall have the general objective of contributing to the long-term decarbonisation of the energy system in a safe, efficient and secure way. This Council Decision will contribute to the Europe 2020 strategy and to its flagship initiatives "Innovation Union", "An industrial policy for the globalisation era" and "An agenda for new skills and jobs", since it will support the mobilisation of European high-tech industries which will gain new skills and manufacturing capabilities through participation in Fusion for Energy (F4E) procurement contracts. In addition, since the decarbonisation of the energy system is one of its major objectives, it will also contribute to the "Resource efficient Europe" flagship initiative.

Specific objective(s) and ABM/ABB activity(ies) concerned

To provide the Euratom contribution to the ITER Organization, for the construction of the ITER facilities, as well as for ITER related activities.

Expected result(s) and impact

Specify the effects which the proposal/initiative should have on the beneficiaries/groups targeted.

This Decision will result in Europe making its contributions to the construction of ITER. Europe is making the largest contribution to the project (45% of the construction costs) and the impacts of this Decision will be greatest in Europe, both at near term (benefits to European industry) and at long term (a leading role in the commercial exploitation of fusion energy).

⁵ ABM: Activity-Based Management – ABB: Activity-Based Budgeting.

⁶ As referred to in Article 49(6)(a) or (b) of the Financial Regulation.

The project is already having a positive impact on industrial competitiveness and job creation as the project requires procurement of high tech components.. More than three quarters of the Community contribution to ITER will result in contracts with private companies. The creation of new jobs in Europe directly due to ITER activities will be significant. In the long term, ITER presents a unique opportunity for European high tech industry and construction companies to gain a competitive advantage and become leading actors in the design of the first generation of fusion power plants and the subsequent international commercialisation.

Indicators of results and impact

Specify the indicators for monitoring implementation of the proposal/initiative.

The indicators which will measure progress in the European contributions to ITER construction will be the achievement of milestones by F4E in providing the European components as "in kind" contributions to ITER. The overall planning and annual Work Programme of F4E specify the timetable for the achievement of the milestones which covers all the procurement activities during ITER construction. F4E regularly reports to its governance body (the Governing Board) and to the EU Council on the project's progress.

Grounds for the proposal/initiative

Requirement(s) to be met in the short or long term

The European Council decided on 8 February 2013 to fund the ITER project within the Multi-annual Financial Framework (MFF) for the period 2014-2020. This Council Decision will allow the transfer of funds to Fusion for Energy to carry out the tasks assigned to it.

Added value of Euratom involvement

The involvement of Euratom stands from the signature of the ITER Agreement. This Decision allows for sound budgetary multi annual planning of F4E.

Lessons learned from similar experiences in the past

The Joint European Torus (JET) project has demonstrated that building and operating a large fusion research infrastructure under the Euratom coordination is efficient and maximises the scientific and industrial benefits. However, the scale required for the ITER construction is unprecedented and requires a collaboration at global level for which there is no example to be found in the past.

Coherence and possible synergy with other relevant instruments

This Decision will allow synergies and complementarities with fusion research activities with the Euratom research programme complementing Horizon 2020 (2014-2018). The fusion activities under this framework will provide important scientific contribution to the construction and operation of ITER.

Duration and financial impact

Proposal/initiative of **limited duration**

Proposal/initiative in effect from 01/01/2014 to 31/12/2020

Financial impact from 2014 to 2026

Proposal/initiative of **unlimited duration**

Implementation with a start-up period from YYYY to YYYY,
followed by full-scale operation.

Management mode(s) envisaged⁷

Centralised direct management by the Commission

Centralised indirect management with the delegation of implementation tasks to:

executive agencies

bodies set up by the Communities⁸

national public-sector bodies/bodies with public-service mission

persons entrusted with the implementation of specific actions pursuant to Title V of the Treaty on European Union and identified in the relevant basic act within the meaning of Article 49 of the Financial Regulation

Shared management with the Member States

Decentralised management with third countries

Joint management with international organisations (*to be specified*)

If more than one management mode is indicated, please provide details in the 'Comments' section.

Comments:

Management will be through the services of the Commission and through F4E. The Commission represents Euratom in the governing bodies of both the ITER Organization (IO) and F4E.

MANAGEMENT MEASURES

This Decision will be implemented by the Commission and F4E, which channels the Euratom contribution to the ITER Project and to other activities related to ITER, such as the Broader Approach activities with Japan.

The Commission, on behalf of Euratom, participates in the decision-making bodies the ITER Organization and F4E: 1) The Commission participates in the the ITER Council, in the Scientific and Technical Advisory Committee (STAC) and in the Management Advisory Committee of the ITER Council (MAC); 2) as member of F4E, the Commission participates in the Governing Board, the Executive Committee, the Technical Advisory Panel, the Administration and Finance Committee and the "Bureau".

⁷ Details of management modes and references to the Financial Regulation may be found on the BudgWeb site: http://www.cc.cec/budg/man/budgmanag/budgmanag_en.html

⁸ As referred to in Article 185 of the Financial Regulation.

Monitoring and reporting rules

Monitoring and reporting are based on the management and reporting rules that are applied by F4E and the IO, which require the approval of all key documents by the governing bodies. Through these bodies, the Commission monitors and revises the documents defining the implementing activities for ITER.

F4E is setting up a project management and reporting process, fully integrating various aspects of the reporting system to the GB.

Every year and in line with the Council conclusions of 12 July 2010, F4E reports to the Council on the progress achieved in implementing the cost containment and savings plan as well as on the performance and management of F4E and the ITER project, including the fulfillment of the schedule activities within its annual budget. In response to these Council conclusions, F4E has appointed an independent expert who assesses the project progress on the basis of existing reports and submits its opinion to the F4E GB and to the Competitiveness Council once a year.

F4E and the Commission have signed an Administrative Agreement which defines the modalities and conditions applicable to the transfer of the Community financial contribution to F4E.

Management and control system

The Commission participates in the decision-making bodies of the IO and F4E. The Commission follows and revises all initiatives needed to implement the ITER project, in particular those of a financial nature.

The Commission's Internal Audit Service (IAS) acts as Internal Auditor of F4E since 2012, under the modalities agreed between the Directorate General of the IAS and F4E. Also, the European Anti-Fraud Office (OLAF) enjoys the same powers with respect to F4E and its staff as it enjoys in respect of Commission departments.

As regards the governance of F4E, at the end of May 2011, F4E's GB at the initiative of the Commission adopted a set of measures to improve the governance of F4E. In addition, since the 1st of January 2011, a new organisational structure to have a more project-oriented organisation has been put in place.

F4E's Financial Regulation is similar to the Commission's Financial Regulation, including public procurement procedures equivalent to the Commission's standards.

F4E is accountable to its GB, to the Council and the European Parliament, the latter providing the annual discharge for the budget, based on a recommendation by the Council. In addition, F4E is audited twice a year by the European Court of Auditors that provides a report to the Commission, the Council and the Parliament as part of the annual discharge.

Internal control framework

The internal control framework is built on:

1. The Commission's Internal Control Standards applied by the Directorate General in charge of ITER when adopting any decision concerning F4E, in particular those having a financial nature;
2. The Internal Control Standards that F4E is implementing to carry out systematic surveillance exercises and follow-up the implementation of any recommendation;
3. Technical, financial and political Commission's review of F4E and ITER activities;
4. Ex-ante checks and ex-post controls on procurements. Risks are assessed regularly and progress in the execution of work and the consumption of resources is monitored regularly, based on defined objectives and indicators.

2.2.2. Expected level of risk of non-compliance

There is an inherent financial risk in F4E due to the nature of its activities (large and complex in-kind procurements with high technical risks). Measures to monitor and better control the functioning of F4E have been put in to alleviate this situation. The Commission together with F4E will continue to

identify the risks related to the implementation of this project, notably in terms of costs, and will take the most appropriate measures to manage and mitigate these risks.

2.3. Measures to prevent fraud and irregularities

The Commission's Directorate General charged with the implementation of the ITER project and budget is committed to fight against fraud in line with the Commission Anti-fraud strategy COM(2011)376 of 24 June 2011.

The administrative monitoring of the contracts, grants and related payments is under the responsibility of F4E.

The Commission and F4E take into account the financial interests of the European Union notably in compliance with Council Regulation (EC, Euratom) No 2988/95 of 18 December 1995 on the protection of the European Communities' financial interests and Article 53(a) of the Financial Regulation.

F4E develops ex-post audit strategies to assess the legality and regularity of the underlying transactions.

The European Anti-Fraud Office (OLAF) enjoys the same powers with respect to F4E and its staff, as it enjoys in respect of Commission departments.

3. ESTIMATED FINANCIAL IMPACT OF THE PROPOSAL/INITIATIVE

3.1. Heading(s) of the multiannual financial framework and expenditure budget line(s) affected

New budget lines requested

In order of multiannual financial framework headings and budget lines.

Heading of multiannual financial framework	Budget line	Type of expenditure	Contribution			
			Diff./non-diff.	from EFTA countries	from candidate countries	from third countries
Heading 1	08 01 05 21 Expenditure related to officials and temporary agents implementing Research and Innovation programmes – ITER programme*	Diff./non-diff.	NO	NO	YES	YES
	08 01 05 22 External personnel implementing Research and Innovation programmes – ITER programme*					
	08 01 05 23 Other management expenditure for Research and Innovation programmes – ITER programme*					
	08 04 01 Construction, operation and exploitation of the ITER facilities – European Joint Undertaking for ITER – Fusion for Energy (F4E)					

*- The precise numbering of the budget lines will be defined at later stage.

3.2. Estimated impact on expenditure

3.2.1. Summary of estimated impact on expenditure

In current prices - EUR million (to 3 decimal places)

Number of budget line.		Year 2014 ⁹	Year 2015	Year 2016	Year 2017	Year 2018	Year 2019	Year 2020	Years >2020	TOTAL
08 04 01		720,882	881,858	319,853	317,241	289,125	260,929	125,127		2.915,015
		78,179	150,000	180,000	300,000	460,000	570,000	460,000	716,836	2.915,015

Appropriations of an administrative nature financed from the envelope for ITER programme ¹⁰										
Number of budget line										
08 01 05 21	(3)	5,128	6,477	6,606	6,738	6,874	7,135	7,278		46,236
08 01 05 22		0,133	0,979	0,999	1,019	1,039	0,935	0,954		6,058
08 01 05 23		1,846	2,610	2,662	2,715	2,769	2,826	2,882		18,310
TOTAL appropriations Heading 1		727,989	891,924	330,120	327,713	299,807	271,825	136,241		2.985,619
		85,286	160,066	190,267	310,472	470,682	580,896	471,114	716,836	2.985,619

⁹

Year N is the year in which implementation of the proposal/initiative starts.

¹⁰

Technical and/or administrative assistance and expenditure in support of the implementation of EU programmes and/or actions (former "BA" lines), indirect research, direct research.

3.2.2. *Estimated impact on operational appropriations*

- The proposal/initiative does not require the use of operational appropriations
- The proposal/initiative requires the use of operational appropriations, as explained below:

Commitment appropriations in EUR million (to 3 decimal places)

Indicate objectives and outputs ↓	2014		2015		2016		2017		2018		2019		2020		TOTAL			
	Type of output ¹¹	Average cost of the output	Number of outputs	Cost		Total number of outputs	Total cost											
OUTPUTS																		
SPECIFIC OBJECTIVE No 1 ¹² ...																		
- Output*		416,430	1	720,882	1	881,858	1	319,853	1	317,241	1	289,125	1	260,929	1	125,127	7	2,915,015
Sub-total for specific objective N°1																		
TOTAL COST			1	720,882	1	811,858	1	319,853	1	317,241	1	289,125	1	260,929	1	125,127	7	2,915,015

* The output of the ITER project will be the annual activity report provided by F4E (Barcelona Agency) in which the advancement of the project is described.

¹¹ Outputs are products and services to be supplied (e.g.: number of student exchanges financed, number of km of roads built, etc.).

¹² As described in Section 1.4.2. "Specific objective(s)..."

3.2.3. Estimated impact on appropriations of an administrative nature

3.2.3.1. Summary

- The proposal/initiative does not require the use of administrative appropriations
- The proposal/initiative requires the use of administrative appropriations, as explained below:

EUR million (to 3 decimal places)

	Year 2014 ¹³	Year 2015	Year 2016	Year 2017	Year 2018	Year 2019	Year 2020	TOTAL
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HEADING 1 of the multiannual financial framework								
Human resources running the programme (RTD)	5,261	7,456	7,605	7,757	7,913	8,070	8,232	52,294
Other administrative expenditure (RTD)	1,846	2,610	2,662	2,715	2,769	2,826	2,882	18,310
Subtotal HEADING 1 RTD	7,107	10,066	10,267	10,472	10,682	10,896	11,114	70,604

F4E								
Human resources	34,300	37,800	38,600	39,400	40,200	39,900	39,500	269,700
Other expenditure of an administrative nature*	6,900	7,300	10,400	7,500	7,700	7,900	8,100	55,800
Subtotal HEADING 1 F4E	41,200	45,100	49,000	46,900	47,900	47,800	47,600	325,500

* estimated figures

TOTAL HEADING 1	48,307	55,166	59,267	57,372	58,582	58,696	58,714	396,104
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¹³ Year N is the year in which implementation of the proposal/initiative starts.

3.2.3.2. Estimated requirements of human resources

The proposal/initiative does not require the use of human resources

The proposal/initiative requires the use of human resources, as explained below:

Estimate to be expressed in full amounts (or at most to one decimal place)

	Year 2014 ¹⁴	Year 2015	Year 2016	Year 2017	Year 2018	Year 2019	Year 2020
• Establishment plan posts (officials and temporary agents) ITER, to be integrated into a specific establishment plan for ITER in Heading 1							
At Headquarters 08 01 05 21	50	50	50	50	50	50	50
• External personnel (in Full Time Equivalent unit: FTE)¹⁵ ITER in Heading 1							
08.04.01	AD Officials	44	44	44	44	44	44
	AD Temporary	174	174	174	174	174	174
	AST Officials	18	18	18	18	18	18
	AST Temporary	26	26	26	26	26	26
	CA	153	153	153	153	153	153
	SNE	7	7	7	7	7	7
	- (JU ITER-F4E (Barcelona) (*)	422	422	422	422	422	422
08 01 05 22 (CA, INT, SNE - Indirect research)	15	15	15	15	15	15	15
10 01 05 22 (CA, INT, SNE - Direct research)							
Other budget lines (specify)							
TOTAL	487	487	487	487	487	487	487

08 is the policy area or budget title concerned.

The administrative cost (including staff) of running the ITER programme (outside the operating grant to the European Joint Undertaking for ITER (F4E)) should follow the operational appropriations for the ITER programme itself.

(*) The 422 FTE financed in Budget 2012 under lines 08.04 01.

Description of tasks to be carried out:

Officials and temporary agents	Staff working in the headquarters are in charge of the definition and subsequent follow-up of the activities both from the domestic agency in Barcelona (F4E) and the ITER project where the Commission is a representative of the European partnership.
External personnel	
Staff working in the domestic agency in Barcelona (F4E) are in charge of the	

¹⁴ Year N is the year in which implementation of the proposal/initiative starts.

¹⁵ CA= Contract Agent; INT= agency staff ("Intérimaire"); JED= "Jeune Expert en Délégation" (Young Experts in Delegations); LA= Local Agent; SNE= Seconded National Expert;

	European contribution for the procuring, contracting and financial implementation of the work plan of ITER International Organisation as defined in the ITER Council decision 2007/198/Euratom of 27 March 2007.
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3.2.4. *Compatibility with the current multiannual financial framework*

- Proposal/initiative is compatible the current multiannual financial framework.
- Proposal/initiative will entail reprogramming of the relevant heading in the multiannual financial framework.

Explain what reprogramming is required, specifying the budget lines concerned and the corresponding amounts.
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- Proposal/initiative requires application of the flexibility instrument or revision of the multiannual financial framework¹⁶.

Explain what is required, specifying the headings and budget lines concerned and the corresponding amounts.

3.2.5. *Third-party contributions*

The proposal/initiative does not provide for co-financing by third parties

- The proposal/initiative provides for the co-financing estimated below*:

Appropriations in EUR million (to 3 decimal places)

	Year N	Year N+1	Year N+2	Year N+3	... enter as many years as necessary to show the duration of the impact (see point 1.6)			Total
Specify the co-financing body								
TOTAL appropriations cofinanced								

* - The programme may receive third countries contributions (based on the cooperation agreement between the third countries and Euratom) which at this stage are not known yet.

3.3. Estimated impact on revenue

- Proposal/initiative has no financial impact on revenue.
- Proposal/initiative has the following financial impact:
- on own resources
- on miscellaneous revenue

EUR million (to 3 decimal places)

Budget revenue line:	Appropriations	Impact of the proposal/initiative ¹⁷
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¹⁶ See points 19 and 24 of the Interinstitutional Agreement.

	available for the ongoing budget year	Year N	Year N+1	Year N+2	Year N+3	... insert as many columns as necessary in order to reflect the duration of the impact (see point 1.6)		
Article 6XXX*								

*The precise numbering of the budget lines will be defined at a later stage.

For miscellaneous assigned revenue, specify the budget expenditure line(s) affected.

08 04 50 01 - Appropriations accruing from contributions from (non-European Economic Area) third parties to research and technological development (2014 to 2020);

08 04 50 02 - Appropriations accruing from contributions from (non-European Economic Area) third parties to research and technological development (prior 2014)

Specify the method for calculating the impact on revenue.

“Certain third countries may contribute to a supplementary funding of the ITER through cooperation agreements between these countries and Euratom. The method of calculation will be agreed in these Cooperation Agreements and is not necessarily the same in all agreements. Mostly the calculations are based on the GDP of the third country compared to the GDP of the Member States whilst applying this percentage to the overall budget voted.”

¹⁷

As regards traditional own resources (customs duties, sugar levies), the amounts indicated must be net amounts, i.e. gross amounts after deduction of 25% for collection costs.