Euratom Framework Programme 2012-2013: nuclear research and training activities

2011/0046(NLE) - 07/03/2011 - Legislative proposal

PURPOSE: to adopt a multiannual framework programme for nuclear research and training activities (Framework Programme (2012-2013)') for the period from 1 January 2012 to 31 December 2013.

PROPOSED ACT: Council Decision.

BACKGROUND: joint national and European efforts in the area of research and training are essential to promote and ensure economic growth and the well-being of citizens in Europe. Under Article 7 of the Euratom Treaty, the Euratom Framework Programme is the Community's main instrument for supporting and complementing Member States' activities in nuclear research and development (R&D). The existing provisions are contained in Council Decision 2006/970/Euratom on the Euratom Framework Programme and they will expire at the end of 2011.

The proposal is for the adoption of a Council decision concerning Euratom's Framework Programme for 2012-2013.

This Framework Programme is part of a legislative package that contains proposals for decisions for the Framework Programme itself, two Specific Programmes (for <u>direct</u> and <u>indirect</u> actions), and the <u>Rules for Participation</u>).

IMPACT ASSESSMENT: in accordance with Article 21 of the Implementing Rules for the Financial Regulation (Commission Regulation N° 2342/2002), the Commission has prepared an ex ante evaluation. Since this proposal aims to continue the activities of the Euratom Framework Programme for 2012-13 under the same financial perspectives, the requirement for an Impact Assessment has been waived.

LEGAL BASIS: Article 7 of the Treaty establishing the European Atomic Energy Community (Euratom). The added value of Euratom involvement in nuclear research is intimately linked to cross-border effects, economies of scale, and contributing to the resolution of market failures. Euratom projects in fission, fusion and radiation protection can allow research to achieve the required 'critical mass', while lowering commercial risk and levering private investment. Euratom actions also play a key role in transferring nuclear skills and knowledge across frontiers, helping to foster excellence in research and innovation.

CONTENT: the overall aim of the proposal is to ensure the continuation of EU-funded research and training activities in nuclear science and technology during the years 2012-13. The Euratom Framework Programme is also crucial if Europe is to maximise the return on investment in ITER which has now entered its construction phase and relies on the continued support of Europe's fusion energy research programme. In addition, both nuclear fission and fusion are identified in the SET-Plan as energy technologies which Europe must develop in order to meet its energy objectives.

The Euratom Framework Programme for 2012-13 **contains broadly the same scientific, technical and strategic objectives** and **uses the same fundingschemes** as the current Euratom FP7 programme (2007-2011). Nonetheless, the programme has evolved over the last five years, and must take into account the results of recent research and the new policy context and research landscape in Europe. Regarding policy, the most significant development has been the adoption and endorsement of the **European Strategic Energy Technology Plan** (SET-Plan) as part of a broad portfolio approach to addressing future energy challenges. The Framework Programme (2012-2013) will cover Community research, technological

development, international cooperation, dissemination of technical information, exploitation activities and training, to be set out in the two specific programmes.

The broad objectives for the Euratom Framework Programme for the years 2012-13 are:

- in the area of fusion energy research, to develop the technology for a safe, sustainable, environmentally responsible and economically viable energy source;
- in the area of nuclear fission and radiation protection, to enhance the safety, resource efficiency and cost-effectiveness of nuclear fission and other uses of radiation in industry and medicine, and to enhance nuclear security (nuclear safeguards, non-proliferation, combating illicit trafficking and nuclear forensics).

Budget for Euratom Framework Programme 2012-2013 (including ITER): the draft appropriations initially provided for nuclear research in the Multiannual Financial Framework for 2007-2013 (MFF) are insufficient owing to the substantial cost increase of the ITER project. The cost increase of the ITER project was the subject of an in-depth assessment in the Commission Communication "ITER status and possible way forward". If no decision were taken on the increase of budget for ITER, Euratom's contribution to ITER would be limited to the appropriations envisaged for this purpose in the MFF, which would as a consequence prevent Euratom from fulfilling its legal obligations under the ITER agreement.

In its conclusions of 12 July 2010, the Council reaffirmed its commitment to ITER, acknowledged its increased financing needs and set out a number of guidelines on cost containment and management. The Council agreed on a EUR 6.6 billion limit of the European contribution to the construction phase of ITER until 2020. This includes EUR 1.4 billion during period of 2012-2013. The Council also mandated the Commission to support the adoption of the ITER Baseline, which prompted the Commission's proposal to amend the Multiannual Financial Framework, to address additional financing needs of ITER

At the extraordinary ITER Council meeting of 28 July 2010 the Baseline was adopted. Euratom's support was given ad referendum. The European Parliament and the Council are still to approve the Commission's proposed amendments.

Following Commission's proposal to amend the MFF, the Council reached an agreement in November 2010 on the use of existing margins of the 2010 budget and redeployment within the MFF and 7th EU Research Framework Programme to cover the additional ITER needs at the level of EUR 1.3 billion, i.e. 100 million short of the needs of EUR 1.4 billion acknowledged by the Council conclusions of 12 July 2010. The reduction of EUR 100 million for the period 2012-2013 does not contradict, nor cancel, the Council's commitment to an overall European contribution to the ITER construction costs at the level of EUR 6.6 billion.

In the context of the conciliation procedure for the 2011 budget and the related discussion on the flexibility instrument, the budgetary authority did not conclude an agreement on additional European funding for ITER. Therefore, a decision on that matter, based on the Commission's proposal will have to be taken as soon as possible during 2011. The Commission proposes that, in these circumstances, the legislative process concerning proposals for Euratom FP for 2012-13 will be carried out in parallel to the continuing discussion on the budget for ITER and the 2012 budget. Agreement on additional funding will allow for swift adoption of the Euratom research programme in 2011, a decision that will be important in view of maintaining Euratom's support for exploitation of nuclear facilities such as JET as well as JRC direct actions.

BUDGETARY IMPLICATION: the maximum amount for the implementation of the Framework Programme (2012-2013) shall be **EUR 2 560 270 000**. This amount shall be distributed as follows (in

EUR): (i) for the specific programme, to be carried out by means of indirect actions: – fusion energy research 2 208 809 000; nuclear fission and radiation protection 118 245 000; (ii) for the specific programme, to be carried out by means of direct actions: nuclear activities of the JRC 233 216 000.