

# 2020 FINANCIAL REPORT



china eu india japan korea russia usa

# Finance at a glance

The Tokamak pit has been prepared for the first piece of the ITER puzzle – the 1,250-tonne cryostat base, to be positioned on the 18 circular bearings visible in this photo.

**951**  
staff

**€5,480**  
Million  
property, plant  
& equipment

**€25**  
Million  
intangible  
assets

**€463**  
Million  
cash contributions  
received 2020

**€380**  
Million  
in-kind  
contributions

**€141**  
Million  
employee  
benefits

**€639**  
Million  
total  
commitments

# Contents

<b>Foreword from the Director-General</b>	<b>3</b>
<b>Certificate</b>	<b>5</b>
<b>Statement from the Director-General</b>	<b>5</b>
<b>Independent Auditors' Report</b>	<b>6</b>
<b>Financial Statement Discussion and Analysis</b>	<b>8</b>
<b>2020 Financial Statements</b>	<b>15</b>
• Statement of Financial Position as at 31 December 2020	16
• Statement of Financial Performance for the Year ended 31 December 2020	16
• Statement of Changes in Net Assets/Equity for the Year ended 31 December 2020	17
• Cash Flow Statement for the Year ended 31 December 2020	17
• Comparison of Budget and Actual Amounts for the Year ended 31 December 2020	19
• Notes to the 2020 Financial Statements	20
<b>2020 Budgetary Statements</b>	<b>49</b>
• Overview	50
• Budgetary Out-Turn 2020	51
• Income Budget Execution 2020	51
• Payments Budget Execution 2020	52
• Commitments Budget Execution 2020	53
• Notes to the 2020 Budgetary Statements	54
<b>Abbreviations and Acronyms</b>	<b>60</b>



Once major components are unpacked and prepared for handling in the Assembly Hall (far end), they are lifted by overhead crane and lowered into the machine pit according to the assembly sequence. All space in this 30-metre-tall, 30-metre-wide cylindrical well will be completely taken up by the 23,000-tonne tokamak.

# Foreword from the Director-General

**A**s I write these lines, the first D-shaped toroidal field coil has just been lifted to vertical and installed next to vacuum vessel sector #6 in the massive sector sub-assembly tooling in the Assembly Hall.

This first-of-a-kind activity – the creation of a vacuum vessel sub-assembly formed from one sector, two toroidal field coils and thermal shielding – is a major machine assembly activity that must be repeated eight other times. As with other large-scale manufacturing or assembly tasks to be reproduced in series, we expect to learn much during the first operation that can be used to accelerate the next-in-line operations.

It is a striking vision to see these massive components – manufactured to ITER Organization specifications and shipped from all over the world – in the Assembly Hall after more than 10 years of anticipation. It is also a powerful symbol of the road that the project has travelled and of the major milestone that the project passed in 2020, the official launch of machine assembly.

In July 2020, I had the honour of presiding over a virtual start-of-assembly celebration that featured statements by Member representatives at ministerial and/or Head of State level. All reaffirmed the unique nature of ITER and its importance for the future of humankind. Knowing that we are all working toward the same goal – for a future powered by fusion energy – is a constant source of encouragement as we face the challenges of assembling a first-of-a-kind device.

The ITER Organization's broad reorganization for the optimized execution of assembly and installation was completed on time in January 2020, putting the organization in the strongest possible position to react, and adapt, to the unexpected situation of the Covid-19 pandemic. The organization's ongoing efforts to strengthen configuration management, risk management, the freezing of design interfaces, and the strategy for assembly and installation based on recommendations from Council-mandated In-Depth Independent Reviews since 2017 have also reinforced its ability to assess, and mitigate where possible, announced delays in fabrication and shipping and their roll-on effect on the assembly and installation schedule.

The critical path to First Plasma continues to pass through the delivery of major Tokamak components and in-pit



vacuum vessel welding (after assembly of each sector with a toroidal field coil pair). Tokamak Complex building installation works are on the near critical path, while machine assembly works and associated regulatory approvals represent the very near project critical path. As we wait for the Covid-19 effect on the ITER schedule to stabilize later in 2021, and to have full knowledge of the cross-project effect of the pandemic on the Overall Project Schedule and Overall Project Cost, the ITER Organization and the Domestic Agencies are exploring all opportunities for schedule recovery.

I invite you to discover the ITER Organization 2020 Financial Report in the pages that follow. These accounts, which have been audited by the independent Financial Audit Board formed from representatives of every ITER Member, provide a fully transparent description of the financial situation of the ITER Organization.

**Bernard Bigot**  
St. Paul-lez-Durance  
June 2021



This worker is welding a steel pipe to its concrete passageway. One of the machine's magnet feeders will pass through this tunnel on its way to supplying magnets with power and cooling.

# Certificate

The Financial Statements of the ITER Organization have been prepared in accordance with the internal Project Resource Management Regulations (PRMR) and the International Public Sector Accounting Standards (IPSAS).

We hereby certify that, based on the information provided by the Authorizing Officer, we have reasonable assurance that these accounts present a true and fair view of the financial transactions in the year 2020 and of the financial position of the ITER Organization in all material aspects at the end of 2020.

We are not aware of any un-recorded liabilities.



24 February 2021  
**Lionel Rigaux**  
Accounting Officer  
Accounting, Treasury &  
Systems  
Section Leader

A handwritten signature in black ink, appearing to read 'L. Rigaux'.



24 February 2021  
**Philippe Lamotte**  
Finance &  
Procurement  
Department Head

A handwritten signature in black ink, appearing to read 'P. Lamotte'.

## Statement from the Director-General

I, the undersigned, Director-General of the ITER Organization, in my capacity as Authorizing Officer:

- ✓ Declare that the information contained in this report gives a true and fair view;
- ✓ State that I have reasonable assurance that the resources have been used for their intended purpose and in accordance with the principles of sound financial management, and that the control procedures put in place give the necessary guarantees concerning the legality and regularity of the underlying transactions. This reasonable assurance is based on my own judgement and on the information at my disposal;
- ✓ Confirm that I am not aware of anything not reported here which could harm the interests of the ITER Organization.

24 February 2021  
**Bernard Bigot**  
Authorizing Officer  
The Director-General

A handwritten signature in black ink, appearing to read 'Bernard Bigot'.



# The Independent Auditors' Report on the Financial Statements

## Opinion

We have audited the financial statements of the ITER International Fusion Energy Organization (IO) as at 31 December 2020, which comprise the Statement of Financial Position, the Statement of Financial Performance, the Cash Flow Statement, the Statement of Changes in Net Assets/Equity, the Comparison of Budget and Actual Amounts, and Notes to the Financial Statements and to the Budget Execution Statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the IO as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with the International Public Sector Accounting Standards (IPSAS) and the Project Resource Management Regulations (PRMR). We obtained reasonable assurance on the legality and regularity of the underlying transactions.

## Basis for Opinion

We conducted our audit in accordance with Article 17 of the ITER Agreement, the FAB's External Financial Audit Procedures, the relevant articles of the PRMR and the International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the IO in accordance with the ethical requirements that are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Other information

The IO management is responsible for the information included in the ITER Organization 2020 Financial Report other than the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact.

## Responsibilities of the IO Management and the ITER Council for the Financial Statements

The IO management is responsible for the preparation and fair presentation of the financial statements in accordance with the IPSAS and the PRMR, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the IO management is responsible for assessing the IO's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the ITER Council either intends to liquidate the IO or to cease operations, or has no realistic alternative other than to do so.

The ITER Council is responsible for overseeing the IO's financial reporting process.



One of the many tall cranes on the worksite, where the European Domestic Agency Fusion for Energy (F4E) is constructing the ITER scientific installation.










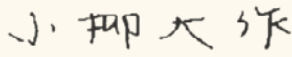



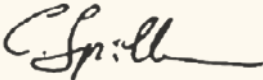


**Auditor’s Responsibility for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

selected depend on the auditor’s judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. The audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements and of the budget execution statements.

As part of an audit in accordance with ISA, we exercise professional judgment and maintain professional skepticism throughout the audit. The audit procedures

**St. Paul-Lez-Durance  
France**  
05 July 2021

  <p><b>Mr. Alexander ZAGORNOV</b> <i>Chair of the Financial Audit Board</i></p> <p><b>RUSSIAN FEDERATION</b></p>		
  <p><b>Ms. Lingyun ZHANG</b></p> <p><b>PEOPLE’S REPUBLIC OF CHINA</b></p>	  <p><b>Ms. Richa BAGLA</b></p> <p><b>REPUBLIC OF INDIA</b></p>	  <p><b>Mr. Daisaku KOYANAGI</b></p> <p><b>JAPAN</b></p>
  <p><b>Mr. Tae Hyung HA</b></p> <p><b>REPUBLIC OF KOREA</b></p>	  <p><b>Mr. Ciaran SPILLANE</b></p> <p><b>EUROPEAN UNION</b></p>	  <p><b>Ms. Erin HARRIS</b></p> <p><b>UNITED STATES OF AMERICA</b></p>

# Financial Statement Discussion and Analysis

**This section of the annual Financial Report of the ITER Organization (IO) presents management's discussion and analysis of the Financial Statements for the year ended 31 December 2020.**

**The Financial Statement Discussion and Analysis is not part of the ITER Organization's Financial Statements; however, it should be read together with the ITER Organization's Financial Statements on pages 15 to 47 of this report.**

The 2019 Financial Statements were audited and thereafter approved by the ITER Council at its Twenty-Seventh Meeting in November 2020.

## Overview

The Financial Statements have been drawn up in accordance with the International Public Sector Accounting Standards (IPSAS) and the Project Resource Management Regulations of the ITER Organization (PRMR). The Financial Statements are therefore in compliance with both sets of standards and regulations.

In accordance with Articles 7 and 9 of the ITER Agreement, the Director-General and the staff of the ITER Organization prepare and submit to the ITER Council the annual Financial Statements by the end of February of the year following the last day of the reporting period.



All large ITER components are off-loaded at the port of Fos-sur-Mer near Marseille, France.

The functional currency used by the ITER Organization is the Euro. The Financial Statements show tabulations in thousands of Euro, which could cause minor differences due to rounding.

The Financial Statements presented on an accrual basis show the:

- Statement of Financial Position which provides information about the:
  - Assets of the ITER Organization (cash; recoverables; prepayments; property, plant and equipment; intangible assets and financial assets);
  - Liabilities of the ITER Organization (payables; employee benefits liabilities and deferred revenue).
- Statement of Financial Performance recognizing revenue in the period it is earned and expenses when they occur, regardless of when the associated cash is received or paid. In view of the specific nature of the Organization, which has in essence only one objective, i.e., the operation of an experimental facility, all costs are considered to have been incurred in order to construct and bring the assets to a condition enabling operations to commence ('IO activity costs capitalized for the machine under construction'). The capitalization of costs/values will cease at the start of the Operation Phase. The consequences of this capitalization criterion on the annual results of the ITER Organization are inter-related with the choice of the accounting policy used in regard to the revenue from Members;
- Statement of Changes in Net Assets/Equity provided for the record (not impacted during the Construction Phase);
- Cash Flow Statement (direct method) which provides information about the ITER Organization's liquidity and solvency, including cash in and cash out;
- Comparison of Budget and Actual Amounts;
- Notes to the Financial Statements making them easier to understand and to compare with the Financial Statements of similar entities. They comprise a summary of accounting policies used:
  - Basis of preparation;
  - Significant accounting policies;
  - Disclosure of the information required by IPSAS that is not presented on the face of the Statement of Financial Position, Statement of Financial Performance, Statement of Changes in Net Assets/Equity or Cash Flow Statement;
  - Reconciliation between the Cash Flow Statement and the Budgetary Out-Turn.

Contributions from the Members constitute revenue from non-exchange transactions. They are used to acquire property, plant and equipment, and intangible assets, and are taken back to revenue over the period of the utilization of the related assets. They are labelled 'Deferred contributions from Members' in the Statement of Financial Performance.

## About the ITER Organization

The ITER Organization provides and promotes cooperation on the ITER Project among its Members, these being the People's Republic of China, the European Union (represented by Euratom), the Republic of India, Japan, the Republic of Korea, the Russian Federation and the United States of America.

This international project aims to demonstrate the scientific and technological feasibility of fusion energy for peaceful purposes, an essential feature of which will be achievement of sustained fusion power generation.

The purpose, functions and other organizational aspects of the ITER Organization are set out in the 'Agreement on the Establishment of the ITER International Fusion Energy Organization for the Joint Implementation of the ITER Project' (the 'ITER Agreement', <http://www.iaea.org/Publications/Documents/Infcircs/2007/infcirc702.pdf>).

The ITER Agreement was signed by the Members in Paris on 21 November 2006 and the ITER Organization was officially established on 24 October 2007. The Agreement has an initial duration of 35 years.

The ITER Organization has an international legal personality including the capacity to conclude agreements with States and/or other international organizations, and is governed by a Council composed of representatives from each of its Members. The ITER Council elects from among its Members a Chair and Vice-Chair who each serve for a term of one year and who may be re-elected up to three times for a maximum period of four years.

The functions of the ITER Project are the design, construction, assembly and installation, commissioning, operation, exploitation and de-activation (decommissioning) of the ITER facilities in accordance with prescribed technical objectives, specifications and supplemental technical requirements that may be necessary. Upon completion of the Project, decommissioning of the ITER Organization facilities will be financed by the Members and will be carried out by the Host State, France.

The resources to carry out the construction of the project comprise contributions in kind and in cash from the Members, as per the following sharing ratio: 45.46% for Euratom and 9.09% for the others.

The cost estimates for the Construction and Operation Phases have been quantified using the ITER Unit of Account (IUA) unit of currency (one IUA was equal to USD 1,000 in January 1989). The conversion rate from IUA to Euro is revised annually by the Director-General and reported to the ITER Council Management Advisory Committee (MAC) thereon.

## IUA Exchange Rates

Periods	1 IUA =
2020	EUR 1,770.84
2019	EUR 1,749.84
January 1989	USD 1,000.00

Contributions from Members or their respective Domestic Agencies (DA) are provided in cash and in kind.

Cash contributions are recognized in the Statement of Financial Performance of the year to which they relate.

Short-term in-kind contributions (STIK) are related to Task Agreements (contracts between the ITER Organization and the Domestic Agencies/Members) and secondments of staff. STIK are recognized in the Statement of Financial Performance of the year to which they relate.

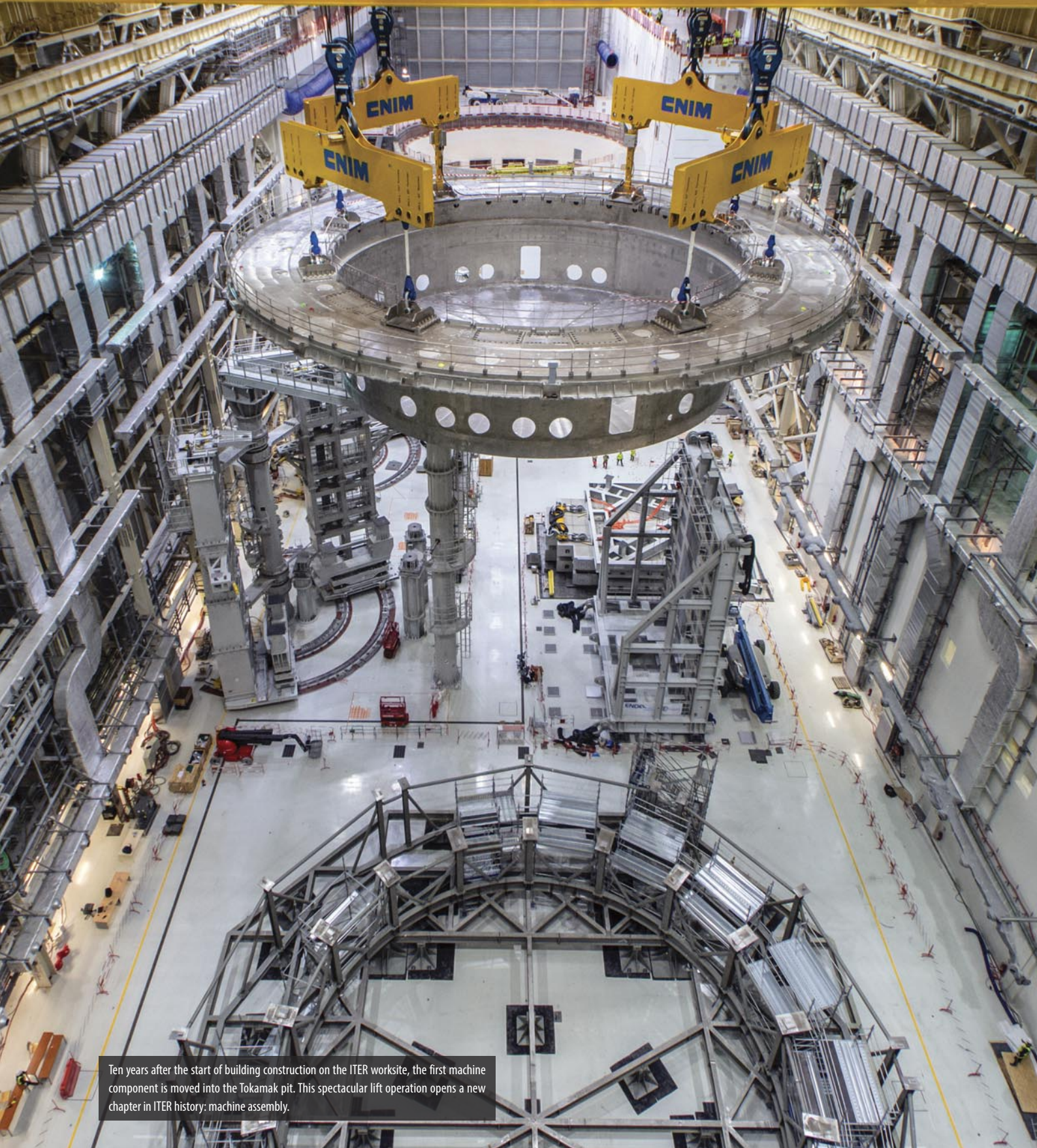
The Procurement Arrangements (PA) are contributions in kind foreseen in the ITER Agreement and signed between the ITER Organization and each Member. They are called long-term in-kind contributions (LTIK). LTIK credits are directly recognized in the Statement of Financial Performance upon validation of their delivered milestones or work performed ('credit request mechanism').

PA milestones recorded within 'machine under construction' are split into two categories: Advance for milestones related to assets produced without transfer of control/responsibilities and risks from the Domestic Agencies to the ITER Organization; or Capital Work In Progress for milestones related to assets produced with transfer of control/responsibilities and risks from the Domestic Agencies to the ITER Organization.

The measurement basis applied for cash transactions is at historical cost. Assets and liabilities arising from PAs are measured and accounted at their agreed values (as defined in the ITER Agreement).

The 'Common Fund' is the initial 'Trust Fund' created by the International Atomic Energy Agency (IAEA) to launch the ITER Project in 2006. In the Financial Statements, these funds received by the ITER Organization were allocated to their respective Members as per the agreed sharing (total amount received between 2006 and 2008: EUR 3,830,595 split into EUR 1,741,644 for Euratom, and EUR 348,158 for each of the other Members).

The ITER Organization has developed the ITER Project Associates (IPA) scheme to increase flexibility in the use of ITER Organization and Domestic Agency resources and to strengthen cooperation between the ITER Organization and institutions or bodies of the Members (including Domestic Agencies). This scheme allows staff



Ten years after the start of building construction on the ITER worksite, the first machine component is moved into the Tokamak pit. This spectacular lift operation opens a new chapter in ITER history: machine assembly.

of Member institutes, universities, industrial enterprises, and other relevant bodies (termed as Home Institutes) to participate in the ITER Project. Detailed Implementing Agreements (IAs) are signed between the ITER Organization and the Home Institutes (HI) to assign individuals or a group of IPAs. They take into account the Member/Country specificities and financial aspects.

Administrative agreements are agreements with Domestic Agencies, DA Institutes, Member/Domestic Agency-related entities etc., to enable the ITER Organization to provide them with administrative, logistical and/or other services (outside the scope of the ITER Organization budget).

The Partnership Arrangement with the Principality of Monaco concluded for ten years in 2008 has been renewed for another term.

Since 2013, the ITER Organization has signed arrangements/Memoranda of Understanding (MoU) with the Domestic Agencies for undertaking some construction activities on their behalf. Financial resources for the ITER Organization's execution of these arrangements are being provided separately by the Domestic Agencies concerned, outside the ITER Council-approved IO budget.

Revenue from these construction contracts and the Partnership Arrangement is recognized only to the extent of contract costs incurred that it is probable to be recovered, and contract costs are recognized as an expense in the period in which they are incurred/used. Any excess of revenue/costs over associated costs/revenue is shown as payable/receivable in Notes A9/A5.

The costs incurred by the ITER Organization arising from these construction contracts (on behalf of the Domestic Agencies) and the Partnership Arrangements are therefore not directly considered part of the construction cost of the experimental equipment. Details of these Construction Contracts and the Partnership Arrangements are disclosed in Notes A16, A17 and B5.

The address of the ITER Headquarters is Route de Vinon-sur-Verdon, CS 90 046, 13067 Saint Paul-lez-Durance Cedex, France. The land on which the ITER Project is being constructed has been provided free of charge by the French State through the Commissariat à l'Énergie Atomique et aux Énergies Alternatives (CEA) for the duration of the ITER Project (initially foreseen to end in October 2042).

### Highlights

A key ITER Project milestone was passed in March 2020 with the achievement by the European Domestic Agency of ITER Council milestone #50. The milestone, which consisted in demonstrating that the heavy lift cranes could successfully travel with load between the Assembly Hall

and the Tokamak pit, effectively opened the way for the first major lift of the ITER machine assembly phase – the installation of the 1,250-tonne cryostat base in May. The cryostat lower cylinder joined the base three months later and the first welding activities inside the pit were launched. A virtual start-of-assembly event featuring French President Emmanuel Macron and leaders from every ITER Member drew major worldwide attention in July.

Concurrent with the on-time launch of machine assembly, a series of first-of-a-kind machine elements reached the ITER site in 2020 despite the disruptions of the global Covid-19 pandemic. The first vacuum vessel sector from Korea, five toroidal field coils from Europe and Japan, and poloidal field coil #6 (procured by Europe and manufactured in China) were received by ITER logistics and assembly teams, and passed all site acceptance tests. The fabrication of other components needed for first-phase assembly – the ITER magnet coils, magnet feeders, vacuum vessel sectors, thermal shield panels, the remaining cryostat sections, cooling water equipment, and diagnostics – progresses steadily; overall, "First Plasma manufacturing completion" stands at 83.4 percent. The upending tools that will be used to raise vacuum vessel sub-assembly components have been qualified, and the latest assembly tool delivered by Korea – the sector lifting tool – has passed all functional tests. Everything is ready in the Assembly Hall for the first vacuum vessel sub-assembly operation next year.

The execution of systems installation work packages in the Tokamak Complex was slower than planned in 2020; however, the rate of progress is expected to rebound strongly in the next reporting period as the result of a concerted and organization-wide effort to accelerate the production of critical engineering work packages, and the award of the last major assembly contract. Fully three-quarters of the buildings and technical areas needed on site by First Plasma are now in place and across the platform, the installation of power, cryogenics, cooling water, and heat rejection system components is progressing.

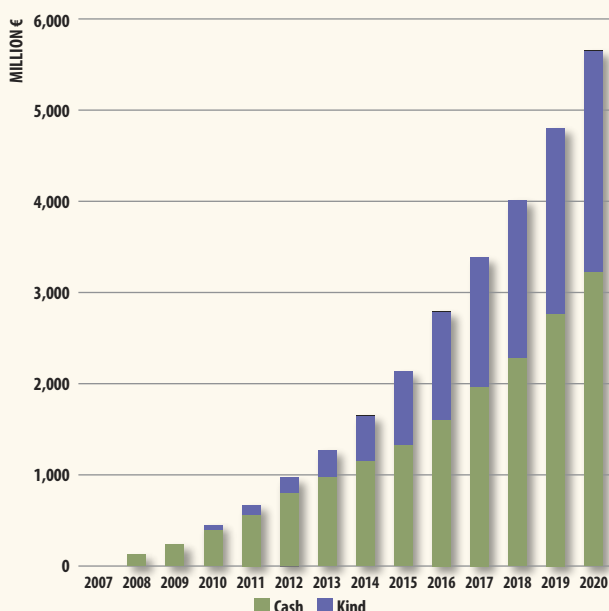
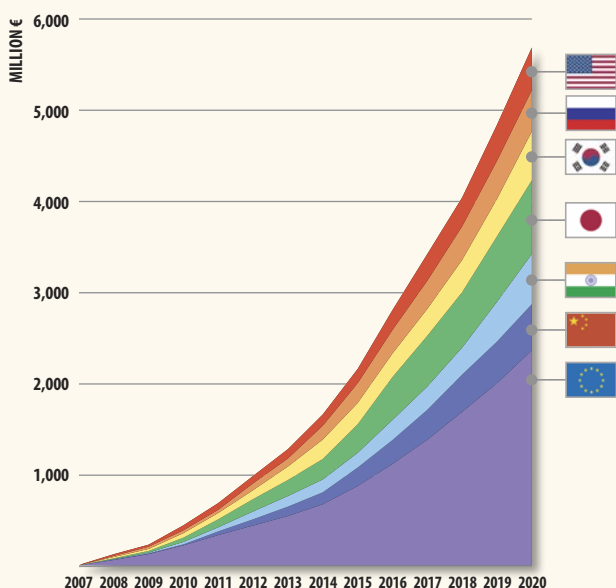
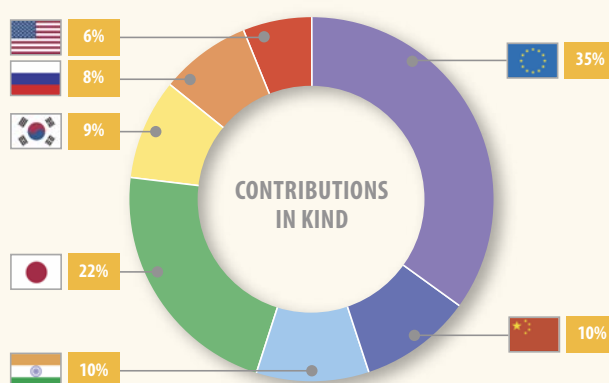
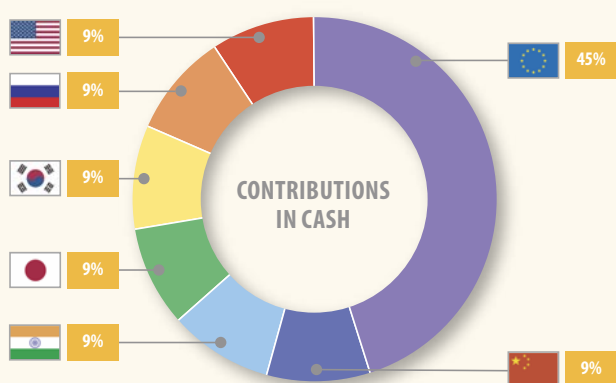
The ITER Organization and the Domestic Agencies closely monitored the Covid-19 pandemic and its effects on the ITER Project schedule throughout the year. At ITER, steps were taken to maintain critical-path construction and assembly works while ensuring the maximum protection of staff, an experience that led to a new way of organizing work (with increased emphasis on teleworking) that has become the "New Normal" since October 2020. Globally, some factory closures and delays in transport resulted in a general slowdown in schedule performance, although it is too early to predict the long-term impact of the pandemic on the project schedule as strong remedial actions have been put in

# Statement of Cumulative Contributions as at 31 December 2020

Amounts in thousands of Euro

	Calls for Cash Contributions		Contributions in Kind		Total Contributions	
	Amount	%	Amount	%	Amount	%
Euratom (*)	1,470,114	45.46%	845,972	34.97%	2,316,086	40.97%
People's Republic of China	293,957	9.09%	244,456	10.10%	538,413	9.52%
Republic of India	293,957	9.09%	246,654	10.20%	540,611	9.56%
Japan (*)	293,957	9.09%	518,757	21.44%	812,714	14.38%
Republic of Korea	293,957	9.09%	227,558	9.41%	521,515	9.23%
Russian Federation	293,957	9.09%	185,108	7.65%	479,065	8.47%
United States of America	293,957	9.09%	150,683	6.23%	444,640	7.87%
<b>TOTAL</b>	<b>3,233,856</b>		<b>2,419,188</b>		<b>5,653,045</b>	

(\*) Cumulative credits granted to Japan include a contribution from the European Union corresponding to IUA 176,158.69 amounting to EUR 309.49 million (including IUA 9,389.22 for deliverables achieved in 2020) for procurements for which the responsibility has been transferred to Japan within the framework of the transferred procurement responsibilities from Euratom to Japan.



## Cumulative Position by Member

## Cash/Kind

The pace of contributions related to the achievement of the in-kind milestones (in purple) continued its increase in 2020, reflecting an acceleration of construction and component fabrication activities.

place, and opportunities for risk mitigation and schedule recovery continue to be explored. The conclusion of a significant internal re-organization during the year places the ITER Organization in the best possible position to face the ongoing challenges of the assembly and installation phase in the context of a continued public health crisis.

In the year ahead, the arrival of critical components, vacuum vessel sub-assembly operations, and the pace of machine assembly (together with associated regulatory approval) will continue to dominate the project's critical and near-critical path to First Plasma.

### Internal Audit

The ITER Organization's Internal Audit Service (IAS) performs independent audits on transversal matters.

It follows a risk-based audit approach to identify and select activities to review. This approach provides a systematic basis for prioritizing internal audit work. The aim is to ensure that all the ITER Organization's identified major business and financial management risks are independently reviewed within a cycle of three years. In doing so, the IAS takes into consideration the input provided by the Financial Audit Board (FAB) and the ITER Organization's Quality Management Division (QMD).

In 2020, management accepted all IAS Recommendations and took corresponding actions as a matter of priority.

### Risks and Uncertainties

The ITER Organization runs the risk of direct or indirect impacts to the project schedule and/or costs arising from a wide variety of causes associated with its processes, staff, technology and infrastructure, including site preparation and construction of the experimental asset. These risks also involve external factors such as those related to the ITER supply chain (including the Domestic Agencies), Member contributions, legal and regulatory requirements, environmental factors, and adherence to accepted standards of corporate behavior. In addition, since the spring of 2020, the added pressure of the Covid-19 pandemic has exposed the ITER Organization to further risks that affect many aspects of its business, leading to, for example, delivery delays from the Domestic Agencies as well as construction execution delays due to less efficient ways of working and decision making on site.

The Risk and Opportunity Management (R&OM) framework has been substantially strengthened over the years, especially after the adoption of the Baseline 2016. Decisions on the handling of significant risks are being regularly reviewed by the independent senior body, the Project Risk and Opportunity Management Committee Working Group

(PROMC-WG), for decision by the Configuration Control Board and the Executive Project Board.

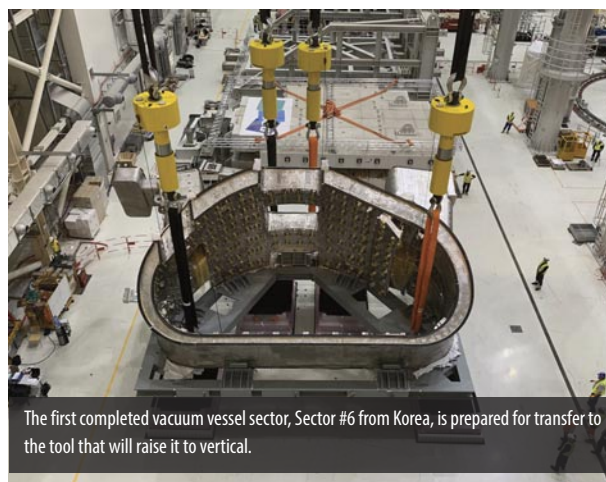
Many of these risks are known risks and are dealt with through the R&OM framework. But being a first-of-a-kind project (FOAK), there are also many unknown risks. As the ITER Project does not have an overall contingency, there will be enormous challenges in meeting the project objectives, and possible impacts on the ITER Organization's finances.

Therefore, continuously identifying opportunities to compensate for emerging FOAK risks becomes key. Opportunities are a valuable source of savings to free up contingencies for the ITER Project. The ITER R&OM Team is closely working with all stakeholders to identify and manage new schedule and cost opportunities. These identified opportunities are captured in the ITER Project Risk and Opportunity Register (PROR), progressed as per the R&OM procedure and reported on a regular basis to the relevant stakeholders.

The R&OM framework is also applied to the process of contract award and management, and all the major contract awards related to fabrication/construction and manufacturing invariably have to be accompanied by R&OM documents that are evaluated by the ITER Organization's Technical Responsible Officers.

An organization-wide review of the corporate risk portfolio (as opposed to project risk portfolio) is carried out annually applying the same R&OM principles as for the management of project-related risks. On this basis, the audit plans are developed for the ensuing period.

Following the recommendation from the ITER Organization's Internal Audit Service, a major update of the Internal Control Standards policy was adopted in 2020 to maintain effective Internal Control Standards for the ITER Organization in the scope of the Management System Process.



The first completed vacuum vessel sector, Sector #6 from Korea, is prepared for transfer to the tool that will raise it to vertical.



The second major component in the assembly sequence – the 375-tonne cryostat lower cylinder – is moved out of storage on self-propelled modular transporters.



# ITER ORGANIZATION 2020 FINANCIAL STATEMENTS



## Statement of Financial Position as at 31 December 2020

Amounts in thousands of Euro

	Note	31.12.2020	31.12.2019
<b>ASSETS</b>			
<b>Current assets</b>		<b>882,973</b>	<b>832,425</b>
Cash and Cash Equivalents	A3	622,607	606,425
Recoverables from Non-Exchange Transactions	A4	216,100	176,218
Receivables from Exchange Transactions	A5	41,603	47,522
Prepayments	A6	2,664	2,258
<b>Non-current assets</b>		<b>5,449,571</b>	<b>4,613,092</b>
Property, Plant and Equipment	A7	5,444,522	4,607,387
Intangible Assets	A8	5,047	5,704
Financial Assets		2	2
<b>TOTAL ASSETS</b>		<b>6,332,544</b>	<b>5,445,517</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>		<b>485,802</b>	<b>461,183</b>
Payables	A9	481,656	458,575
Employee Benefits Liabilities	A10	4,146	2,608
<b>Non-current liabilities</b>		<b>5,846,742</b>	<b>4,984,334</b>
Deferred Revenue	A11	5,846,742	4,984,334
<b>TOTAL LIABILITIES</b>		<b>6,332,544</b>	<b>5,445,517</b>
<b>NET ASSETS/EQUITY</b>			
Brought forward surplus		-	-
<b>TOTAL NET ASSETS/EQUITY</b>		<b>-</b>	<b>-</b>

## Statement of Financial Performance for the Year ended 31 December 2020

Amounts in thousands of Euro

	Note	2020	2019
<b>REVENUE</b>			
Operational Revenue	A12	8,702	8,920
Construction Contracts	A16	40,156	20,507
Partnership Arrangements	A17	464	418
Other Revenue	A13	1,961	2,316
<b>TOTAL REVENUE</b>		<b>51,283</b>	<b>32,160</b>
<b>EXPENSES</b>			
Employee Benefits Expenses	A14	140,354	127,317
Other Expenses	A15	89,429	59,076
Depreciation of property, plant and equipment	A7	5,453	5,014
Amortization of intangible assets	A8	3,249	3,906
<b>TOTAL EXPENSES</b>		<b>238,485</b>	<b>195,313</b>
Activity costs capitalized for the machine under construction	A7	187,202	163,153
<b>SURPLUS (DEFICIT) FOR THE PERIOD</b>		<b>-</b>	<b>-</b>

# Statement of Changes in Net Assets/Equity for the Year ended 31 December 2020

Amounts in thousands of Euro

	2020	2019
<b>Balance at 1 January</b>	-	-
Surplus (deficit)	-	-
<b>NET ASSETS/EQUITY AT 31 DECEMBER</b>	-	-

## Cash Flow Statement for the Year ended 31 December 2020

Amounts in thousands of Euro

	2020	2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Receipts</b>		
Contributions from Members	381,802	398,713
Inter-Organization Non-Conformities	57	-
Construction contracts	88,610	78,406
Partnership Arrangements	506	500
Administrative agreements	14,098	10,476
Interest received	577	484
VAT reimbursement	3,179	1,200
<b>Payments</b>		
Construction contracts	(45,644)	(39,762)
Partnership Arrangements	(386)	(493)
Administrative agreements	(1,817)	(7,266)
Other	(3,725)	(2,725)
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>437,257</b>	<b>439,534</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
<b>Receipts</b>		
VAT reimbursement	33,858	33,481
Other	455	327
<b>Payments</b>		
Capital expenditure	(455,350)	(350,311)
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>	<b>(421,037)</b>	<b>(316,502)</b>
Net (decrease)/increase in cash and cash equivalents	16,220	123,032
Effects of exchange rate changes on the balance of cash held in foreign currencies	(39)	(1)
Cash and cash equivalents at 1 January	606,425	483,395
<b>CASH AND CASH EQUIVALENTS AT 31 DECEMBER</b>	<b>622,607</b>	<b>606,425</b>



Nearly 6,000 tonnes of material must be installed in the heat rejection zone. Supplied by the Indian Domestic Agency, these pipes, pumps, heat exchangers, valves, chemistry stations and cooling towers will work in conjunction to remove the heat load from the ITER vacuum vessel, plasma-facing components, and plant systems.

## Comparison of Budget and Actual Amounts for the Year ended 31 December 2020

Amounts in thousands of Euro

	Chapter	Initial budget 2020	Final budget 2020	Actual amounts 2020	Actual amounts 2019
<b>INCOME</b>					
Contributions from Members	71	463,373	463,373	463,373	478,181
Internal tax	72	27,278	27,278	26,282	24,162
Financial income	73	500	500	541	446
Other income	74	500	500	500	500
<b>TOTAL INCOME</b>	<b>(A)</b>	<b>491,651</b>	<b>491,651</b>	<b>490,696</b>	<b>503,288</b>
<b>PAYMENTS</b>					
Direct investment (Fund)	11	234,759	234,759	209,902	162,759
R&D expenditure	21	46	46	60	999
Staff expenditure	31	143,890	133,867	136,132	127,001
Organizational expenditure	32	112,956	122,979	94,627	78,740
<b>TOTAL PAYMENTS</b>	<b>(B)</b>	<b>491,651</b>	<b>491,651</b>	<b>440,721</b>	<b>369,499</b>
<b>BUDGETARY OUT-TURN</b>	<b>(A)-(B)</b>	<b>-</b>	<b>-</b>	<b>49,975</b>	<b>133,789</b>

# Notes to the 2020 Financial Statements

A1	Basis of Preparation	20
A2	Significant Accounting Policies	21
A3	Cash and Cash Equivalents	28
A4	Recoverables from Non-Exchange Transactions	29
A5	Receivables from Exchange Transactions	31
A6	Prepayments	31
A7	Property, Plant and Equipment	32
A8	Intangible Assets	33
A9	Payables	34
A10	Employee Benefits Liabilities	35
A11	Deferred Revenue	35
A12	Operational Revenue	37
A13	Other Revenue	38
A14	Employee Benefits Expenses	38
A15	Other Expenses	41
A16	Construction Contracts	42
A17	Partnership Arrangements	43
A18	Leases	44
A19	Reconciliation: Cash Flow Statement – Budgetary Out-Turn	45
A20	Provisions	47
A21	Contingent Liabilities	47
A22	Spare Parts	47
A23	Related Party Disclosures	47
A24	Events After the Reporting Date	47

## Note A1 - Basis of Preparation

The 2020 Financial Statements have been prepared in accordance with the International Public Sector Accounting Standards (IPSAS) and the Project Resource Management Regulations of the ITER Organization (PRMR), the former being published by the International Public Sector Accounting Standards Board (IPSASB) of the International Federation of Accountants (IFAC).

The measurement basis applied for cash transactions is at historical cost. In the absence of a better means to assess the fair value of components of the experimental machine, assets and liabilities arising from Procurement Arrangements (PAs) are measured and accounted at their agreed values as defined in the ITER Agreement.

The full cost capitalization approach, adopted by the ITER Organization, implies that Members' contributions and other revenue are deferred over the construction period but also that depreciation/amortization and write back to revenue of the deferred revenue are equivalent.

During the Construction Phase, certain costs, such as the depreciation and amortization of the activated non-current assets, are expensed to the Statement of Financial Performance and also the equivalent amount of Members' contributions is shown as revenue recorded in the Statement of Financial Performance under the heading 'Revenue'.

Development costs are capitalized as part of the cost of the experimental equipment to the extent that such costs can be measured reliably, the product or process is technically feasible, future service potential is probable, the entity has sufficient resources, and intends to complete the development and use the asset. The ITER Organization considers that during the Construction Phase no research costs can be recognized.

Expenditure on property, plant and equipment relating to the construction of the experimental equipment is recognized as an asset on the basis that future economic benefits or service potential associated with the item will flow to the ITER Organization, and that the cost or fair value of the item has been measured reliably. Such expenditure is incurred in accordance with the ITER Organization's objectives and therefore is considered to meet the 'service potential' criteria.

The 2019 Statement of Financial Position has been slightly reshuffled and restated to better address the split between the Recoverable from Non-Exchange Transactions (Note A4) and Receivable from Exchange Transactions (Note A5) for goods and services provided to the Domestic Agencies.



Over five months, the cryostat lower cylinder is welded to the base.

The Cash Flow Statement is presented using the 'Direct Method' which gives a better understanding of the gross cash receipts and payments. During the Construction Phase, all movements attributable to Capital Expenditure are considered as investing activities whereas the others are operating.

The Budgetary Statements are prepared on a modified cash basis as defined in Note B1. The reconciliation between the Cash Flow Statement and the Budgetary Out-Turn is provided in Note A19.

#### **Effect of forthcoming accounting standards**

Two new IPSAS standards are not yet effective for the year ended 31 December 2020 and have not been adopted for the preparation of these Financial Statements.

- **IPSAS 41 Financial Instruments**

IPSAS 41 sets out requirements for recognition and measurement of financial instruments, including impairment, de-recognition and general hedge accounting. IPSAS 41 replaces IPSAS 29 Financial Instruments: Recognition and Measurement, while providing entities with a transitional option to continue to apply the hedge accounting requirements of IPSAS 29.

The ITER Organization has reviewed the standard and is not expecting any material impact from the adoption of the new standard on 1 January 2023.

- **IPSAS 42 Social Benefits**

IPSAS 42 helps users of the financial statements and general purpose financial reports to assess the nature of social benefits provided by the entity, the features of the operation of social benefit schemes, and the impact of social benefits on the entity's financial performance, financial position and cash flows.

The ITER Organization has reviewed the standard and is not expecting any material impact from the adoption of the new standard on 1 January 2023.

## **Note A2 - Significant Accounting Policies**

### **a) Foreign Exchange Accounting**

The Financial Statements are presented in thousands of Euro, which is the ITER Organization's functional and presentation currency.

Transactions in foreign currencies are converted into Euro at exchange rates prevailing on the dates of the transactions; the exchange rates used are the ones applicable for that month, published by the European Commission (<http://ec.europa.eu/budg/inforeuro/>).

Realized and unrealized gains and losses resulting from the settlement of such transactions and from the re-conversion at the reporting date of assets and liabilities denominated in foreign currencies are recognized in the Statement of Financial Performance. The spot rates used at year-end are those published by the European Central Bank ([https://www.ecb.europa.eu/stats/policy\\_and\\_exchange\\_rates/euro\\_reference\\_exchange\\_rates/html/index.en.html](https://www.ecb.europa.eu/stats/policy_and_exchange_rates/euro_reference_exchange_rates/html/index.en.html)).

As indicated in the Section 'Revenue Recognition', the ITER Organization's revenue comes mainly from Members' contributions to finance the phases of the ITER Project. The cost estimates for the Construction and Operation Phases have been determined using the IUA unit of currency.

### **b) Use of Estimates and Judgements**

The preparation of the Financial Statements in conformity with IPSAS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenue and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions of the accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

### **c) Property, Plant and Equipment**

In the Statement of Financial Position, items of property, plant and equipment (PPE) are shown at historical cost, after deduction of accumulated depreciation and accumulated impairment losses. PPE includes the costs associated with the construction of the experimental machine ('Machine under construction') together with associated infrastructure and pre-operation activity costs. It also includes land and buildings, fixtures and fittings, vehicles, IT telecom, office equipment and furniture necessary to conduct the project.

The cost of a PPE item comprises its purchase price, import duties, any non-refundable purchase taxes and attributable costs of bringing the asset to working



Inside of the cooling towers, hot water is sprinkled by a set of 4,540 spray nozzles onto a stack of corrugated plastic sheets called a “fill pack.” If unfolded, the total exchange surface would be close to 704,000 m<sup>2</sup>, providing a huge surface area for efficient cooling.



condition for its intended use. Examples of these costs are site preparation, initial delivery and handling costs, installation costs, and professional fees such as those for architects and engineers. Additionally, administration and other general costs attributable to the acquisition of the asset or costs of bringing the asset to its working condition are included in the cost of the asset. The costs of self-constructed assets include costs of materials and any other costs (including tools) directly attributable to bringing the asset to working condition for its intended use. Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

Concerning the technical nature of the ITER Project and the intrinsic difficulty in identifying separate useful lives to such costs, related expenditure is capitalized as 'Machine under Construction' and depreciated over a uniform period. The construction of some assets may take place in the country of a Member over several years. With regard to Accounting, 'Machine under Construction' comprises the following four elements:

- ITER Organization Activity costs capitalized;
- ITER Organization Direct investment related to cash budget procurements;
- Advances from DAs for in-kind contributions/milestones (ADV);
- Capital work in progress for in-kind contributions (CWIP).

PPE related to in-kind contributions from Members are recorded at agreed values with Members using the Euro/IUA conversion rate prevailing for the year of their completion (acceptance date by the ITER Organization). PA milestones recorded as under construction are split into two categories: either as Advance for PA Milestones (related to assets produced without transfer of control/responsibilities and risks from the Domestic Agencies to the ITER Organization) or as Capital Work in Progress for completed PAs (related to assets produced with transfer of control/responsibilities and risks from the Domestic Agencies to the ITER Organization). Accruals from PAs at year-end are also recorded as PPE under construction based on the confirmation provided by the ITER Organization technical responsible officers (on completed milestones).

Upon completion of the Construction Phase, and once operations have commenced, the costs of decommissioning, removing the reactor and restoring the site on which it is located will be incorporated into the cost of the experimental equipment. The costs of dismantling will be based on the estimated cost at current value.

Depreciation is recognized in the Statement of Financial Performance on a straight-line basis over the estimated

useful life of each part of an item of PPE. Depreciation of the experimental equipment will begin when it is available for intended use; this is expected to be at the start of the Operation Phase.

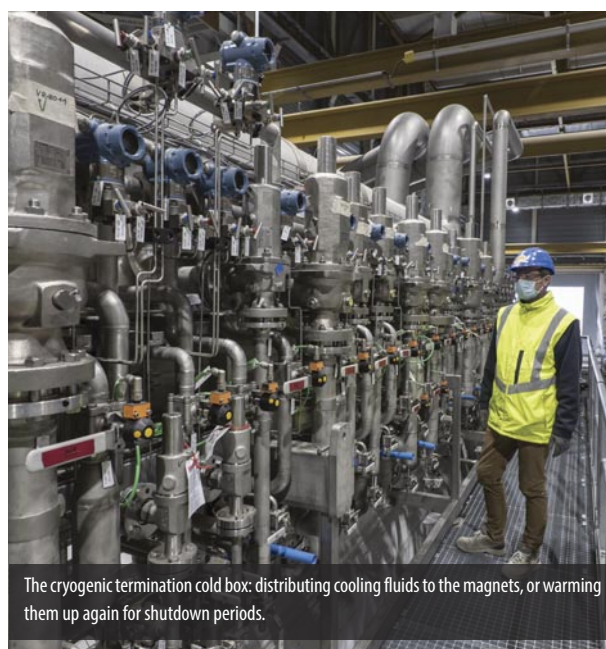
The estimated useful lives of PPE are as follows:

<b>Buildings</b>	7 - 30 years
<b>Equipment experimental assets</b>	20 - 30 years
<b>Fixtures and fittings</b>	10 - 20 years
<b>Furniture, equipment</b>	8 years
<b>Transport equipment</b>	4 years
<b>IT, telecom equipment</b>	2 - 5 years

Depreciation methods, useful lives and residual values are reviewed on each reporting date.

In accordance with the ITER Organization's rules, acquisitions of PPE which are individually below 3 IUA are expensed directly to the Statement of Financial Performance. When such expenses are incurred and the aggregate of these costs for a common group of assets exceeds 3 IUA, the costs may be capitalized even though some of the individual items/materials are less than 3 IUA.

Major spare parts and stand-by equipment (used only in connection with an item of PPE) qualify as property, plant and equipment as the ITER Organization expects to use them during more than one period. They are measured at the lower of the cost and the net realizable value except when received in kind from the Members. In such a case they are measured at their agreed value. Their costs are based on the principle of the weighted average unit price, and include expenditure incurred in acquiring them, conversion costs and other costs incurred in bringing them to their existing location and condition.



The cryogenic termination cold box: distributing cooling fluids to the magnets, or warming them up again for shutdown periods.



#### d) Impairment

The carrying values of PPE and intangible assets are reviewed for impairment if events or changes in circumstances indicate that they may be impaired. If such indication exists, the recoverable service amount of the asset is estimated in order to determine the extent of any impairment loss. Any impairment loss is charged against the Statement of Financial Performance in the year concerned.

In particular, the impairment reviews relating to the experimental assets take into account technological developments, changes in the major assumptions of the ITER Organization, and any unforeseen difficulties which may require a revision of the asset's useful life applied or an impairment charge. These reviews are performed on a yearly basis.

#### e) Intangible Assets

Expenditure on intangible assets relating to the experimental equipment is recognized as an asset if it is probable that future economic benefits or service potential associated with the item will flow to the ITER Organization, and if the cost or fair value of the item can be measured reliably. Such expenditure is incurred in accordance with the ITER Organization's objectives and is considered to meet 'service potential' criteria.

In the Statement of Financial Position, intangible assets acquired by the ITER Organization which have finite useful lives are measured at cost less accumulated amortization and accumulated impairment losses.

Expenditure on Intangible Assets is capitalized only when it increases the future economic benefits or service potential embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and licenses, is recognized in the Statement of Financial Performance as incurred.

Amortization is recognized in the Statement of Financial Performance on a straight-line basis over the estimated useful life of intangible assets from the date that they are available for use. The estimated useful life is as follows:

Software	4 years
----------	---------

Amortization methods, useful lives and residual values are reviewed on each reporting date.

Acquisition of Intangible Assets which are individually under 3 IUA is expensed directly to the Statement of Financial Performance.

#### f) Employee Benefits

The ITER Organization has set up a defined contribution pension plan, a medical insurance scheme, and a life and invalidity insurance scheme:

- **Defined contribution pension plan**

The ITER Organization has a defined contribution pension plan for its employees, which is a post-employment benefit plan under which it pays fixed contributions to a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to such defined pension contribution plans are recognized as employee benefit expenses when they are due.

- **Short-term benefits**

The ITER Organization has contracted out a medical insurance scheme, and a life and invalidity insurance scheme. Monthly contributions to these schemes are deducted from the employees' remuneration and supplemented by a contribution from the ITER Organization. These employer contributions are expensed in the period in which the employees have rendered the related services.

Termination benefits are payable to employees under certain circumstances prescribed in the Staff Regulations of the ITER Organization (hereinafter Staff Regulations). The amount of the termination benefits payable depends on the length of service of the employee concerned. Termination benefits are recognized as an expense upon termination of the employment contract for one of the reasons stipulated in the Staff Regulations.

- **End-of-contract departure and removal costs**

Considering the nature of the employment conditions of the ITER Organization staff, and related uncertainties in estimation, the end-of-contract departure and removal costs are charged in the year in which they are incurred.

### **g) Revenue Recognition**

ITER Organization revenue comprises contributions from the Members, internal tax, financial revenue, revenue from construction contracts, exchange rate gains, insurance claim reimbursements, liquidated damages, donations, sponsorships, the contribution resulting from the Partnership Arrangements with the Principality of Monaco and other miscellaneous income.

#### **• Contributions from the Members**

Contributions from the Members are determined annually, based on estimates of the required level of operating and capital payments for that year. These contributions are recorded as revenue in the year for which they are requested. Any contribution which has not been fully paid by Members at year-end is shown within recoverables from non-exchange transactions (Note A4). Contributions received from Members which at year-end exceed amounts requested are shown within payables (Note A9).

Members' Contributions are made in the form of either cash or in-kind contribution. These contributions comprise the providing of assets, other goods and services, and seconded staff. Revenue recorded relating to in-kind contributions is measured at the agreed value (ITER Agreement) of the asset or service contributed.

#### **• Internal Tax**

An Internal Tax is applied to the basic salary of the ITER Organization's employees for the purpose of ensuring fair taxation for all its staff. Funds are collected monthly by the ITER Organization and set off against the Members' Contributions. This revenue is deferred and will be used for salaries, related benefits and infrastructure.

#### **• Financial Revenue**

Financial Revenue is revenue generated by the cash held on secured fixed-term deposits and interest-bearing accounts in the banks. This revenue is deferred and will be used whenever required and agreed by the ITER Council.

#### **• Grants, Donations and Sponsorship**

Grants are voluntary in-kind donations from public sector organizations which are recorded as revenue in the year of their reception and then deferred.

The Donations and Sponsorship policy was agreed by the ITER Council at its thirteenth meeting (IC-13) in November 2013 under certain conditions. These additional resources, if any, do not modify the level of the agreed Members' Contributions nor its sharing. The costs incurred by the ITER Organization arising from any donation or sponsorship agreements are therefore not considered as part of the construction costs of the experimental equipment.

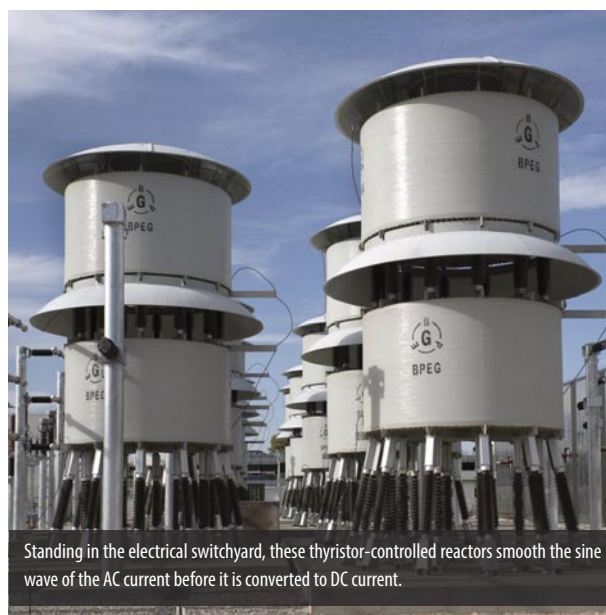
### **h) Deferred Revenue**

Revenue used to acquire PPE or intangible assets is deferred and written back to revenue in the Statement of Financial Performance over the period of utilization of the related assets.

Most of the ITER Organization's revenue comes from contributions from the Members which could be either in the form of cash, reserve fund, short-term in-kind contributions (seconded staff and Task Agreements) and long-term in-kind contributions (through Procurement Arrangements). Other revenue consists of internal tax (levied on the salaries of the ITER Organization staff), and financial revenue etc. The ITER Organization utilizes these contributions and other revenue in order to enable it to construct and operate, and thereafter deactivate and decommission, the ITER experimental machine.

Contributions from the Members and other revenue used to acquire tangible or intangible assets have to be deferred and written back to revenue over the useful life of the related assets (mainly the ITER experimental machine). For the contributions and other revenue used to create the ITER machine, the write-back will start after the machine is ready for use. Such contributions from Members (in cash or in kind) are recorded as deferred revenue during the Construction Phase and will be taken back to revenue during the Operation Phase/utilization period through the write-back mechanism, correspondingly reducing the total amount of deferred revenue. Currently, such contributions and other revenue related to the ITER experimental machine remain fully deferred.

For other assets (e.g., office buildings, vehicles, IT equipment, furniture and fittings etc.), this write-back has already commenced from the dates when these assets were ready for use.



Standing in the electrical switchyard, these thyristor-controlled reactors smooth the sine wave of the AC current before it is converted to DC current.



Early in the year, the European Domestic Agency completes the metal cladding of the Tokamak Building crane hall. The Tokamak Building and Assembly Hall are now one continuous assembly space.

### ***j) Construction Contracts***

As the outcome of the ITER Organization's construction contracts cannot be estimated reliably, the revenue and costs from fixed price construction contracts are recognized based on the following method:

- Revenue is recognized only to the extent of contract costs incurred; and
- Contract costs are recognized as an expense in the period in which they are incurred.

If and when the outcome of a construction contract can be estimated reliably, contract revenue and contract costs associated with the construction contract are recognized as revenue and expenses respectively by reference to the stage of completion of the contract activity at the reporting date.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is immediately recognized as an expense. As ITER Organization expects to be able to recover all costs on all construction contracts, no such losses are recognized during work in progress.

ITER Organization determines contract costs and progress billings on a contract-by-contract basis. For contracts where contract costs incurred to date exceed progress billings, the surplus is shown under 'Construction contracts' as a receivable on the Statement of Financial Position (Note A5). For contracts where the amounts received on progress billings exceed contract costs incurred to date, the surplus is shown under 'amounts due by ITER Organization' as Payable (Note A9) on the Statement of Financial Position. Advance billing (above the progress of the work performed) not received by the ITER Organization at the reporting date is disclosed in Note A16.

### ***j) Provisions***

A provision is recognized if, as a result of a past event, the ITER Organization has a present legal or constructive obligation that can be estimated reliably, and provided it is probable that an outflow of economic benefits or service potential will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a rate that reflects current market assessments of the time value of money and the risks specific to the liability.

#### **• Asset Decommissioning/Site Restoration**

In light of the PRMR provisions, the Members shall contribute jointly through the Budget of the ITER Organization to the accumulation of the Decommissioning Fund from the date of First Plasma throughout the Operation Phase. This will be done by making regular annual payments through the Budget of the ITER Organization. Upon achievement of First Plasma, the Decommissioning Fund will be established accordingly.

### ***k) Segment Reporting***

The ITER Organization considers that all its activities are linked to a single 'Construction' segment.

### ***l) Financial Instruments***

The ITER Organization has very little exposure to financial risks as most of its financial assets are kept in Euro. Cash balances on deposits are held in interest-bearing bank accounts or short fixed-term deposits which are expected to be held to maturity.

The Japanese Yen and US Dollar bank accounts are valued in Euro using official year-end exchange rates prevailing on the reporting date.



ITER is situated on a 180-hectare site in the south of France. More than 5,000 people pass the gates every day – staff, contractors and construction/assembly teams included.

## Note A3 – Cash and Cash Equivalents

Amounts in thousands of Euro

	31.12.2020	31.12.2019
<b>Cash at bank - Euro accounts</b>	<b>226,999</b>	<b>233,058</b>
BNP Paribas, France	194,962	176,082
Crédit Mutuel, France	32,036	56,976
<b>Cash at bank - JP Yen account</b>	<b>1</b>	<b>5</b>
BNP Paribas, France	1	5
<b>Cash at bank - US Dollar accounts</b>	<b>299</b>	<b>186</b>
BNP Paribas, France	133	102
Bank of the West, USA	224	149
Cheques issued and not yet disbursed	(58)	(65)
<b>Saving/Deposits with banks - Euro accounts</b>	<b>395,308</b>	<b>373,177</b>
BNP Paribas, France	0	0
Caisse d'Épargne, France	80,000	60,000
Crédit Agricole PCA, France	175,000	222,875
Crédit Mutuel, France	140,308	90,302
<b>Cash-in-transit</b>		
Cash-in-transit	-	-
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<b>622,607</b>	<b>606,425</b>

The balance of the ITER Organization's cash and cash equivalents arises from Members' contributions and other cash receipts including those related to Construction Contracts, the annual contribution from the Partnership Arrangements with the Principality of Monaco, the financial revenue and the other arrangements.

At year-end, it includes EUR 137.03 million received in advance from the Members toward their 2021 cash contributions, EUR 234.57 million for Construction Contracts and Partnership Arrangements, EUR 13.50 million of financial income, and the balance mainly represents the unused paid Members' contributions.

Cash balances on deposits are held in secure interest-bearing bank accounts or fixed-term deposits. The Japanese Yen and US Dollar bank accounts are valued in Euro using official European Central Bank year-end exchange rates prevailing on 31 December 2020.

In 2020, Financial Revenue of EUR 1.46 million was earned by the ITER Organization. This amount represents an average rate of return of 0.30% of the average daily available cash balance (invested). In comparison, the average 2020 Eonia® (Euro OverNight Index Average) index was -0.46%.

As the ITER Organization is financed through public funding, the investments are limited to low-risk opportunities (only secured deposits/investments are allowed as laid down by the Investment Procedure approved by the Director-General).

## Note A4 – Recoverables from Non-Exchange Transactions

Amounts in thousands of Euro

	31.12.2020	31.12.2019
<b>Members' cash contributions yet to be received</b>	<b>197,311</b>	<b>166,244</b>
Republic of India	128,961	92,690
Republic of Korea	629	-
United States of America	67,720	73,554
<b>Other recoverables from non-exchange transactions</b>	<b>18,789</b>	<b>9,974</b>
Taxes – United States of America	562	663
Taxes – France	18,225	9,289
Other	2	23
<b>TOTAL RECOVERABLES FROM NON-EXCHANGE TRANSACTIONS</b>	<b>216,100</b>	<b>176,218</b>

Out of the EUR 197.31 million in Cash Contributions yet to be paid by the Members, EUR 19.00 million have been due for more than three years, EUR 93.44 million have been due for more than one year but less than three years, and EUR 84.87 million have been due for less than a year.

'Taxes' represents the amounts paid by the ITER Organization (e.g., Value Added Tax (VAT), Electricity taxes etc.). As the ITER Organization is exempt from paying taxes it periodically requests the Host State and/or the United States of America to reimburse these taxes.

The Recoverables from Non-Exchange Transactions related to accrued in-kind contributions from Members are not disclosed above as they are offset against their counterpart (payables related to accrued in-kind procurement).

The Recoverables from Non-Exchange Transactions related to the purchase of goods and services for the Domestic Agencies have been reclassified as Receivable from Exchange Transactions in Note A5.



DC busbars in the Magnet Power Conversion buildings start at the AC/DC converters and run all the way through the buildings, over a bridge, and through the Tokamak Complex to the superconducting magnets. They carry very high current (up to 70 kA).



## Note A5 – Receivables from Exchange Transactions

Amounts in thousands of Euro

	31.12.2020	31.12.2019
Down payments to suppliers	37,785	42,280
Accrued interest	1,599	718
Construction contracts	-	478
EU Domestic Agency	594	1,221
IN Domestic Agency	311	1,343
JA Domestic Agency	360	563
US Domestic Agency	29	32
Other	924	887
<b>TOTAL RECEIVABLES FROM EXCHANGE TRANSACTIONS</b>	<b>41,603</b>	<b>47,522</b>

'Down payments to suppliers' shows the open amount paid to suppliers for financing their long-lead procurement items. Where material, these amounts are covered by guarantees.

'Accrued interest' is the financial revenue generated during the reporting period but not yet received (cash on deposits is held in secure interest-bearing bank accounts or short-term deposits).

'Construction contracts' is the receivable related to the contracts where the contract costs incurred to date exceed progress billings.

'Domestic Agencies' represents the amounts due for goods and services (not included in the ITER Organization's scope), including accruals, provided by the ITER Organization to each Domestic Agency. These amounts were previously reported as Recoverables from Non-Exchange Transactions in Note A4.

'Other' represents mainly EUR 0.10 million of liquidated damages and an outstanding recoverable under tight scrutiny with an Indian supplier for an amount of EUR 0.77 million. As the final outcome of the current negotiations with this supplier is not determinable at the time of closure of the 2020 financial year and as the ITER Organization is still expecting a positive resolution, no provision has been recorded in the accounts. Settlements, if any, resulting from the resolution of this case will be accounted for in the year it will occur.

## Note A6 – Prepayments

Amounts in thousands of Euro

	31.12.2020	31.12.2019
License fees	1,317	1,059
Maintenance licenses	613	844
Rent warehouse	251	29
Maintenance and repair	195	180
Insurance	171	37
Subscriptions	94	75
Other	22	35
<b>TOTAL PREPAYMENTS</b>	<b>2,664</b>	<b>2,258</b>

Prepayments correspond to payments made in 2020 for which the acquired goods/services relate to 2021 or beyond (deferred charges).

## Note A7 – Property, Plant and Equipment (PPE)

Amounts in thousands of Euro

	Buildings	Fixtures and fittings	Furniture, IT, telecom, transport equipment	'Machine' under Construction (MuC)				Total MuC	Total
				IO Activity costs capitalized	IO Direct investment	Advances from DAs for in-kind contributions	Capital work in progress for in-kind contributions		
<b>Cost</b>									
BALANCE 01.01.2019	91,696	1,552	10,817	1,328,945	709,963	888,618	945,370	3,872,896	3,976,961
Additions	20,071	529	951	163,153	171,861	34,950	269,710	639,674	661,224
Transfers	-	-	-	-	(335)	-	-	(335)	(335)
BALANCE 31.12.2019	111,767	2,081	11,767	1,492,098	881,489	923,569	1,215,080	4,512,235	4,637,850
Additions	2,162	461	2,083	187,202	268,597	356,754	25,816	838,369	843,074
Transfers	440	-	218	-	(658)	-	-	(658)	-
Transfers to Intangible Assets	-	-	-	-	(485)	-	-	(485)	(485)
BALANCE 31.12.2020	114,368	2,541	14,068	1,679,300	1,148,943	1,280,322	1,240,896	5,349,461	5,480,439
<b>Accumulated depreciation</b>									
BALANCE 01.01.2019	(16,369)	(594)	(8,486)						(25,449)
Depreciation of the year	(3,810)	(164)	(1,040)						(5,014)
BALANCE 31.12.2019	(20,179)	(758)	(9,527)						(30,463)
Depreciation of the year	(4,046)	(208)	(1,198)						(5,453)
BALANCE 31.12.2020	(24,225)	(966)	(10,725)						(35,916)
<b>Net carrying amount</b>									
BALANCE 31.12.2019	91,588	1,323	2,241	1,492,098	881,489	923,569	1,215,080	4,512,235	4,607,387
Net variation	(1,445)	252	1,102	187,202	267,454	356,754	25,816	837,226	837,136
BALANCE 31.12.2020	90,143	1,575	3,343	1,679,300	1,148,943	1,280,322	1,240,896	5,349,461	5,444,522

'Capital work in progress for in-kind contributions' and 'Advances from DAs for in-kind contributions' reflect the statuses of achievement of milestones under the Procurement Arrangements (PAs) and Task Agreements (TAs). They show the continuous increase of the milestones (PAs) achieved during the reporting period.

'Additions' under 'Buildings' corresponds to the delivery of buildings B55.2 – PF Coil Storage Facility; B73.1 – Workshop; B98 – EPDOM; B176 – Storage and some additional building equipment on B32 – Magnet Power Conversion; and B36 – Main AC Distribution.

'Additions' under 'IT' corresponds to the purchase of IT Equipment for B81 – Datacenter and the SDCC Center.

## Note A8 – Intangible Assets

Amounts in thousands of Euro

	Computer software	Intangible assets under development (computer software)	Total
<b>Cost</b>			
BALANCE 01.01.2019	19,794	126	19,920
Additions	2,169	(126)	2,043
Transfers	335	-	335
BALANCE 31.12.2019	22,298	-	22,298
Additions	2,106	-	2,106
Transfers from PPE	485	-	485
BALANCE 31.12.2020	24,889	-	24,889
<b>Accumulated amortization</b>			
BALANCE 01.01.2019	(12,688)		(12,688)
Amortization of the year	(3,906)		(3,906)
BALANCE 31.12.2019	(16,594)		(16,594)
Amortization of the year	(3,249)		(3,249)
BALANCE 31.12.2020	(19,843)		(19,843)
<b>Net carrying amount</b>			
BALANCE 31.12.2019	5,704	-	5,704
Net variation	(657)	-	(657)
BALANCE 31.12.2020	5,047	-	5,047

'Additions' under 'Computer software' mainly corresponds to the release of phases 8 and 9 of the Product Life Management system (PLM).

## Note A9 – Payables

Amounts in thousands of Euro

	31.12.2020	31.12.2019
<b>Advance Received on Members' Contributions</b>	<b>126,640</b>	<b>169,900</b>
Euratom	106,422	139,376
People's Republic of China	5,477	6,740
Republic of India	-	-
Japan	-	-
Republic of Korea	-	5,398
Russian Federation	14,740	18,386
United States of America	-	-
<b>Other Payables</b>	<b>355,017</b>	<b>288,675</b>
Creditors (suppliers and accrued charges)	96,659	75,382
Amounts due by IO for Construction Contracts	255,325	207,348
Amounts due by IO for Partnership Arrangements	630	594
Retention from Supplier	38	895
Personnel	19	220
Other	2,346	4,236
<b>TOTAL PAYABLES</b>	<b>481,656</b>	<b>458,575</b>

'Advance Received on Members' Contributions' corresponds to cash received by the ITER Organization exceeding the requested amount due on the reporting date.

'Creditors (suppliers and accrued charges)' is the liability recognized in the 2020 Financial Statements but not yet paid as at 31 December 2020 (mainly accruals).

'Amounts due by ITER Organization for Construction Contracts' and 'Partnership Arrangements' relate to the amounts deferred at the reporting date. Related costs and revenue are not considered part of the construction costs of the experimental equipment but should be reported as performed by the ITER Organization. Details are provided in Note A16 and A17.

'Retention from Supplier' corresponds to an amount withheld as a temporary guarantee.

'Personnel' is the year-end unpaid costs related to travel undertaken by staff during the reporting year.

'Other' relates mainly to the recovery of VAT on behalf of the Indian Domestic Agency.

The payables related to accruals from Procurement Arrangements are not disclosed above as they are offset against their counterpart (accrued in-kind contribution from Members).

## Note A10 – Employee Benefits Liabilities

Amounts in thousands of Euro

	31.12.2020	31.12.2019
Accrued untaken leave	4,146	2,608
<b>TOTAL EMPLOYEE BENEFITS LIABILITIES</b>	<b>4,146</b>	<b>2,608</b>

'Accrued untaken leave' represents annual leave entitlement accrued by staff during the reporting year. Untaken annual leave is usually carried forward to the following year with a maximum of 14 days.

The increase in 2020 is due to the increase in the number of staff but also the Covid-19 pandemic and its impacts on the staff who could not travel easily and have therefore accumulated more days than usual. Moreover, the Director-General authorized the carry-over of two additional days per staff member.

The accrued untaken leave liability is net of EUR 17,635 arising from excessive leave taken during the reporting period. The accrued untaken leave liability is computed on gross basis and therefore includes EUR 812,164 of internal tax.

## Note A11 – Deferred Revenue as at 31 December 2020

Amounts in thousands of Euro

	31.12.2020	31.12.2019
<b>Deferred Contributions</b>		
Euratom (*)	2,316,086	1,972,201
People's Republic of China	538,413	487,486
Republic of India	540,611	420,769
Japan (*)	812,714	719,079
Republic of Korea	521,515	401,419
Russian Federation	479,065	420,190
United States of America	444,640	388,531
<b>TOTAL DEFERRED CONTRIBUTIONS</b>	<b>5,653,045</b>	<b>4,809,675</b>
<b>Other deferred revenue</b>		
Internal tax	211,913	185,631
Grants	23,282	23,282
Financial revenue	15,104	13,645
<b>TOTAL OTHER DEFERRED REVENUE</b>	<b>250,299</b>	<b>222,559</b>
Deferred contributions from Members (during the Construction Phase, write back to revenue equals the depreciation and amortization costs)	(56,602)	(47,900)
<b>TOTAL DEFERRED REVENUE</b>	<b>5,846,742</b>	<b>4,984,334</b>

(\*) Cumulative credits granted to Japan include a contribution from the European Union corresponding to IUA 176,158.69 amounting to EUR 309.49 million (including IUA 9,389.22 for deliverables achieved in 2020) for procurements for which the responsibility has been transferred to Japan within the framework of the transferred procurement responsibilities from Euratom to Japan.

'Deferred Contributions' includes all kinds of contributions from Members (in cash and in kind) and in particular EUR 12.05 million of in-kind credits allocated from the Reserve Fund (EUR 6.98 million from the Russian Federation and EUR 5.08 million from the United States of America).



A jewel in a nondescript box: the first of nine ITER vacuum vessel sectors arrives at the port of Fos-sur-Mer, France, in July 2020. Procured by the Korean Domestic Agency, this one-of-a-kind component was ten years in the making.

## Note A12 – Operational Revenue

Amounts in thousands of Euro

	2020	2019
<b>Calls for Cash Contributions</b>		
Euratom	210,649	217,381
People's Republic of China	42,121	43,467
Republic of India	42,121	43,467
Japan	42,121	43,467
Republic of Korea	42,121	43,467
Russian Federation	42,121	43,467
United States of America	42,121	43,467
<b>TOTAL CALLS FOR CASH CONTRIBUTIONS</b>	<b>463,373</b>	<b>478,181</b>
<b>Contributions in Kind</b>		
Euratom	133,235	94,907
People's Republic of China	8,807	19,985
Republic of India	77,722	81,893
Japan	51,514	67,175
Republic of Korea	77,976	19,803
Russian Federation	16,754	11,851
United States of America	13,988	22,744
<b>TOTAL CONTRIBUTIONS IN KIND</b>	<b>379,996</b>	<b>318,359</b>
<b>Other</b>		
Internal tax	26,282	24,162
Financial revenue	1,459	963
Write back to revenue	8,702	8,920
<b>TOTAL OTHER</b>	<b>36,442</b>	<b>34,044</b>
<b>TOTAL</b>	<b>879,811</b>	<b>830,584</b>
Deferred revenue	(871,110)	(821,664)
<b>TOTAL REVENUE</b>	<b>8,702</b>	<b>8,920</b>

'Calls for Cash Contributions' represents the amounts requested by the ITER Council to each Member as Contribution of the year. It includes the Cash, the Reserve Fund and the Short-Term In Kind.

'Contributions in Kind' represents the euros equivalent of the in-kind deliveries on Procurement Arrangements by each Member during the period.

'Other' includes the amount of income tax withheld by the ITER Organization on the gross salaries paid to the Staff, the financial interests generated during the period on cash deposits and the write back to revenue (depreciation of property, plant and equipment and amortization of intangible assets).

## Note A13 – Other Revenue

Amounts in thousands of Euro

	2020	2019
Service support	1,565	1,716
Administrative fees	162	443
Liquidated damages	99	-
Exchange rate gains	66	51
Insurance claim reimbursements	64	40
Donations	5	5
Sponsoring	-	52
Other	-	8
<b>TOTAL OTHER REVENUE</b>	<b>1,961</b>	<b>2,316</b>

‘Service support’ is the revenue generated by IT or logistic support services (put in place for the DAs) rendered on the ITER Organization’s premises.

‘Administrative fees’ represent the cost requested by the ITER Organization from the DAs and/or other organizations in order to cover the additional administrative work related to the ITER Organization support provided for activities outside the scope of work covered by the ITER Organization’s budget.

‘Exchange rate gains’ is shown in this Note whereas the exchange rate losses are in Note A15.

## Note A14 – Employee Benefits Expenses

Amounts in thousands of Euro

	Professional Staff		Technical Support Staff		Total Staff	
	2020	2019	2020	2019	2020	2019
Wages and salaries	83,527	75,651	19,926	19,589	103,453	95,239
Pension funds	11,722	10,607	2,807	2,764	14,529	13,371
Medical care insurance	2,093	1,894	501	494	2,595	2,388
Life and invalidity insurances	837	758	201	197	1,038	955
Other employee benefits	11,285	10,516	3,462	3,192	14,747	13,709
Accrued untaken leave	1,309	116	229	26	1,538	142
Awards	682	458	206	157	888	614
Indemnities for loss of job	63	-	-	(3)	63	(3)
On-call duty indemnity	-	-	80	75	80	75
Bonus for temporary assignment	-	4	-	-	-	4
Trainees	-	-	-	-	218	196
Occupational medicine / infirmary	-	-	-	-	445	357
Social activities	-	-	-	-	123	131
Other (canteen)	-	-	-	-	637	140
<b>TOTAL EMPLOYEE BENEFITS EXPENSES</b>	<b>111,518</b>	<b>100,003</b>	<b>27,412</b>	<b>26,490</b>	<b>140,354</b>	<b>127,317</b>
Seconded Staff	896	1,185	108	107	1,003	1,292
<b>TOTAL EMPLOYEE BENEFITS EXPENSES AND SECONDED STAFF</b>	<b>112,414</b>	<b>101,188</b>	<b>27,520</b>	<b>26,596</b>	<b>141,357</b>	<b>128,608</b>

An internal tax is applied to basic salary costs including overtime and night work. This tax is collected by the ITER Organization by withholding it from the monthly salary payments. No liability is recorded for the amounts withheld as the internal tax is not paid to external organizations or authorities. The amounts withheld are used for salaries, related benefits and infrastructure of the ITER Organization. ‘Employee Benefits Expenses’ presents the gross costs including the corresponding internal tax.



The seconded staff costs are also capitalized within the Machine under Construction but under Capital Work In Progress.

The ITER Organization has set up a defined pension contribution scheme with an external company. These contributions, equal to 7% of gross basic salary, are deducted from employee remuneration and are supplemented by a contribution from the ITER Organization of 14% of gross basic salary.

Medical and life insurance schemes have also been set up with an external provider. Employee contributions to the medical insurance amount to 1.25% of gross basic salary supplemented by a contribution from the ITER Organization of 2.5% of gross basic salary. Employee contributions for the Life and Invalidity insurances amount to 0.5% of gross basic salary supplemented by a contribution from the ITER Organization of 1% of gross basic salary.

On 31 December 2020, the ITER Organization had the following number of staff, per category:

Number of staff	Professional staff		Technical support staff		Total number of staff	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019	31.12.2020	31.12.2019
ITER Organization staff (Directly Employed Staff)	678	620	266	263	944	883
Seconded staff by Members or Domestic Agencies to ITER Organization	6	7	1	1	7	8
<b>Sub-Total within target (*)</b>	<b>684</b>	<b>627</b>	<b>267</b>	<b>264</b>	<b>951</b>	<b>891</b>
Others staff (post-doctoral and IO staff recruited for work on Construction Contracts)	27	26	11	12	38	38
<b>TOTAL NUMBER OF STAFF</b>	<b>711</b>	<b>653</b>	<b>278</b>	<b>276</b>	<b>989</b>	<b>929</b>

(\*) The target for the number of directly employed and seconded staff decided by the Director-General for 2020 was 994 (in 2016, the ITER Council had determined an overall ITER Organization staff cap of 1050).

In addition to the target positions for directly employed and seconded staff, 38 other positions (out of the additional 39) were allocated as at 31 December 2020 as follows: 29 for TCWS, 3 for VAS, 5 for MCP and 1 for SCS-N.



In blue, a magnet feeder component from China. Ranging from 30 to 50 metres in length, each of the 31 feeders supplying electricity and cryogenic fluids to the magnets has to be shipped in three parts. (Pictured is an in-cryostat element – the part closest to the superconducting coils.)

## Note A15 – Other Expenses

Amounts in thousands of Euro

	2020	2019
Material	22,495	7,541
Energy (Electricity and gas)	1,589	948
Telecom and IT equipment	976	2,180
Furniture and equipment	928	632
Water	181	129
Office supplies	131	174
Small fitting-out premises	103	83
IT licenses and software	66	926
Other	12	3
<b>TOTAL SMALL EQUIPMENT AND CONSUMABLES</b>	<b>26,482</b>	<b>12,617</b>
External services	23,085	17,591
ITER Project Associates	16,433	8,984
Maintenance and repairs	8,256	6,648
Rental of equipment and buildings	6,070	3,871
License yearly fees	3,010	2,100
Temporary staff	2,676	2,478
Insurance	701	150
Travel and related costs (IO staff)	555	1,468
Communication	510	812
Removal expenses	506	946
Documentation and seminar expenses (conferences)	400	469
Post and telecommunication	241	241
Exchange rate losses	178	89
Travel and related costs (non-IO staff)	130	313
Transport of goods	99	163
Membership fees	70	66
Reception and representation	24	72
Bank charges	1	1
Other	1	(5)
<b>TOTAL EXTERNAL SERVICES AND OTHER EXPENSES</b>	<b>62,947</b>	<b>46,459</b>
<b>TOTAL OTHER EXPENSES</b>	<b>89,429</b>	<b>59,076</b>

'Material' represents mainly the raw materials and equipment purchased in the framework of Construction Contracts (EUR 18.30 million for VVS and EUR 3.88 million for TCWS).

'ITER Project Associates': the number of staff from Home Institutes was 209 as at 31 December 2020 (160 in 2019).

## Note A16 – Construction Contracts

Amounts in thousands of Euro

	01.01.2019	2019	31.12.2019	2020	31.12.2020
<b>Statement of Financial Position Data</b>					
<b>Advances and payments on account received</b>	<b>204,547</b>	<b>97,777</b>	<b>302,324</b>	<b>88,610</b>	<b>390,934</b>
Construction contracts in progress – assets	218	260	478	(478)	-
Construction contracts in progress – liabilities	(137,462)	(74,087)	(211,548)	(49,651)	(261,200)
<b>CONSTRUCTION CONTRACTS IN PROGRESS – NET</b>	<b>(137,244)</b>	<b>(73,827)</b>	<b>(211,070)</b>	<b>(50,130)</b>	<b>(261,200)</b>
<b>Total revenue and expenses to date recognized on contracts in progress</b>					
Costs incurred to date	74,947	20,507	95,454	40,156	135,610
Less invoices issued	(212,191)	(94,333)	(306,524)	(90,285)	(396,809)
<b>CONSTRUCTION CONTRACTS IN PROGRESS – NET</b>	<b>(137,244)</b>	<b>(73,827)</b>	<b>(211,070)</b>	<b>(50,130)</b>	<b>(261,200)</b>

'Advances and payments on account received' represents the amount of cash received.

'Construction contracts in progress – assets' represents the gross amount due from the Domestic Agencies for contract work.

'Construction contracts in progress – liabilities' represents the gross amount due to the Domestic Agencies for contract work. It includes an amount of EUR 5.88 million (EUR 4.20 million in 2019) of advance billing not received by the ITER Organization at the reporting date (in line with the progress of the work). These advance billings are related to the following contracts: EUR 4.20 million for TCWS (EUR 4.20 million in 2019); EUR 1.39 million for PPS and EUR 0.28 million for EPCC.

'Costs incurred to date' represents the aggregate amount of costs incurred to date. The balance between the positions as at 31 December 2019 and 31 December 2020 also represents the revenue recognized during the period (EUR 40.16 million).

'Less invoices issued' represents the sum of progress billings for all contracts in progress.

Revenues have been recognized to the extent of construction contract costs incurred in the period. There are no recognized surpluses or deficits estimated to date.

## Note A17 – Partnership Arrangements

Amount in thousands of Euro

	01.01.2019	2019	31.12.2019	2020	31.12.2020	
<b>Partnership Arrangement (P1)</b>	Contribution requested and received	4,775	-	4,775		
	Post-doctoral fellowship costs	(3,936)	(35)	(3,971)		
	MIIFED costs	(783)	-	(783)		
	Transfer to P2		(21)	(21)		
	Unused revenue / Deferred revenue P1	56	(56)	-		
<b>Partnership Arrangement (P2)</b>	Transfer from P1		21	21	21	
	Contribution requested and received	500	500	1,000	500	
	Post-doctoral fellowship costs	(44)	(383)	(427)	(464)	
	Unused revenue / Deferred revenue P2	456	138	594	36	
						630
<b>Partnership Arrangements</b>	<b>Contribution requested and received</b>	<b>5,275</b>	<b>500</b>	<b>5,775</b>	<b>500</b>	<b>6,275</b>
	<b>Post-doctoral fellowship costs</b>	<b>(3,980)</b>	<b>(418)</b>	<b>(4,398)</b>	<b>(464)</b>	<b>(4,862)</b>
	<b>MIIFED costs</b>	<b>(783)</b>	<b>-</b>	<b>(783)</b>	<b>-</b>	<b>(783)</b>
	<b>UNUSED REVENUE / DEFERRED REVENUE</b>	<b>512</b>	<b>82</b>	<b>594</b>	<b>36</b>	<b>630</b>

The initial Partnership Arrangement (P1) with the Principality of Monaco, for a total of EUR 5.50 million, was signed in 2008 to support post-doctoral fellowships and the organization of conferences on scientific and technical subjects related to ITER (Monaco-ITER International Fusion Energy Days (MIIFED)).

While the execution of the first Partnership Arrangement ended in 2020, a new one (P2), this time for a total of EUR 5.00 million, was signed by both parties for another ten years running to 2028. The second one is entirely dedicated to the post-doctoral fellowships program. The unspent Contribution (EUR 21,024) received from P1 was carried over to P2 in 2019.

Revenue has been recognized to the extent of contract costs incurred in the period (EUR 0.46 million in 2020 and EUR 0.42 million in 2019). There are no recognized surpluses or losses estimated to date.

All costs and revenue are directly allocated to their respective Partnership Arrangement.

## Note A18 – Leases

Amounts in thousands of Euro

	2020	2019
<b>TOTAL LEASE PAYMENTS</b>	<b>1,715</b>	<b>1,637</b>
No later than one year	1,861	1,406
Later than one year and no later than five years	3,984	3,298
Later than five years	-	-
<b>TOTAL FUTURE OPERATING LEASES PAYMENTS</b>	<b>5,845</b>	<b>4,704</b>

Two significant operating leases were signed in 2020.

The first one was for the rental of a self-propelled modular transporter (SPMT). It is being leased for 46 months with no extension foreseen in the contract. It includes an option for it to be purchased at the end of the lease period.

The second one is for the rental of an Algeco Building; the lease term is 24 months with the possibility of extending the contract for an additional year. The contract also includes an option to purchase the Algeco building at the end of the lease period.

The other main operating leases are:

- “Corbières warehouse facility” (signed in 2018) which remains in force for four years with no extension foreseen in the contract.
- “Fos warehouse facility” (signed in 2019) which remains in force for three years with a possible extension of three years.

There is no option to purchase the leased assets upon the expiry of the lease periods.

The ITER Organization did not have a financial lease at the closing date.

## Note A19 – Reconciliation: Cash Flow Statement – Budgetary Out-Turn

Amounts in thousands of Euro

	Note	2020			2019		
		Operating activities	Investing activities	Total	Operating activities	Investing activities	Total
<b>Budgetary Out-Turn</b>	Page 51	<b>49,975</b>		<b>49,975</b>	<b>133,789</b>		<b>133,789</b>
Total contributions requested	B2	(463,373)		(463,373)	(478,181)		(478,181)
Total contributions received	B2	389,046		389,046	407,743		407,743
Cheques N-1 paid in N	A3	65		65	90		90
Cheques N unpaid at 31.12.N	A3	(58)		(58)	(65)		(65)
Effects of exchange rate changes on the balance of cash held in foreign currencies	CFS	39		39	1		1
Movements in suspense accounts		(5,614)		(5,614)	910		910
<b>Basis differences</b>		<b>(79,895)</b>		<b>(79,895)</b>	<b>(69,502)</b>		<b>(69,502)</b>
Earmarked Funds Out-Turn	B5	46,140		46,140	58,745		58,745
<b>Entity differences</b>		<b>46,140</b>		<b>46,140</b>	<b>58,745</b>		<b>58,745</b>
<b>Presentation differences</b>	CFS	<b>421,037</b>	<b>(421,037)</b>	<b>-</b>	<b>316,502</b>	<b>(316,502)</b>	<b>-</b>
<b>Net Cash Flow</b>	CFS	<b>437,257</b>	<b>(421,037)</b>	<b>16,220</b>	<b>439,534</b>	<b>(316,502)</b>	<b>123,032</b>

'Basis differences' are the differences between the statements showing the schedules prepared in accordance with the IPSAS and in particular its Statement of Financial Performance (accruals-based accounting) and the schedules prepared in accordance with the PRMR and its Budgetary Out-Turn Statement (modified cash-based accounting):

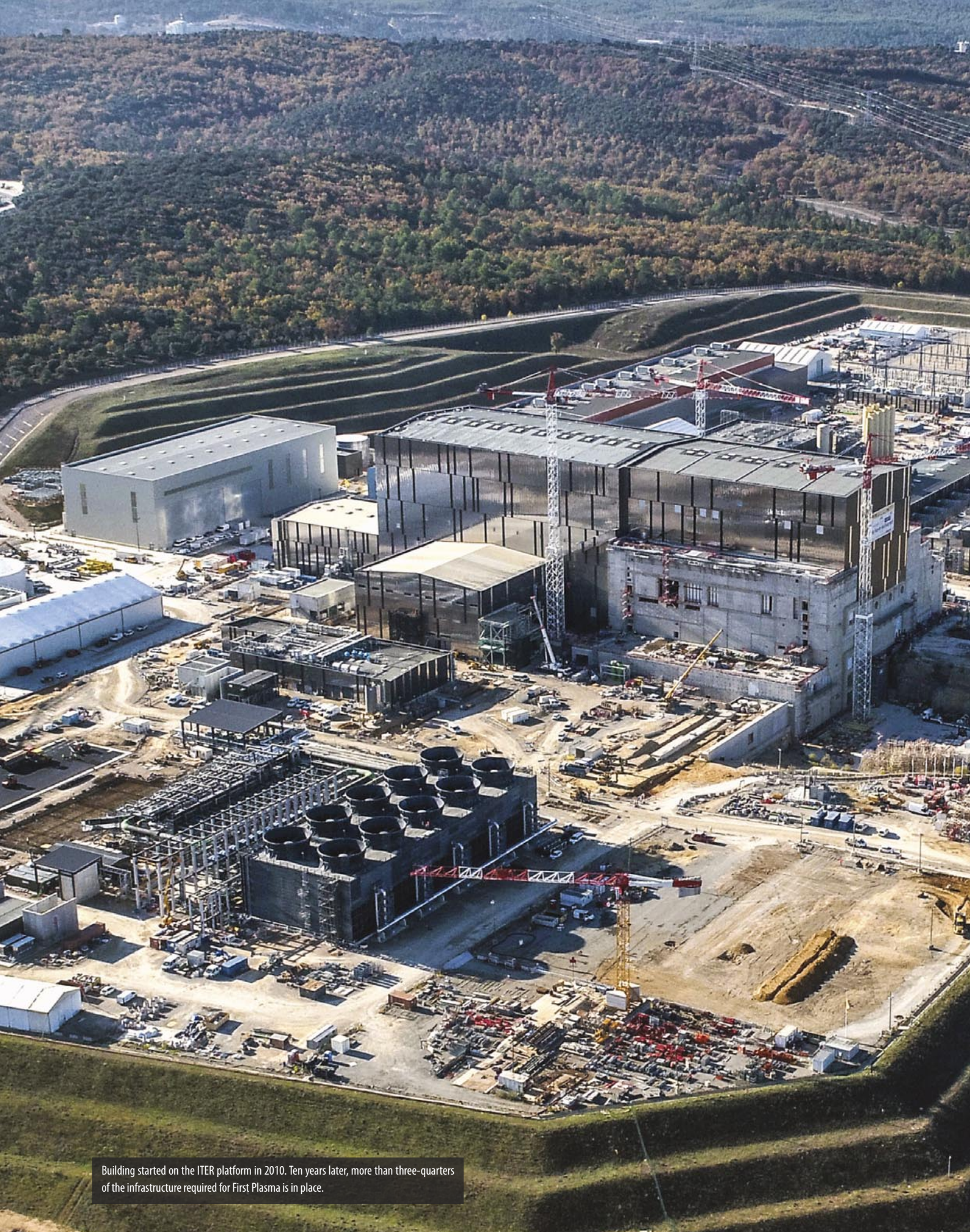
- 'Total contributions requested' corresponds to the amount of cash and short-term in-kind contributions requested from the Members for the current year;
- 'Total contributions received' corresponds to the amount received from the Members in cash and short-term in kind in the current year following the call for contributions (including advances);
- 'Bank checks N-1 paid in N' corresponds to the checks issued in previous year(s) and disbursed in the current year;
- 'Bank checks N unpaid at 31.12.N' corresponds to the checks issued in the current year and not disbursed at the end of the current year;
- 'Effects of exchange rate changes on the balance of cash held in foreign currencies' is not real cash flow but impacts are reported in the Cash Flow Statement;
- 'Movements in suspense accounts' relates to extra-budgetary cash flows not reflected in the ITER Organization's budget nor related to any of the existing Earmarked Funds. Together with the Income, Commitments and Payments Budget Execution Statements and Note B5 – Earmarked Funds, it ensures that the totality of transactions undertaken by the ITER Organization are included in the Budgetary Statements of the Financial Report.

It mainly consists of:

- EUR 3.55 million related to transactions for/on behalf of DAs (Host and On-Site Agreements, US Tax);
- EUR -8.93 million related to the tax reimbursement mechanism with the French State and;
- EUR -0.23 million related to other miscellaneous operations.

'Entity differences' comes from the variation of the revenue received and associated costs incurred by the ITER Organization for the Earmarked Funds. These costs and revenue are included in the Statement of Financial Performance but outside the ITER Council-approved ITER Organization budget:

- 'Earmarked Funds Out-Turn' corresponds to the balance between the cash-in and the actual payments made on the Earmarked Funds for the current year.



Building started on the ITER platform in 2010. Ten years later, more than three-quarters of the infrastructure required for First Plasma is in place.



## Note A20 – Provisions

Asset Decommissioning/ Site Restoration:

No such provision was recorded as at 31 December 2020 as the experimental equipment is still in the Construction Phase.

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## Note A21 – Contingent Liabilities

There are two cases pending before the International Labour Organization Administrative Tribunal but in the opinion of ITER Organization Legal Affairs, the final outcome, the final outcome of these claims is not determinable as at the time of closure of the 2020 financial year; no material financial obligation resulting from these cases is foreseen.

Therefore, these items are not recorded as liability in these accounts. Settlements, if any, resulting from the resolution of these cases will be accounted for in the year in which the liability is determined.

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## Note A22 – Spare Parts

No spare parts/inventories have been recorded at 31 December 2020.

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## Note A23 – Related Party Disclosures

The ITER Organization is governed by its seven Members and works closely with their representative Domestic Agencies.

All transactions made between the ITER Organization and the Domestic Agencies, including construction contracts which have specific mandates, are in essence intended to build the ITER facilities.

The ITER Organization's structure was changed in 2020 with the creation of four Domains (Construction, Engineering, Science & Operation and Corporate). The key management personnel are the Director-General, the Deputy Director-General and the four Domain Heads. The aggregate gross remuneration of EUR 1.48 million (EUR 0.87 million in 2019) includes their gross salaries and allowances. In addition, EUR 0.23 million (EUR 0.14 million in 2019) is also recognized as employer's pension and social insurance contributions.

No other material related party transaction was identified in 2020.

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## Note A24 – Events After the Reporting Date

The ITER Organization's reporting date is 31 December 2020. The Financial Statements were authorized for issue and submission to the Financial Audit Board by the Director-General on 24 February 2021. On the date of signing these accounts, there had been no material events, favourable or unfavourable, incurred between the reporting date and the date when the Financial Statements were authorized for issue that would have impacted these statements.



Each of the openings in the concrete bioshield is a pathway into the machine, providing an access corridor for diagnostics, heating, fuelling, and vacuum pumping systems and, if needed, the replacement or refurbishment of in-vessel components.



# 2020 BUDGETARY STATEMENTS

## Overview

The 2020 Budgetary Statements have been prepared in accordance with the Project Resource Management Regulations of the ITER Organization (PRMR) and its Implementing Measures and show the following:

- Budgetary Out-Turn comparing the Income and Payments Executions;
- Income, Payments and Commitments Executions against their respective initial and final budgets;
- Basis of Preparation and Budget Execution explaining how the statements are built and justifying the variances between the budgets and corresponding executions;
- Members' contributions comparing the requested amount against the received amounts by Member in Cash and Short-Term In Kind;
- Reserve Fund Status providing cumulative figures and explaining its purpose and mechanism;
- Statement of Unpaid Commitments providing the unpaid total commitments at year-end;
- Earmarked Funds Out-Turn and Executions comparing the cash in, commitments and payments actuals for Donations, Sponsoring and arrangements outside the ITER Council-approved IO budget which are:

Fund	Description	EU-DA	CN-DA	IN-DA	JA-DA	KO-DA	RF-DA	US-DA
ADS	Joint Procurement of the ITER Atmosphere Detritiation Systems	●			●			
ANBI	Additional deployment of ANB Inspectors	●						
BOP 4	X-Cryolines installation to the ITER Organization			●				
BOP 5	Installation and commissioning of the items included in Buildings 11 and 74, in accordance with PCR 789						●	
CJBEF	Procurement of T24026LC Cable from Junction Box to Electrical Feedthrough in cryostat					●		
DCC	Procurement of Diagnostic Captive Components for 55.F9 and 55.C4 needed for closing building penetrations in building B11 level L1 and level L2						●	
EPCC	Procurement of Electrical Power and Control Cables along with cable termination accessories for cooling water system PBS26 in buildings/area 13, 15, 15 Annex, 16, 32, 33, 38, 51, 52, 53, 61, 64, 67, 68A, 68B, and 69			●				
MANL	Procurement of Manlift to access the Central Solenoid during assembly							●
PPS	Procurement of Upper & Equatorial Port Plug Structures	●		●	●	●		●
RFPS	On-site installation of the Radio Frequency Power Sources				●			
SSEN	Procurement of the Steady-State Electrical Network High Voltage Substation Structures, the Battery Banks and LV Distribution & Sub-Distribution Panel boards							●
TB 04	Assembly, Installation and related support services in the Tokamak Complex Building	●						
TBM-PT	Contribution to the Test Blanket Module Project Team	●	●		●	●		
TBS	Design and procurement of the Test Blanket System Connection Pipes	●	●	●	●	●		
TCWS	Completion of the final design of the Tokamak Cooling Water System and procurement of the piping for this system, procurement of ESPN TCWS First-Plasma Equipment and support of the US procurements of non-ESPN TCWS First-Plasma Equipment, procurement manufacturing and testing of the TCWS First-Plasma electrical, instrumentation and control components and software for the VV PHTS, draining and drying systems							●
TFCC	Procurement of the Integration Toroidal Field Coil Conductor							●
VAS	Procurement of the Piping for Tokamak Vacuum Auxiliary System							●
VVS	Supply of Sectors #7 and #8 of the Vacuum Vessel	●						

# Budgetary Out-Turn 2020

Amounts in thousands of Euro

	2020	2019
Total Actual Income	490,696	503,288
Total Actual Payments	440,721	369,499
<b>TOTAL BUDGETARY OUT-TURN</b>	<b>49,975</b>	<b>133,789</b>

## Income Budget Execution 2020

Amounts in thousands of Euro

Budget Headings	Unrealized Total Income Appropriations brought forward from 2019 a	Initial Total Income Budget 2020 b	Cumulative Income Transfers and Budget Adjustments 2020 c	Final Total Income Budget 2020 d = b + c	Total Income Appropriations 2020 e = d + a	Total Actual Income 2020 f	Total Actual Income 2019 g	Unrealized Total Income Appropriations carried forward to 2021 h = e - f
Article 711 Contribution from Euratom	-	210,649	-	210,649	210,649	210,649	217,381	-
Article 712 Contribution from the People's Republic of China	-	42,121	-	42,121	42,121	42,121	43,467	-
Article 713 Contribution from the Republic of India	-	42,121	-	42,121	42,121	42,121	43,467	-
Article 714 Contribution from Japan	-	42,121	-	42,121	42,121	42,121	43,467	-
Article 715 Contribution from the Republic of Korea	-	42,121	-	42,121	42,121	42,121	43,467	-
Article 716 Contribution from the Russian Federation	-	42,121	-	42,121	42,121	42,121	43,467	-
Article 717 Contribution from the United States of America	-	42,121	-	42,121	42,121	42,121	43,467	-
<b>Chapter 71 Contributions</b>	<b>-</b>	<b>463,373</b>	<b>-</b>	<b>463,373</b>	<b>463,373</b>	<b>463,373</b>	<b>478,181</b>	<b>-</b>
Article 721 Internal Tax from Professional Staff	758	22,595	-	22,595	23,353	22,066	20,020	1,287
Article 722 Internal Tax from Technical Staff	358	4,683	-	4,683	5,040	4,216	4,142	825
<b>Chapter 72 Internal tax</b>	<b>1,116</b>	<b>27,278</b>	<b>-</b>	<b>27,278</b>	<b>28,393</b>	<b>26,282</b>	<b>24,162</b>	<b>2,112</b>
Article 731 Financial interest	1,246	500	-	500	1,746	577	484	1,169
Article 732 Exchange rate Income	101	-	-	-	101	(35)	(38)	136
<b>Chapter 73 Financial Income</b>	<b>1,346</b>	<b>500</b>	<b>-</b>	<b>500</b>	<b>1,846</b>	<b>541</b>	<b>446</b>	<b>1,305</b>
Article 741 Cancellation of Appropriations from the current year	-	-	-	-	-	-	-	-
Article 742 Cancellation of Appropriations from previous year(s)	-	-	-	-	-	-	-	-
Article 743 Monaco Partnership	-	500	-	500	500	500	500	-
Article 744 Excess Income from previous years	-	-	-	-	-	-	-	-
Article 745 Shortfall Income Budget of the current year	-	-	-	-	-	-	-	-
Article 749 Miscellaneous income	-	-	-	-	-	-	-	-
<b>Chapter 74 Other Income</b>	<b>-</b>	<b>500</b>	<b>-</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>-</b>
<b>Title VII Income</b>	<b>2,462</b>	<b>491,651</b>	<b>-</b>	<b>491,651</b>	<b>494,113</b>	<b>490,696</b>	<b>503,288</b>	<b>3,416</b>
<b>TOTAL INCOME</b>	<b>2,462</b>	<b>491,651</b>	<b>-</b>	<b>491,651</b>	<b>494,113</b>	<b>490,696</b>	<b>503,288</b>	<b>3,416</b>

# Payments Budget Execution 2020

Amounts in thousands of Euro

Budget Headings	Unused Total Payment Appropriations brought forward from 2019 a	Initial Total Payments Budget 2020 b	Cumulative Payments Transfers and Budget Adjustments 2020 c	Final Total Payments Budget 2020 d = b + c	Total Payment Appropriations 2020 e = a + d	Total Actual Payments 2020 f	Total Actual Payments 2019 g	Unused Total Payment Appropriations carried forward to 2021 h = e - f
Article 111 Direct Investment	189,833	221,772	17,869	239,641	429,474	208,023	161,006	221,451
Article 112 Test Blanket Module	51	1,214	619	1,832	1,883	1,879	1,754	4
Article 113 Reserve Fund	157,605	11,774	(18,487)	(6,714)	150,891	-	-	150,891
<b>Title I Direct Investment (Fund)</b>	<b>347,489</b>	<b>234,759</b>	<b>-</b>	<b>234,759</b>	<b>582,248</b>	<b>209,902</b>	<b>162,759</b>	<b>372,346</b>
Article 211 Research & Development	2,009	46	-	46	2,055	60	999	1,995
<b>Title II R&amp;D Expenditure</b>	<b>2,009</b>	<b>46</b>	<b>-</b>	<b>46</b>	<b>2,055</b>	<b>60</b>	<b>999</b>	<b>1,995</b>
Article 311 Professional staff salary costs	1,319	110,738	(3,314)	107,425	108,744	108,114	98,517	630
Article 312 Technical Support staff salary costs	339	28,484	(2,781)	25,703	26,043	26,043	25,456	-
Article 313 Travel and subsistence	864	2,010	(2,358)	(347)	516	363	1,024	154
Article 314 Secondment allowances	-	-	-	-	-	-	-	-
Article 315 Removal expenses	521	1,265	(1,214)	51	572	546	805	26
Article 316 Promotions	29	696	(512)	184	214	197	592	16
Article 317 Awards	19	696	155	851	870	870	607	-
<b>Chapter 31 Staff Expenditure</b>	<b>3,091</b>	<b>143,890</b>	<b>(10,023)</b>	<b>133,867</b>	<b>136,958</b>	<b>136,132</b>	<b>127,001</b>	<b>826</b>
Article 321 General services	11,912	27,004	(6,064)	20,940	32,852	16,243	12,661	16,609
Article 322 Administrative services	3,183	9,984	(702)	9,281	12,464	8,100	7,739	4,364
Article 323 Equipment	7,184	9,835	3,658	13,493	20,677	11,200	8,844	9,477
Article 324 External specialized services	44,494	50,922	9,721	60,643	105,137	43,583	41,633	61,554
Article 325 ITER Project Associates	3,594	15,211	3,410	18,621	22,215	15,500	7,863	6,715
<b>Chapter 32 Organizational Expenditure</b>	<b>70,367</b>	<b>112,956</b>	<b>10,023</b>	<b>122,979</b>	<b>193,345</b>	<b>94,627</b>	<b>78,740</b>	<b>98,719</b>
<b>Title III Direct Expenditure</b>	<b>73,458</b>	<b>256,846</b>	<b>-</b>	<b>256,846</b>	<b>330,304</b>	<b>230,759</b>	<b>205,741</b>	<b>99,545</b>
<b>TOTAL EXPENDITURE</b>	<b>422,956</b>	<b>491,651</b>	<b>-</b>	<b>491,651</b>	<b>914,607</b>	<b>440,721</b>	<b>369,499</b>	<b>473,886</b>

# Commitments Budget Execution 2020

Amounts in thousands of Euro

Budget Headings	Unused Total Commitment Appropriations brought forward from 2019 a	Initial Total Commitments Budget 2020 b	Cumulative Commitments Transfers and Budget Adjustments 2020 c	Final Total Commitments Budget 2020 d = b + c	Total Commitment Appropriations 2020 e = a + d	Total Actual Commitments 2020 f	Total Actual Commitments 2019 g	Unused Commitment Appropriations carried forward to 2021 h = e - f
Article 111 Direct Investment	119,994	260,233	68,544	328,776	448,770	397,709	301,987	51,061
Article 112 Test Blanket Module	34	2,352	(318)	2,033	2,068	1,078	1,129	990
Article 113 Reserve Fund	55,761	92,786	(68,226)	24,561	80,321	-	-	80,321
<b>Title I Direct Investment (Fund)</b>	<b>175,789</b>	<b>355,371</b>	<b>-</b>	<b>355,371</b>	<b>531,159</b>	<b>398,787</b>	<b>303,116</b>	<b>132,372</b>
Article 211 Research & Development	1,641	-	-	-	1,641	(26)	(398)	1,666
<b>Title II R&amp;D Expenditure</b>	<b>1,641</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,641</b>	<b>(26)</b>	<b>(398)</b>	<b>1,666</b>
Article 311 Professional staff salary costs	1,319	110,738	(3,314)	107,425	108,744	108,114	98,517	630
Article 312 Technical Support staff salary costs	339	28,484	(2,781)	25,703	26,043	26,043	25,456	-
Article 313 Travel and subsistence	867	2,000	(2,392)	(392)	475	318	1,120	157
Article 314 Secondment allowances	-	-	-	-	-	-	-	-
Article 315 Removal expenses	446	1,265	(1,139)	126	572	526	852	45
Article 316 Promotions	29	696	(512)	184	214	197	592	16
Article 317 Awards	19	696	155	851	870	870	607	-
<b>Chapter 31 Staff Expenditure</b>	<b>3,020</b>	<b>143,879</b>	<b>(9,982)</b>	<b>133,898</b>	<b>136,917</b>	<b>136,069</b>	<b>127,144</b>	<b>849</b>
Article 321 General services	10,279	24,548	(10,039)	14,509	24,788	17,097	28,728	7,691
Article 322 Administrative services	1,662	10,202	(1,025)	9,177	10,839	8,841	8,710	1,997
Article 323 Equipment	2,223	18,441	1,819	20,261	22,483	22,339	8,719	144
Article 324 External specialized services	16,717	51,685	4,945	56,629	73,346	39,742	44,832	33,604
Article 325 ITER Project Associates	492	6,359	14,282	20,641	21,134	16,156	24,876	4,977
<b>Chapter 32 Organizational Expenditure</b>	<b>31,373</b>	<b>111,235</b>	<b>9,982</b>	<b>121,217</b>	<b>152,590</b>	<b>104,175</b>	<b>115,865</b>	<b>48,415</b>
<b>Title III Direct Expenditure</b>	<b>34,392</b>	<b>255,115</b>	<b>-</b>	<b>255,115</b>	<b>289,507</b>	<b>240,244</b>	<b>243,009</b>	<b>49,263</b>
<b>TOTAL EXPENDITURE</b>	<b>211,822</b>	<b>610,485</b>	<b>-</b>	<b>610,485</b>	<b>822,307</b>	<b>639,006</b>	<b>545,726</b>	<b>183,301</b>

# Notes to the 2020 Budgetary Statements

B1	Basis of Preparation and Budget Execution	54
B2	Members' Contributions	56
B3	Reserve Fund Status	57
B4	Statement of Unpaid Commitments	58
B5	Earmarked Funds	59

## Note B1 - Basis of Preparation and Budget Execution

### a) Basis of Preparation

The PRMR and its Implementing Measures require the preparation of certain schedules and notes for inclusion in the Financial Statements. The primary budgetary schedules following the requirements from the PRMR are shown from pages 51 to 53, reflecting the Budgetary Out-Turn, Income, Payments and Commitments against their respective budgets. Supplementary information required under the PRMR is provided in Notes B2 to B5.

The establishment of these schedules is governed by the basic principles of equilibrium, specification, annuality, budget accuracy, Unit of Account, universality, sound financial management and transparency.

In order to ensure full traceability, all schedules are shown in the format approved by ITER Council, including the subdivision into Titles, Chapters, and Articles. Moreover, they are divided between planned budget with an approved scope and un-allocated budget, including Reserve Fund and Undistributed Budget, that are distributed to the ITER Organization and Domestic Agencies based on need.

All statements presented (except Notes B3 – Reserve Fund Status and B5 – Earmarked Funds) include Cash, Reserve Fund and Short-Term In-Kind (covering Task Agreements and Seconded Staff) executions.

The overall Budgetary Out-Turn corresponds to the difference between the Actual Income, taking into account



This giant "cradle" is designed to raise some of ITER's heaviest components – vacuum vessel sectors and the 18 D-shaped toroidal field coils – from their horizontal delivery position to vertical. From there, they are installed on the sub-assembly tools visible on the left.



the value of Debit Notes issued, and Actual Payments made during the year.

The budgetary statements are prepared on a modified cash basis. The budgetary expenditure (commitment/payment) are recognized when they are committed/cashed out or cleared. However, the Cash and Short-Term In-Kind Contributions from the Members are considered as Income in the year for which they are requested by the ITER Organization regardless of their date of receipt. Other sources of revenue are shown in the year in which they are realized or received.

### b) Budget Execution

The ITER Council adopted the 2020 Budgets at its twenty-fifth meeting in November 2019 at a level of EUR 610.49 million for Commitments, EUR 491.65 million for Payments, and EUR 491.65 million for Income. Throughout 2020, the Director-General approved several budgetary transfers within the limits of his mandate.

#### ● Actuals' Summary

<i>Amounts in thousands of Euro</i>	<b>Actual Income 2020</b>	<b>Actual Payments 2020</b>	<b>Actual Commitments 2020</b>
<b>Funds</b>			
Cash	470,044	408,783	551,493
Short-Term In Kind	8,878	1,395	2,243
<b>Total Cash and Short-Term In Kind</b>	<b>478,923</b>	<b>410,177</b>	<b>553,736</b>
Reserve Fund	11,774	30,543	84,054
Reserve Fund Short-Term In Kind	-	-	1,215
<b>Total Reserve Fund</b>	<b>11,774</b>	<b>30,543</b>	<b>85,269</b>
<b>TOTAL</b>	<b>490,696</b>	<b>440,721</b>	<b>639,006</b>

#### ● Income

Considering a final Income Budget for 2020 of EUR 491.65 million and Unrealized Income Appropriations of EUR 2.46 million from 2019, the total Income Appropriations for 2020 were EUR 494.11 million. During the year, the ITER Organization received Income of EUR 490.70 million, resulting in a shortfall of EUR 3.42 million to be carried forward to 2021.

#### ● Payments

The final Payments Budget for 2020 was EUR 491.65 million. In addition, unused Payments Appropriations of EUR 422.96 million were brought forward from 2019, including unallocated funding for the Reserve Fund and Undistributed Budget, resulted in total Payments Appropriations for 2020 of EUR 914.61 million.

During 2020, the ITER Organization executed Payments of EUR 440.72 million, or EUR 408.78 million in Cash for contracts and staff expenditures, EUR 30.54 million for Reserve Fund and EUR 1.39 million in Short-Term

In Kind for Task Agreements and Secondments. The remaining amount of EUR 473.89 million reflected the year-end balances in the Reserve Fund of EUR 150.89 million and Undistributed Budget of EUR 112.34 million. Considering the planned budget, an underrun of EUR 210.65 million or 32% resulted from various project delays and strategy changes that occurred during the year. These included delays in the Vacuum Vessel Welding, delays in the installation of the LHe Cryo-plant, delays in the execution of Tokamak Complex and Tokamak Assembly contracts, a change in strategy for the construction insurance, delays in the manufacturing of mechanical handling equipment for In-Vessel assembly, delays in the execution of Purpose Built Tools orders, and delays in Magnetics Diagnostics.

During 2020, an amount of EUR 18.49 million was transferred from Article A113 Reserve Fund to Article A111 Direct Investment. This transfer between Articles was necessary in order to execute payments on behalf of the ITER Organization and Domestic Agencies as a result of allocations approved from the Reserve Fund by the Director-General in connection with the Executive Project Board.

#### ● Commitments

The final Commitments Budget for 2020 was EUR 610.49 million. In addition, unused Commitments Appropriations of EUR 211.82 million were brought forward from 2019, including unallocated funding for the Reserve Fund and Undistributed Budget, resulting in total Commitments Appropriations of EUR 822.31 million.

Throughout the year, the ITER Organization committed a total of EUR 639.01 million net de-commitments of previous years' commitments. This amount included EUR 551.49 million in Cash for contracts and staff expenditures, EUR 84.05 million for Reserve Fund, EUR 1.22 million for Reserve Fund Short-Term In Kind for Task Agreements and EUR 2.24 million in Short-Term In Kind for Task Agreements and Secondments. The remaining amount of EUR 183.30 million included the year-end balances of the Reserve Fund of EUR 80.32 million and Undistributed Budget of EUR 33.63 million. Considering the planned budget, an underrun of EUR 69.35 million or 10% was due to delays in placing the manufacturing phase of Cryostat Rectangular Bellows, delayed signature of the Vertical Stability Coils trials and tooling, and Construction Management-as-Agent contract.

For 2020, an amount of EUR 68.23 million was transferred from Article A113 Reserve Fund to Article A111 Direct Investment. This transfer allowed for the placement of commitments on behalf of the ITER Organization and Domestic Agencies following decisions by the Director-General to allocate money from the Reserve Fund in accordance with the approved Terms-of-Reference.

## Note B2 – Members' Contributions

### Cash Contributions

Amounts in thousands of Euro

Members	Brought forward from 2019 a	Requested for 2020 b	Requested until 2020 c	Received in 2020 d	Carry forward to 2021 e = a + b - d
Euratom	(142,714)	202,209	1,368,421	176,309	(116,814)
People's Republic of China	(6,740)	42,121	290,542	40,857	(5,477)
Republic of India	92,582	41,690	288,950	5,850	128,422
Japan	-	42,121	293,083	42,121	-
Republic of Korea	(5,398)	42,121	284,136	36,093	629
Russian Federation	(18,386)	42,121	290,756	38,475	(14,740)
United States of America	73,554	42,114	264,624	47,947	67,720
<b>TOTAL</b>	<b>(7,103)</b>	<b>454,495</b>	<b>3,080,512</b>	<b>387,651</b>	<b>59,741</b>

### Short-Term In-Kind Contributions

Amounts in thousands of Euro

Members	Brought forward from 2019 a	Requested for 2020 b	Requested until 2020 c	Received in 2020 d	Carry forward to 2021 e = a + b - d
Euratom	3,339	8,440	101,694	1,387	10,392
People's Republic of China	-	-	3,415	-	-
Republic of India	108	431	5,007	-	539
Japan	-	-	874	-	-
Republic of Korea	-	-	9,821	-	-
Russian Federation	-	-	3,201	-	-
United States of America	-	7	29,333	7	(0)
<b>TOTAL</b>	<b>3,447</b>	<b>8,878</b>	<b>153,344</b>	<b>1,395</b>	<b>10,931</b>

### Total Contributions

Amounts in thousands of Euro

Members	Brought forward from 2019 a	Requested for 2020 b	Requested until 2020 c	Received in 2020 d	Carry forward to 2021 e = a + b - d
Euratom	(139,376)	210,649	1,470,114	177,696	(106,422)
People's Republic of China	(6,740)	42,121	293,957	40,857	(5,477)
Republic of India	92,690	42,121	293,957	5,850	128,961
Japan	-	42,121	293,957	42,121	-
Republic of Korea	(5,398)	42,121	293,957	36,093	629
Russian Federation	(18,386)	42,121	293,957	38,475	(14,740)
United States of America	73,554	42,121	293,957	47,954	67,720
<b>TOTAL</b>	<b>(3,656)</b>	<b>463,373</b>	<b>3,233,856</b>	<b>389,046</b>	<b>70,671</b>

The Members' Cash and Short-Term In-Kind Contributions (including Reserve Fund) have been accounted as Income of the year, in accordance with the budget, regardless of the cash received as shown in Income Execution 2020. Consequently, over and underpayments have been carried forward as cash liabilities to/from these Members in the above statements.

## Note B3 – Reserve Fund Status

Escalation Status as of 31.12.2020	Amounts in thousands of IUA	Amounts in thousands of Euro
Reserve Fund OPC (EUR 1,050,000 thousands 2016 based)	621.25766	1,095,784
Total paid or credited by IO	(98.42898)	(169,938)
Unpaid balance (including escalation)	522.82868	925,846

Amounts in thousands of Euro

Budget Status	01.01.2020		2020		31.12.2020	
	Commitments	Payments	Commitments	Payments	Commitments	Payments
Initial Budget	291,928	278,208	92,786	11,774	384,714	289,982
Budget Transfers	(236,167)	(120,603)	(68,226)	(18,487)	(304,393)	(139,091)
Remaining Appropriations	55,761	157,605	24,561	(6,714)	80,321	150,891
Implementation Status	Commitments	Payments	Commitments	Payments	Commitments	Payments
Actuals incurred by IO	257,551	127,343	85,269	30,543	342,820	157,886
Credits granted by IO to be set off against Members' in-kind balance	12,052	12,052	-	-	12,052	12,052
Total Amount Issued by IO	269,603	139,395	85,269	30,543	354,872	169,938

In 2015, the ITER Council approved the creation of the Reserve Fund, and the associated Terms of Reference of the Reserve Fund (leading to the Reserve Fund Management Plan). The purpose of the Reserve Fund is to create a funding mechanism that can be used to implement scope and design changes within the ITER Organization and Domestic Agencies in order to prevent schedule delays or cost overruns. The annual ITER Organization budgets include the contributions to the Reserve Fund. This is a source of funding and not an objective of expenditure.

The ITER Organization has developed three possible payment methods to suit the individual needs of the Domestic Agencies and Members. Cash Payments can be made directly from the ITER Organization's bank account. Alternatively, funds may be deducted from the Member's Cash Contributions to the ITER Organization. For cases in which the Member concerned may not accept cash nor reductions in its contributions, an equivalent amount of credit in IUA may be granted to decrease the Member's overall in-kind contribution to the construction of ITER, and is recognized as in-kind deferred contributions in Note A11.

The cumulative Budget and Budget Transfers through 2020 reflect an adjustment in which a Supplementary Budget for the Reserve Fund approved by the ITER Council in 2015 has now been divided between 'Initial Budget' and 'Budget Transfers'.

Cumulative credits granted amount to EUR 12.05 million in Commitments and Payments. These credits will be set off directly against the Members' in-kind balance as part of the Overall Project Cost.

On 31 December 2020, the remaining amount to pay against the Commitments was EUR 184.93 million.

## Note B4 – Statement of Unpaid Commitments

Amounts in thousands of Euro

Budget Headings	Unpaid Total Commitments 1 January 2020 a	Total Actual Commitments 2020 b	Total Actual Payments 2020 c	Unpaid Total Commitments 31 December 2020 d = a + b - c
Article 111 Direct Investment	593,056	397,709	208,023	782,742
Article 112 Test Blanket Module	3,756	1,078	1,879	2,955
Article 113 Reserve Fund	-	-	-	-
<b>Title I Direct Investment (Fund)</b>	<b>596,812</b>	<b>398,787</b>	<b>209,902</b>	<b>785,697</b>
Article 211 Research & Development	793	(26)	60	708
<b>Title II R&amp;D Expenditure</b>	<b>793</b>	<b>(26)</b>	<b>60</b>	<b>708</b>
Article 311 Professional staff salary costs	-	108,114	108,114	-
Article 312 Technical Support staff salary costs	-	26,043	26,043	-
Article 313 Travel and subsistence	860	318	363	816
Article 314 Secondment allowances	-	-	-	-
Article 315 Removal expenses	208	526	546	189
Article 316 Promotions	-	197	197	-
Article 317 Awards	-	870	870	-
<b>Chapter 31 Staff Expenditure</b>	<b>1,068</b>	<b>136,069</b>	<b>136,132</b>	<b>1,005</b>
Article 321 General services	39,868	17,097	16,243	40,721
Article 322 Administrative services	9,377	8,841	8,100	10,118
Article 323 Equipment	9,675	22,339	11,200	20,814
Article 324 External specialized services	45,608	39,742	43,583	41,767
Article 325 ITER Project Associates	28,459	16,156	15,500	29,115
<b>Chapter 32 Organizational Expenditure</b>	<b>132,988</b>	<b>104,175</b>	<b>94,627</b>	<b>142,536</b>
<b>Title III Direct Expenditure</b>	<b>134,056</b>	<b>240,244</b>	<b>230,759</b>	<b>143,541</b>
<b>TOTAL EXPENDITURE</b>	<b>731,661</b>	<b>639,006</b>	<b>440,721</b>	<b>929,946</b>

## Note B5 – Earmarked Funds

### Earmarked Funds Out-Turn

Amounts in thousands of Euro

	Actuals 2020	Actuals 2019
Total Cash In	88,615	97,834
Total Actual Payments	42,475	39,088
<b>TOTAL EARMARKED FUNDS OUT-TURN</b>	<b>46,140</b>	<b>58,745</b>

'Total Cash In' and 'Total Actual Payments' show the sum of Earmarked Funds related to construction contracts and other Earmarked Funds presented in statements below.

### Earmarked Funds Execution related to Construction Contracts

Amounts in thousands of Euro

Funds	01.01.2020		2020			31.12.2020	
	Unpaid Total Commitments a	Cash available b	Cash In c	Total Actual Commitments d	Total Actual Payments e	Unpaid Total Commitments f = a + d - e	Cash available g = b + c - e
ADS	-	-	70,000	-	-	-	70,000
ANBI	-	-	428	-	-	-	428
BOP4	10,607	10,607	-	-	1,734	8,873	8,873
BOP5	5,358	5,358	-	-	3,912	1,446	1,446
CJBEF	-	-	178	-	-	-	178
DCC	-	-	-	-	-	-	-
EPCC	-	-	-	-	-	-	-
MANL	-	175	-	-	-	-	175
PPS	4,487	636	1,827	2,860	937	6,410	1,526
RFPS	-	-	-	900	-	900	-
SSEN	-	2,670	-	38	38	-	2,632
TB04	135,769	44,333	-	4,775	5,183	135,361	39,150
TBMPT	-	-	261	280	-	280	261
TBS	2,053	3,185	-	(314)	738	1,001	2,446
TCWS	27,843	69,847	15,916	27,038	10,861	44,020	74,902
TFCC	-	272	-	-	-	-	272
VAS	505	5,463	-	825	771	558	4,691
VVS	45,248	45,248	-	-	18,300	26,948	26,948
<b>TOTAL</b>	<b>231,870</b>	<b>187,794</b>	<b>88,610</b>	<b>36,402</b>	<b>42,475</b>	<b>225,797</b>	<b>233,929</b>

'Earmarked Funds Execution related to Construction Contracts' refers to the realization of specific signed Arrangements/MoU between the ITER Organization and the Domestic Agencies. They are not part of the ITER Council-approved ITER Organization budget.

### Other Earmarked Funds Execution

Amounts in thousands of Euro

Funds	01.01.2020		2020			31.12.2020	
	Unpaid Total Commitments a	Cash available b	Cash In c	Total Actual Commitments d	Total Actual Payments e	Unpaid Total Commitments f = a + d - e	Cash available g = b + c - e
Donations	-	7	5	-	-	-	11
Sponsoring	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>-</b>	<b>7</b>	<b>5</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11</b>

'Other Earmarked Funds Execution' refers to the Donations received and Sponsoring approved by the ITER Organization as well as miscellaneous operations.

# Abbreviations and Acronyms

## A

**ADS**  
Atmosphere Detriation System

**ANBI**  
Agreed Notified Body Inspectors

## B

**BOP**  
Balance Of Plant

## C

**CEA**  
Commissariat à l’Energie Atomique et aux Energies Alternatives (France)

**CEAR**  
Construction and Erection All-Risk

**CFS**  
Cash Flow Statement

**CJBEF**  
Cable from Junction Box to Electrical Feedthrough

**CN-DA**  
Chinese Domestic Agency

**COSO**  
Committee of Sponsoring Organizations of the Treadway Commission

**CWIP**  
Capital Work in Progress

## D

**DA**  
Domestic Agency

**DCC**  
Diagnostic Captive Component

**DG**  
Director-General

**DON**  
Donations

## E

**Eonia®**  
Euro OverNight Index Average

**EPCC**  
Electrical Power and Control Cables

**ESPN**  
French Order concerning Nuclear Pressure Equipment

**EU-DA**  
European Domestic Agency

## F

**F4E**  
Fusion for Energy (name of the European Domestic Agency)

**FAB**  
Financial Audit Board

## H

**HI**  
Home Institutes

## I

**IA**  
Implementing Agreement

**IAEA**  
International Atomic Energy Agency

**IC**  
ITER Council

**IFAC**  
International Federation of Accountants

**IN-DA**  
Indian Domestic Agency

**IO**  
ITER Organization

**IPA**  
ITER Project Associates

**IPSAS (B)**  
International Public Sector Accounting Standards (Board)

**ISA**  
International Standards on Auditing

**ISO**  
International Organization for Standardization

**IUA**  
ITER Unit of Account

## J

**JA-DA**  
Japanese Domestic Agency

## K

**KO-DA**  
Korean Domestic Agency

**KPI**  
Key Performance Indicator

## L

**LTIK**  
Long-Term In Kind

## M

**MAC**  
Management Advisory Committee

**MANL**  
Manlift

**MCP**  
Monaco Partnership Arrangement

**MoU**  
Memorandum of Understanding

**MQP**  
Management Quality Programme

**MuC**  
Machine under Construction

## O

**OPC**  
Overall Project Cost

## P

**PA**  
Procurement Arrangement

**PF**  
Poloidal Field Coil

**PHTS**  
Primary Heat Transfer System

**PPE**  
Property, Plant and Equipment

**PPS**  
Port Plug Structures

**PRMR**  
Project Resource Management Regulations

## R

**RF-DA**  
Russian Federation Domestic Agency

**RFPS**  
Radio Frequency Power Sources

## S

**SCS-N**  
Safety Control System – Nuclear

**SPON**  
Sponsoring

**SSEN**  
Steady-State Electrical Network

**STIK**  
Short-Term In Kind

## T

**TA**  
Task Agreement

**TB**  
Tokamak Building

**TBM-PT**  
Test Blanket Module Project Team

**TBS**  
Test Blanket System

**TCWS**  
Tokamak Cooling Water System

**TFCC**  
Toroidal Field Coil Conductor

## U

**US-DA**  
United States of America Domestic Agency

## V

**VAS**  
Vacuum Auxiliary System

**VAT**  
Value Added Tax

**VV(S)**  
Vacuum Vessel (Sector)

Caption cover image: Surrounding the central reactor building are all of the plant facilities that will work in concert to create, sustain, and evacuate the heat from a 150-million-degree plasma: powerful heating and current drive, diagnostics, cryogenics, cooling, fuelling, vacuum, magnet power supply, and heat rejection.



Slowly, the huge cryostat base is lowered onto the waiting supports. There is only 5 cm of space between the cryostat base and the wall.

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