



EUROPEAN COMMISSION

Brussels, 24.11.2011
COM(2011) 783 final

2011/0363 (NLE)

Proposal for a

COUNCIL REGULATION

**on Union support for the nuclear decommissioning assistance programmes in Bulgaria,
Lithuania and Slovakia.**

{SEC(2011) 1387 final}

{SEC(2011) 1388 final}

EXPLANATORY MEMORANDUM

1. CONTEXT OF THE PROPOSAL

In the context of the negotiations for accession to the European Union, Bulgaria, Lithuania and Slovakia took the commitment to close and subsequently decommission respectively the nuclear reactors Kozloduy units 1 to 4, Ignalina units 1 and 2 and Bohunice V1 units 1 and 2 by a commonly agreed date. This early closure represented an exceptional financial burden for the Member States which was not commensurate with the economic strength of the countries concerned. In recognition of this fact and as an act of solidarity the European Union committed itself to continue to provide additional financial assistance for the decommissioning of these reactors, respectively the Kozloduy, Ignalina and Bohunice Programmes. The closure commitment of the three Member States as well as the commitment of the European Union to provide financial support was foreseen in the corresponding Accession Treaties.

The total financial assistance from the European Union to the three Member States until the end of 2013 foresees € 847,8 million (€ 367 million for Lithuania, €13 million for Slovakia and €67,8 million for Bulgaria).

All three Member States have fulfilled their accession treaty commitments to close their reactors in a timely manner. Following the closure of all concerned nuclear power plants, all beneficiary countries are committed to proceed with the implementation of their decommissioning plan and where technically possible, defueling of the reactor took place as a first important step towards irreversible closure and decommissioning of the plants. Facilities necessary to support the decommissioning process are under installation. Preparation of licensing documentation is under elaboration and preparatory works for dismantling as an integral part of decommissioning are ongoing. The countries' legal framework and management structures are in the process to be adapted to take into account the change from an electricity producing company to an organisation for safe decommissioning. First dismantling works of non-active facilities have started. Major facilities for the treatment and storage of radioactive waste and spent nuclear fuel are under construction, where they are required.

The energy sector benefited from the financing of measures fully in line with the European Union energy policy. Energy efficiency projects were successfully completed, conventional production capacities were environmentally upgraded and new capacities are under construction and the adjustment of the electricity grid infrastructure is under implementation. In none of the three Member States did the closure of the nuclear reactor units result in a black-out electricity supply. Not even the severe gas crisis in early 2009 led to the reopening of the closed reactor units, although the intention was expressed at political levels.

The current financial support from the Union has effectively mitigated the economical consequences of the early closure and has ensured significant progress in decommissioning (waste management infrastructure, preparation for dismantling). Consequently further support from the Union for mitigating measures is no longer being considered. However, the decommissioning process in the three Member States will continue beyond the current financial perspective and important safety relevant key projects are still to be implemented.

In order to allow for safe decommissioning, adequate financial resources should be available when required¹. The updated decommissioning planning and decommissioning cost estimates provided by the Member States in early 2011 provide clear evidence that substantial additional financial resources will be required to complete decommissioning of the Kozloduy, Ignalina and Bohunice nuclear power plants in a safe manner.

For historical reasons, the three Member States do not have the required financial resources. Taking into account that the reactors were shut down before their initially foreseen end of design lifetime and that it takes about 25 years (ex. legal obligation for accumulation of funds in Germany) of operation to accumulate sufficient funds for decommissioning, it was not possible for the three countries to set aside sufficient funds. Today the available resources are still insufficient to ensure a seamless continuation and completion of safe decommissioning.

The present proposal for a Council Regulation foresees an extension of financial support from the Union with the general objective to reach an irreversible state within the decommissioning process of Kozloduy units 1 to 4, Ignalina units 1 and 2 and Bohunice V1 units 1 and 2 nuclear power plants, in accordance with their respective decommissioning plans, while keeping the highest level of safety.

The Union's financial support is an expression of European solidarity towards Bulgaria, Lithuania and Slovakia. However, the ultimate responsibility for nuclear safety remains with the Member States concerned, which also implies the ultimate responsibility for its financing, including the financing of decommissioning. Any such financing from EU or national sources which constitutes state aid within the meaning of Article 107(1) of the TFEU shall be implemented in compliance with the relevant EU state aid rules.

It is expected from the three Member States that they are ready to provide the required additional financing to cover the remaining financial needs in order to ensure efficient and effective use of the additional Union support as well as to ensure the transition towards full Member State funding for the completion of safe decommissioning. Based on the current cost estimations for decommissioning this means in the order of €68 million for Bulgaria, €140 million for Lithuania and €21 million for Slovakia. New commitment appropriations will be entered into the EU budget until the end of 2017 for the Bohunice and Ignalina Programme and until the end of 2020 for the Kozloduy Programme. However, on the basis of these commitments appropriations, payment appropriations will continue for several more years, most likely at least until 2021 for Bohunice and Ignalina and until 2024 for Kozloduy. These appropriations will be subject to a review by the end of 2015 within the framework of an interim evaluation.

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

2.1 Consultation and expert advice

The proposed Regulation draws on extensive consultation with stakeholders, the concerned Member States Bulgaria, Lithuania and Slovakia and expert groups in decommissioning. The

¹ Commission recommendation on the management of financial resources for the decommissioning of nuclear installations, spent fuel and radioactive waste. OJ L 330, 28.11.2006, p.31

findings of the European Parliament's own initiative report of 2011 and the conclusion and recommendations from the European Court of Auditor's decommissioning performance audit of 2011 were used as input.

The stakeholder contributions raised inter alia the following issues:

There is a broad consensus in recognising the need for continued financing of decommissioning of the nuclear reactor units and to refer energy sector needs to more specific financing channels such as the structural funds.

Experts called for a solid and complete detailed decommissioning plan as basis for the implementation of the further Union support, including full costing estimates up to the completion date for decommissioning. A clear indication of the national co-financing and the way to secure this national funding in the long term should be provided.

Key milestones were explicitly supported, as well as targeting the Union support to the accomplishment of concrete milestones with the highest EU added value. Compliance procedures and close cost monitoring should be considered from the outset.

The recommendations from the Court of Auditor's decommissioning performance audit have been addressed in the preparation of the proposed Regulation and are reflected in the provisions of the proposal, such as: clear end-dates for Union support; the balancing funding up to the completion of decommissioning must be provided by the respective Member States (*ex ante* conditionality); clear definition of objectives and related indicators to monitor and control the progress towards the achievement of the objectives; revised delivery mechanisms for direct or indirect management. Further details related to the Court's observations and recommendations can be found in the attached legislative financial statement.

2.2 Impact Assessment

The proposed Regulation has been the subject of an impact assessment concerning three possible policy options:

- the baseline option that would consist in no further Union support beyond 2013;
- the business as usual option with Union support for decommissioning and measures in the energy sector that are consequential to the closure of the nuclear reactor units;
- further, but reduced Union support dedicated to decommissioning only.

No further Union support under the baseline option would stop the decommissioning programmes and consequently jeopardize nuclear safety. The business as usual option would result in a much higher financial Union support with reduced added value. Further support to projects in the energy sector would lead to a distortion of competition and the continuing high level of financial Union support would not be a sufficient incentive for the Member States to take over the full financial responsibility for the completion of decommissioning.

The assessment of the impacts of the three options, with respect to the achievement of the general objective highlighted earlier, has led to the conclusion that only the third option would allow the seamless continuation of decommissioning to reach an irreversible state within the decommissioning process while at the same time supporting the transition towards full Member State funding of the safe completion of decommissioning.

2.3 Added value of the Union support

The necessity for the Union's intervention is the fact that adequate funds required for continuing safe decommissioning cannot be made available in due time through the respective national funds. It is therefore in the interests of the Union to provide further financial support for the seamless continuation of decommissioning in order to reach an irreversible state within the decommissioning process of the concerned nuclear reactor units, in accordance with their respective decommissioning plans, while keeping the highest level of safety. This will contribute to provide substantial and durable support for the health of workers and the general public, preventing environmental degradation and providing for real progress in nuclear safety and security.

3. LEGAL ELEMENTS OF THE PROPOSAL

In the case of Lithuania, the 2003 Treaty of Accession explicitly foresees the possibility for further financing for decommissioning beyond 2006. In the case of Bulgaria, Article 30 of the 2005 Act of Accession refers only to the period 2007-2009. In the case of Slovakia the 2003 Treaty of Accession refers only to the period 2004-2006. The Act and the Treaty do not provide a specific legal basis for Bulgaria and Slovakia for continued support beyond 2009/2006 as it did in the case of Lithuania. The Treaty of Accession and Article 30 of the Act of Accession can therefore not constitute an appropriate legal basis for putting further financing beyond 2013 in place.

The appropriate legal basis therefore is Article 203 of the Euratom Treaty. That Article provides that "if action by the Community should prove necessary to attain one of the objectives of the Community, and this Treaty has not provided the necessary powers, the Council shall, acting unanimously on a proposal from the Commission and after consulting the European Parliament, take the appropriate measures".

The current proposal foresees several simplifications: a single Council Regulation is foreseen for the financial Union support to Bulgaria, Lithuania and Slovakia under the 2014 – 2020 Multiannual Financial Framework, instead of previously three separate and independent Regulations. This Regulation does not foresee any exceptions to the Financial Regulation.

4. BUDGETARY IMPLICATION

The programme shall cover the period 2014-2020. The overall budgetary envelope is EUR 552 947 000 in current prices. This amount is in line with the Commission proposal for the next Multi-Annual financial framework for the period 2014-2020: "A Budget for Europe 2020"². That amount shall be distributed among the Kozloduy, Ignalina and Bohunice Programmes as follows:

- (a) EUR 208 503 000 for the Kozloduy Programme for the period 2014 to 2020;
- (b) EUR 229 629 000 for the Ignalina Programme for the period 2014 to 2017;
- (c) EUR 114 815 000 for the Bohunice Programme for the period 2014 to 2017.

² COM(2011)500. The corresponding amount is EUR 500 million in 2011 prices

The split of the overall amount amongst the three individual programmes takes into account that Bulgaria has to decommission 4 units, Slovakia 2 units and Lithuania two units, for which no decommissioning experience is available and type and quantity of materials to be managed are of a different order of magnitude. The duration for the support is based on the principle of equal treatment since accession. A comprehensive review in the framework of an interim evaluation is scheduled for 2015.

Further details of the budgetary implications can be found in the attached legislative financial statement.

5 SUMMARY OF THE CONTENT OF THE REGULATION

To meet the above presented general objective, specific objectives with their respective indicators are defined for the Kozloduy, Ignalina and Bohunice Programmes.

The proposed Regulation establishes *ex ante* conditionalities that Bulgaria, Lithuania and Slovakia should satisfy before the Programme's funds are disbursed:

- (a) Compliance with Union's *acquis*; in particular in the area of nuclear safety the transposition into national law of the Council Directive 2009/71/Euratom on nuclear safety and the Council Directive 2011/70/Euratom on the management of spent fuel and radioactive waste.
- (b) Establish a national legal framework to provide adequate provisions for the timely accumulation of national financial resources for the safe completion of decommissioning.
- (c) Submit to the Commission a revised detailed decommissioning plan.

The financial support of the Union should be linked and subject to the achievement of the expected results. Consequently the proposed Regulation foresees the possibility to review the amount of the appropriations allocated to the Programme, as well as the distribution amongst the Kozloduy, Ignalina and Bohunice Programmes, in the light of the outcome of an evaluation addressing the progress achieved in decommissioning.

The Commission will adopt annual financial commitments through one joint annual work programme for the Kozloduy, Ignalina and Bohunice Programmes. An act setting out implementation procedures should define more operational details for the implementation of the financial Union support, inter alia detailed reporting and monitoring requirements. This act should further contain the revised decommissioning plans for the Kozloduy, Ignalina and Bohunice Programmes that would serve as baseline for the monitoring of the progress and the timely achievement of the expected results. This would also allow to addressing more efficiently and effectively potential difficulties arising in the course of the implementation of project.

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THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Atomic Energy Community, and in particular Article 203 thereof,

Having regard to the proposal from the European Commission³,

Having regard to the opinion of the European Parliament⁴,

Whereas:

- (1) According to Article 30 of the Protocol concerning the conditions and arrangements for admission of the Republic of Bulgaria and Romania to the European Union, Bulgaria committed itself to the closure of Units 1 and 2 and Units 3 and 4 of the Kozloduy nuclear power plant by 31 December 2002 and 31 December 2006, respectively and to the subsequent decommissioning of these units. In line with its obligations, Bulgaria shut down all units concerned within the respective deadlines.
- (2) According to Protocol No. 4 on the Ignalina nuclear power plant in Lithuania attached to the Act of accession of the Czech Republic, Estonia, Cyprus, Latvia, Lithuania, Hungary, Malta, Poland, Slovenia and Slovakia, acknowledging in 2004 the readiness of the Union to provide adequate additional Community assistance to the efforts by Lithuania to decommission the Ignalina Nuclear Power Plant and highlighting this expression of solidarity, Lithuania committed to the closure of Unit 1 of the Ignalina Nuclear Power Plant before 2005 and of Unit 2 of this plant by 31 December 2009 at the latest, and to the subsequent decommissioning of these units. In line with its obligations, Lithuania shut down all units concerned within the respective deadlines.
- (3) According to Protocol No. 9 on unit 1 and unit 2 of the Bohunice V1 nuclear power plant in Slovakia attached to the Act of accession of the Czech Republic, Estonia, Cyprus, Latvia, Lithuania, Hungary, Malta, Poland, Slovenia and Slovakia, Slovakia committed itself to the closure of unit 1 and unit 2 of the Bohunice V1 nuclear power plant by 31 December 2006 and 31 December 2008, respectively and to the subsequent decommissioning of these units. In line with its obligations, Slovakia shut down all units concerned within the respective deadlines.

³ OJ C, , p..

⁴ OJ C, , p..

- (4) In line with the Accession Treaty obligations and with the support of Community assistance, Bulgaria, Lithuania and Slovakia have closed the nuclear power plants and made significant progress towards their decommissioning. Further work is necessary in order to continue the progress with the actual dismantling operations until an irreversible state within the safe decommissioning process is reached, whilst ensuring that the highest safety standards are applied. Based on the available estimates, completion of decommissioning work will require substantial additional financial resources.
- (5) The Union has committed to assist Bulgaria, Lithuania and Slovakia in addressing the exceptional financial burden implied by the decommissioning process, without prejudice to the principle that the final responsibility of decommissioning rests with the Member States concerned. Since the pre-accession period, Bulgaria, Lithuania and Slovakia have received substantial financial support from the Union, notably through the the Kozloduy, Ignalina and Bohunice Programmes established for the period 2007 - 2013. The Union financial support under these Programmes will terminate in 2013.
- (6) Following the request for further funding from Bulgaria, Lithuania and Slovakia, provision has been made in the Commission proposal for the next Multi-Annual financial framework for the period 2014-2020: "A Budget for Europe 2020"⁵ for a sum of EUR 700 million from the general budget of the European Union for nuclear safety and decommissioning. From this the amount EUR 500 million in 2011 prices which is about EUR 553 million in the current prices is foreseen for a new Programme to further support the decommissioning of the Bohunice V1 units 1-2 and the Ignalina units 1-2 over the period from 2014 to 2017 and the Kozloduy units 1-4 nuclear power plants over the period from 2014 to 2020. Funding under this new Programme should be made available in a gradually decreasing manner.
- (7) The support covered by this Regulation should ensure seamless continuation of decommissioning and concentrate on measures to reach an irreversible state within the safe decommissioning process, as such bringing the greatest Union added value, while ensuring the transition towards Member State funding for the completion of decommissioning. The ultimate responsibility for nuclear safety remains with the Member States concerned, which also implies the ultimate responsibility for its financing, including the financing of decommissioning. This Regulation does not prejudice the outcome of any future State aid procedures that may be undertaken in accordance with Articles 107 and 108 of the Treaty.
- (8) The provisions of this regulation are without prejudice to the rights and obligations arising from Accession Treaties, in particular provisions of the Protocols mentioned in recitals 1 to 3 of the preamble.
- (9) The decommissioning of the nuclear power plants covered by this Regulation should be carried out with recourse to the best available technical expertise, and with due regard to the nature and technological specifications of the units to be shut down, in order to ensure the highest possible efficiency.

⁵ COM(2011) 500

- (10) The activities covered by this Regulation and the operations which they support should comply with applicable Union and national law which is directly or indirectly linked to the implementation of the operation. The decommissioning of the nuclear power plants covered by this Regulation should be carried out in line with the legislation on nuclear safety⁶ and waste management⁷ and on the environment⁸.
- (11) An effective control of the evolution of the decommissioning process will be ensured by the Commission in order to assure the highest Union added value of the funding allocated within this Regulation, although the final responsibility for the decommissioning rests with the Member States. This includes effective performance measurement and assessment of corrective measures during the programme.
- (12) The financial interests of the Union should be protected through proportionate measures throughout the expenditure cycle, including the prevention, detection and investigation of irregularities, the recovery of funds lost, wrongly paid or incorrectly used and, where appropriate, penalties.
- (13) Since the objectives of the action to be taken, and in particular the provisions for adequate financial resources for the continuation of safe decommissioning, cannot be sufficiently achieved by the Member States, the Union may adopt measures in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty on European Union. In accordance with the principle of proportionality, as also set out in that Article, this Regulation does not go beyond what is necessary in order to achieve those objectives,
- (14) In order to ensure uniform conditions for the implementation of this Regulation, implementing powers should be conferred on the Commission as regards the adoption of annual work programmes and detailed implementing procedures. Those powers should be exercised in accordance with Regulation (EU) No 182/2011 of the European Parliament and of the Council of 16 February 2011 laying down the rules and general principles concerning mechanisms for control by the Member States of the Commission's exercise of implementing powers⁹.
- (15) Council Regulation (EC) 1990/2006 of 21 December 2006 on the implementation of Protocol No 4 on the Ignalina nuclear power plant in Lithuania to the Act of accession of the Czech Republic, Estonia, Cyprus, Latvia, Lithuania, Hungary, Malta, Poland, Slovenia and Slovakia (Ignalina Programme)¹⁰, Regulation (Euratom) No 549/2007 of 14 May 2007 on the implementation of Protocol No 9 on Unit 1 and Unit 2 of the Bohunice V1 nuclear power plant in Slovakia to the Act concerning the conditions of accession to the European Union of the Czech Republic, Estonia, Cyprus, Latvia, Lithuania, Hungary, Malta, Poland, Slovenia and Slovakia (Bohunice Programme)¹¹

⁶ OJ L 172, 2.7.2009, p.18; Council Directive 2009/71/Euratom of 25 June 2009 establishing a Community framework for the nuclear safety of nuclear installations.

⁷ OJ L 199, 2.8.2011, p. 48; Council Directive 2011/70/Euratom of 19 July 2011 establishing a Community framework for the responsible and safe management of spent fuel and radioactive waste.

⁸ In particular Council Directive 85/337/EEC of 27 June 1985 on the assessment of the effects of certain public and private projects on the environment OJ L 175, 5.7.1985, p. 40; Directive 2009/31/EC of the European Parliament and of the Council 23 April 2009 (OJ L 140, 5.6.2009, p.114).

⁹ OJ L 55, 28.2.2011, p. 13.

¹⁰ OJ L 411, 30.12.2006, p.10.

¹¹ OJ L 131, 23.5.2007, p.1.

and Council Regulation (Euratom) 647/2010 of 22 July 2010 on financial assistance of the Union with respect to the decommissioning of Units 1 to 4 of the Kozloduy Nuclear Power Plant in Bulgaria (Kozloduy Programme) ¹² should accordingly be repealed.

HAS ADOPTED THIS REGULATION:

Article 1
Subject matter

This Regulation establishes the multi-annual Nuclear Decommissioning Assistance Programme 2014 - 2020 ('the Programme') laying down rules for the implementation of the Union's financial support for measures connected with the decommissioning of the Kozloduy (units 1 to 4; the Kozloduy Programme), Ignalina (units 1 and 2; the Ignalina Programme) and Bohunice V1 (units 1 and 2; the Bohunice Programme) nuclear power plants.

Article 2
Objectives

1. The general objective of the Programme is to assist the Member States concerned to reach an irreversible state within the decommissioning process of Kozloduy units 1 to 4, Ignalina units 1 and 2 and Bohunice V1 units 1 and 2 nuclear power plants, in accordance with their respective decommissioning plans, while keeping the highest level of safety.
2. Within the funding periods the specific objectives for the Kozloduy, Ignalina and Bohunice Programmes are:
 - (a) Kozloduy Programme:
 - (i) performing dismantling in the turbine halls of units 1 to 4 and in auxiliary buildings, to be measured by the number and type of systems dismantled;
 - (ii) dismantling of large components and equipments in the reactor buildings of units 1 to 4, to be measured by the number and type of systems and equipments dismantled;
 - (iii) safely managing the decommissioning waste in accordance with a detailed waste management plan, to be measured by the quantity and type of conditioned waste;
 - (b) Ignalina Programme:
 - (i) defueling of the reactor core of unit 2 and the unit 1 and 2 reactor fuel ponds into the dry spent fuel storage facility, to be measured by the number of unloaded fuel assemblies;

¹² OJ L 189, 22.7.2010, p.9.

- (ii) safely maintaining the reactor units until defueling is completed, to be measured by the number of registered incidents;
 - (iii) performing dismantling in the turbine hall and other auxiliary buildings and safely managing the decommissioning waste in accordance with a detailed waste management plan to be measured by the type and number of auxiliary systems dismantled and the quantity and type of conditioned waste;
 - (c) Bohunice Programme:
 - (i) performing dismantling in the turbine hall and auxiliary buildings of reactor V1, to be measured by the number and type of systems dismantled;
 - (ii) dismantling of large components and equipments in the V1 reactor buildings, to be measured by the number and type of systems and equipments dismantled;
 - (iii) safely managing the decommissioning waste in accordance with a detailed waste management plan, to be measured by the quantity and type of conditioned waste;
3. Milestones and target end dates shall be defined in the act as referred to under Article 6(2).

Article 3
Budget

1. The financial envelope for the implementation of the Programme for the period 2014 to 2020 shall be EUR 552 947 000 in current prices.
- That amount shall be distributed among the Kozloduy, Ignalina and Bohunice Programmes as follows:
- (a) EUR 208 503 000 for the Kozloduy Programme for the period 2014 to 2020;
 - (b) EUR 229 629 000 for the Ignalina Programme for the period 2014 to 2017;
 - (c) EUR 114 815 000 for the Bohunice Programme for the period 2014 to 2017.
2. The Commission will review the performance of the Programme and assess the progress of the Kozloduy, Ignalina and Bohunice Programmes against the milestones and target dates referred to in Art 2.3 by the end of 2015 within the framework of the interim evaluation referred to in Art. 8. Based on the results of this assessment, the Commission may review the amount of the appropriations allocated to the Programme, as well as the programming period and distribution amongst the Kozloduy, Ignalina and Bohunice Programmes.
3. The financial allocation for the Kozloduy, Ignalina and Bohunice Programmes may also cover expenses pertaining to preparatory, monitoring, control, audit and evaluation activities which are required for the management of the programme and the achievement of its objectives; in particular, studies, meetings of experts,

information and communication actions, including corporate communication of the political priorities of the European Union as far as they are related to the general objectives of this Regulation, expenses linked to IT networks focusing on information processing and exchange, together with all other technical and administrative assistance expenses incurred by the Commission for the management of the programme.

The financial allocation may also cover the technical and administrative assistance expenses necessary to ensure the transition between the Programme and the measures adopted under Council Regulation (EC) 1990/2006, Regulation (Euratom) No 549/2007 and Council Regulation (Euratom) 647/2010.

Article 4

Ex ante conditionalities

1. By 1 January 2014 Bulgaria, Lithuania and Slovakia shall fulfil the following *ex ante* conditionalities:
 - (a) Comply with Union's *acquis*; in particular in the area of nuclear safety the transposition into national law of the Council Directive 2009/71/Euratom⁶ on nuclear safety and the Council Directive 2011/70/Euratom on the management of spent fuel and radioactive waste⁷.
 - (b) Establish a national legal framework to provide adequate provisions for the timely accumulation of national financial resources for the safe completion of decommissioning in accordance with applicable State aid rules.
 - (c) Submit to the Commission a revised detailed decommissioning plan
2. The Commission shall assess the information provided on the fulfilment of the *ex ante* conditionalities when preparing the 2014 annual work programme as referred to in Article 6(1). It may decide, when adopting the annual work programme, to suspend all or part of the Union financial assistance pending the satisfactory completion of the *ex ante* conditionalities.

Article 5

Forms of implementation

1. The Programme shall be implemented by one or several of the forms provided for by Regulation (EU) No XXX/2012 [New Financial Regulation], in particular, grants and procurements.
2. The Commission may entrust the implementation of the Union's financial assistance under this Programme to the bodies set out in Article 55(1)(c) of Regulation (EU) No XXXX/2012 [New Financial Regulation].

Article 6
Annual work programmes and implementation procedures

1. The Commission shall adopt one joint annual work programme for Kozloduy, Ignalina and Bohunice Programmes specifying the objectives, expected results, related indicators and timeline for the use of funds under each annual financial commitment.
2. The Commission shall adopt not later than 31 December 2014, detailed implementation procedures for the duration of the Programme. The act setting out the implementation procedures shall also define in more detail for the Kozloduy, Ignalina and Bohunice Programmes the expected results, activities and the corresponding performance indicators. It will contain the revised detailed decommissioning plans as referred to under Article 4(1)(c) that shall serve as baseline for the monitoring of the progress and the timely achievement of the expected results.
3. The annual work programmes and the acts setting out the implementation procedures referred to in paragraph 1 and 2 shall be adopted in accordance with the examination procedure referred to in Article 9(2).

Article 7
Protection of the financial interests of the European Union

1. The Commission shall take appropriate measures ensuring that, when actions financed under this Regulation are implemented, the financial interests of the European Union are protected by the application of preventive measures against fraud, corruption and any other illegal activities, by effective checks and, if irregularities are detected, by the recovery of the amounts wrongly paid and, where appropriate, by effective, proportionate and deterrent penalties.
2. The Commission or its representatives and the Court of Auditors shall have the power of audit, on the basis of documents and on-the-spot, over all grant beneficiaries, contractors and subcontractors who have received Union funds.

The European Anti-fraud Office (OLAF) may carry out on-the-spot checks and inspections on economic operators concerned directly or indirectly by such funding in accordance with the procedures laid down in Regulation (Euratom, EC) No 2185/96 with a view to establishing whether there has been fraud, corruption or any other illegal activity affecting the financial interests of the European Union in connection with a grant agreement or grant decision or a contract concerning Union funding.

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

Article 8
Evaluation

1. No later than end 2015, an evaluation report shall be established by the Commission on the achievement of the objectives of all the measures, at the level of results and impacts, the efficiency of the use of resources and its Union added value, in view of a decision amending or suspending the measures. The evaluation shall additionally address the scope for simplification, its internal and external coherence, the continued relevance of all objectives. It shall take into account evaluation results on the long-term impact of the predecessor measures.
2. The Commission shall carry out ex-post evaluation in close cooperation with the Member States and beneficiaries. The ex-post evaluation shall examine the effectiveness and efficiency of the Programme and its impact on decommissioning.
3. Evaluations shall take account of progress against performance indicators as referred to in Article 2(2).
4. The Commission shall communicate the conclusions of these evaluations to the European Parliament and the Council.

Article 9
Committee

1. The Commission shall be assisted by a Committee within the meaning of Regulation (EU) No 182/2011.
2. Where reference is made to this paragraph, the procedure provided for in Article 5 of Regulation (EU) No 182/2011 shall apply.

Where the opinion of the Committee is to be obtained by written procedure, the procedure shall be terminated without result when, within the time limit for delivery of the opinion, the chair of the Committee so decides or a simple majority of committee members so requests.

Article 10
Transitional provisions

This Regulation shall not affect the continuation or modification, including the total or partial cancellation, of the projects concerned, until their closure, or of financial aid awarded by the Commission on the basis of Council Regulation (EC) 1990/2006, Regulation (Euratom) No 549/2007 and Council Regulation (Euratom) 647/2010, or any other legislation applying to that assistance on 31 December 2013, which shall continue to apply to the actions concerned until their closure.

Article 11
Repeal

Council Regulation (EC) 1990/2006, Regulation (Euratom) No 549/2007 and Council Regulation (Euratom) 647/2010 are repealed with effect from 1 January 2014.

Article 12
Entry into force

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

It shall apply from 1 January 2014.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels,

For the Council
The President

LEGISLATIVE FINANCIAL STATEMENT FOR PROPOSALS

1. FRAMEWORK OF THE PROPOSAL/INITIATIVE

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

2. MANAGEMENT MEASURES

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

3. ESTIMATED FINANCIAL IMPACT OF THE PROPOSAL/INITIATIVE

- 3.1. Heading(s) of the multiannual financial framework and expenditure budget line(s) affected
- 3.2. Estimated impact on expenditure
 - 3.2.1. Summary of estimated impact on expenditure
 - 3.2.2. Estimated impact on operational appropriations
 - 3.2.3. Estimated impact on appropriations of an administrative nature
 - 3.2.4. Compatibility with the current multiannual financial framework
 - 3.2.5. Third-party participation in financing
- 3.3. Estimated impact on revenue

LEGISLATIVE FINANCIAL STATEMENT

1. FRAMEWORK OF THE PROPOSAL/INITIATIVE

1.1. Title of the proposal/initiative

Regulation on the Union support for the nuclear decommissioning assistance programmes in Bulgaria, Lithuania and Slovakia.

1.2. Policy area(s) concerned in the ABM/ABB structure¹³

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1.3. Nature of the proposal/initiative

- The proposal/initiative relates to **a new action**
- The proposal/initiative relates to **a new action following a pilot project/preparatory action**¹⁴
- The proposal/initiative relates to **the extension of an existing action**
- The proposal/initiative relates to **an action redirected towards a new action**

1.4. Objectives

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

Heading 1 Smart and Inclusive Growth

The general objectives of the Programme is to reach an irreversible state within the decommissioning process of Kozloduy units 1 to 4, Ignalina units 1 and 2 and Bohunice V1 units 1 and 2 nuclear power plants, in accordance with their respective decommissioning plans, while keeping the highest level of safety.

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

The specific objectives for the Kozloduy, Ignalina and Bohunice Programmes are
Kozloduy Programme:

- performing dismantling in the turbine halls of units 1 to 4 and in auxiliary buildings;
- dismantling of large components and equipments in the reactor buildings of units 1 to 4;
- safely managing the decommissioning waste in accordance with a detailed waste management plan;

Ignalina Programme:

¹³ ABM: Activity-Based Management – ABB: Activity-Based Budgeting.

¹⁴ As referred to in Article 49(6)(a) or (b) of the Financial Regulation.

- defueling of the reactor core of unit 2 and the unit 1 and 2 reactor fuel ponds into the dry spent fuel storage facility;
 - safely maintaining the reactor units until defueling is completed;
 - performing dismantling in auxiliary buildings and safely managing the decommissioning waste in accordance with a detailed waste management plan;
- Bohunice Programme:
- performing dismantling in the turbine hall and auxiliary buildings of reactor V1;
 - dismantling of large components and equipments in the V1 reactor buildings;
 - safely managing the decommissioning waste in accordance with a detailed waste management plan;
- ABM/ABB activity(ies) concerned
32 05

1.4.3. *Expected result(s) and impact*

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

The successful implementation of the Union's financial assistance to Bulgaria, Lithuania and Slovakia should lead to a major step forward in the decommissioning of all the nuclear power plant units concerned and to the safe management of spent fuel and radioactive waste. Major components and equipments in the auxiliary and in the reactor buildings should be dismantled, consequently providing substantial and durable support for the health of workers and the general public, preventing environmental degradation and providing for real progress in nuclear safety and security.

1.4.4. *Indicators of results and impact*

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

GENERAL OBJECTIVE	To reach an irreversible state within the decommissioning process of Kozloduy units 1 to 4, Ignalina units 1 and 2 and Bohunice V1 units 1 and 2 nuclear power plants, in accordance with their respective decommissioning plans, while keeping the highest level of safety	
Impact indicator	Current situation	Long term target and milestone*
Number of major components and systems dismantled in all the concerned nuclear reactors in accordance with the respective decommissioning plans.		The current completion dates for decommissioning of: - Kozloduy units 1 to 4: 2030; - Ignalina units 1 and 2: 2029; - Bohunice V1 units 1 and 2: 2025;

(*) Data on detailed 2020 targets and milestones are not yet available. They will be further defined, based on revised decommissioning plans to be provided by Bulgaria, Lithuania and Slovakia.

SPECIFIC OBJECTIVE	Kozloduy Programme	
Result indicators	Latest known result	Medium term target (result)*
Number and type of systems dismantled in the turbine hall and auxiliary buildings.	Dismantling activities in turbine hall 1 and 2 have started.	Systems dismantled in turbine halls 1 to 4 completed by 2020; Dismantling in auxiliary buildings in 2015.
Number and type of systems and large components dismantled in the reactor buildings.	Not yet started	Dismantling of equipment in 2015; Dismantling of large components in 2016;
Quantity and type of conditioned waste.	Facilities for the treatment and conditioning of waste are being constructed.	Removal, treatment and conditioning of operational waste completed in 2018; Treatment and conditioning of decommissioning waste starting in 2015;
SPECIFIC OBJECTIVE	Ignalina Programme	
Result indicators	Latest known result	Medium term target (result)*
Number of unloaded fuel assemblies from unit 2 and the spent fuel ponds.	Unit 1 reactor core defueled, unit 2 reactor core partially defueled into the spent fuel ponds;	Complete defueling and transfer of spent fuel assemblies to the dry spent fuel storage completed by end 2016;
Number of registered incidents.	Safe maintenance performed without incidents;	No incidents until complete defueling of units 1 and 2.
Type and number of auxiliary systems dismantled and the quantity and type of conditioned waste.	Emergency core cooling system of unit 1 dismantled, Start of dismantling works in turbine hall of unit 1; Facilities for waste management are being constructed;	Unit 2 turbine hall dismantling: 2017; Dismantling of gas and ventilation buildings: 2014 – 2015;

SPECIFIC OBJECTIVE	Bohunice Programme	
Result indicators	Latest known result	Medium term target (result)*
Number and type of systems dismantled in the V1 turbine hall and auxiliary buildings.	Dismantling of V1 turbine hall started; Dismantling of external buildings (Phase 1) started;	Completion of V1 turbine hall dismantling; System removal in the auxiliary buildings (phase 2): start 2014;
Number and type of systems and large components dismantled in the V1 reactor buildings.	Decontamination of V1 primary circuits has started;	Start dismantling of large components in the reactor building: start 2015
Quantity and type of conditioned waste.	Stage 1 decommissioning waste management has started;	Stage 2 decommissioning waste management: end 2013 – 2025;

(*) The data provided is to be considered as indicative only. Detailed medium term targets will be further defined in the act referred to under Article 7(2) in the Regulation, based on revised decommissioning plans to be provided by Bulgaria, Lithuania and Slovakia.

1.5. Grounds for the proposal/initiative

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

Implementing procedures need to be in place not later than 31 December 2014 complemented by annual work programmes.

By 2014 Bulgaria, Lithuania and Slovakia need to satisfy the following *ex ante* conditionalities:

- (a) Compliance with Union's *acquis*; in particular the transposition in national law of the Council Directive 2009/71/Euratom on nuclear safety and the Council Directive 2011/70/Euratom on the management of spent fuel and radioactive waste.
- (b) Establish a national legal framework to provide adequate provisions for the timely accumulation of national financial resources for the safe completion of decommissioning.
- (c) Submit to the Commission a revised detailed decommissioning plan.

1.5.2. Added value of EU involvement

The necessity for intervention (subsidiarity) is due to the fact that adequate funds required for continuing safe decommissioning can currently not be made available through the respective national funds due to historical reasons. Unlike other Member States in a similar situation but

without being confronted to early closure of their plants, it was not possible for Bulgaria, Lithuania and Slovakia to accumulate sufficient funds from operation of the plants.

It is therefore in the interests of the Union to provide further financial support for the seamless continuation of decommissioning in order to reach an irreversible state within the decommissioning process of the concerned nuclear reactor units, in accordance with their respective decommissioning plans, while keeping the highest level of safety. This will contribute to provide substantial and durable support for the health of workers and the general public, preventing environmental degradation and providing for real progress in nuclear safety and security.

1.5.3. *Lessons learned from similar experiences in the past*

The European Court of Auditors conducted a performance audit in 2010/2011. This Regulation takes into account the Court's observations and recommendations as follows:

Full funding not guaranteed and no funding ceiling is determined:

- The Regulation foresees a conditionality for Union support: the beneficiary Member States have to establish a national legal framework to provide adequate provisions for the timely accumulation of national financial resources for the safe completion of decommissioning;
- Clear end-dates for EU support are set in the Regulation: 2017 for Lithuania and Slovakia and 2020 for BG;

Definition of objectives and meaningful performance indicators for monitoring and reporting of programme implementation;

- The Regulation contains general and specific objectives and performance indicators in a much more detailed manner as in previous Regulations;
- Performance indicators and clear provisions for monitoring and reporting will be further detailed as referred to under Article 6(2);

To establish a needs assessment on progress so far, activities still to be performed and overall financing plan including resources from different stakeholders

- This recommendation is covered by the Impact Assessment.
- Detailed planning of activities still to be performed will be further developed in the act setting out the implementation procedures as foreseen under Article 6(2);
- For each of the concerned nuclear power plants a detailed revised decommissioning plan is to be provided to the Commission by the respective Member States

Ex-ante evaluation for further Union support under the next MFF:

- The required ex-ante evaluation is covered by the impact assessment. It provides the required information according to the Financial Regulation.
- The act setting out the implementation procedures foreseen under Article 6(2) will contain further details.

Number of management levels and diffused responsibilities;

- The choice of the appropriate management mode and the delegated body will be decided upon at a later date, following a further assessment of the most suitable options;

- Roles and responsibilities will be further developed in the act setting out the implementation procedures foreseen under Article 6(2) as follow-up of the current Commission Decision on Procedures. In all three Programmes the beneficiary Member State has a clearly identified role as programme coordinator;

Assess funding through Structural Funds:

- The use of Structural Funds has been discussed in the Impact Assessment and excluded as delivery mechanism for the EU decommissioning support;

The Commission adopted in July 2011 its report to the European Parliament and Council on the status of the use of financial EU support to the three Member States. Experience from 10 year implementation of support was also taken into account to prepare the proposal for EU support beyond 2013, to redefine objectives and indicators and to further improve the implementation procedures. The further choice of an appropriate delivery mechanism and provisions under Article 3(2) of the Regulation will allow the European Commission to address more efficiently appearing difficulties in project implementation by the beneficiary Member States.

1.5.4. Coherence and possible synergy with other relevant instruments

Under the Commission proposals for the next financial framework the three concerned Member States will, at the same time, remain a major beneficiary of the Structural and Cohesion Funds, which will allow for continued support for catering for the economic and social consequences of decommissioning. In addition, the Connecting Europe Facility proposed by the Commission will create major opportunities to upgrade and modernise its energy, transport and telecommunications infrastructure.

1.6. Duration and financial impact

Proposal/initiative of **limited duration**

- Proposal/initiative in effect from 2014 to 2020
- Financial impact from 2014 to 2025 (from 2021 to 2025 only for payment appropriations)

Proposal/initiative of **unlimited duration**

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

1.7. Management mode(s) envisaged¹⁵

Centralised direct management by the Commission

Centralised indirect management with the delegation of implementation tasks to:

- executive agencies
- bodies set up by the Communities¹⁶
- national public-sector bodies/bodies with public-service mission
- persons entrusted with the implementation of specific actions pursuant to Title V of the Treaty on European Union and identified in the relevant basic act within the meaning of Article 49 of the Financial Regulation

Shared management with the Member States

Decentralised management with third countries

Joint management with international organisations

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

Comments

The Union's financial assistance under the Programme may be implemented directly pursuant to Article [55(1)(a)] of Regulation (EU) No XXX/2012 [New Financial Regulation], or indirectly by delegating

¹⁵ Details of management modes and references to the Financial Regulation may be found on the BudgWeb site: http://www.cc.cec/budg/man/budgmanag/budgmanag_en.html

¹⁶ As referred to in Article 185 of the Financial Regulation.

budget implementation tasks to the entities listed in Article [55(1)(c)] of Regulation (EU) No XXX/2012 [New Financial Regulation].

The choice of the management mode and of the delegated body shall be decided upon at a later date.

2. MANAGEMENT MEASURES

2.1. Monitoring and reporting rules

Specify frequency and conditions.

Monitoring meetings will be held twice a year. The monitoring meetings will have the purpose to assess the progress in decommissioning as well as to review and approve monitoring reports prepared by the beneficiary of the Union's support and the delegated bodies prior to each meeting.

Detailed monitoring and reporting rules will be further developed in the act setting out the detailed implementing procedures.

On site missions and meetings with other involved stakeholders (ex. Ministries) will complement project monitoring.

No later than end 2015, an evaluation report shall be established by the Commission on the achievement of the objectives of all the measures, at the level of results and impacts, the efficiency of the use of resources and its Union added value, in view of a decision amending or suspending the measures.

An ex-post evaluation shall be carried out in close cooperation with the Member States and beneficiaries. The ex-post evaluation shall examine the effectiveness and efficiency of the Programme and its impact on decommissioning.

2.2. Management and control system

2.2.1. Risk(s) identified

Project implementation delays

Possible mismanagement of EU financial assistance by beneficiaries

Risk of double funding

2.2.2. Control method(s) envisaged

Close monitoring of the programme implementation will be performed in order to mitigate the risk of project delays.

Evaluations of the Programme are envisaged as foreseen under Article 9 of the draft Regulation;

The risk of mismanagement will be taken into account by selecting the appropriate delivery mechanism.

The risk of double funding is considered to be minor. Under this Regulation there will be no further support of measures in the energy sector where there could be the risk of double funding coming from other Union's financial instruments. Support of nuclear projects is excluded from support out of the Structural Funds, with consequently no overlap. For each specific programme (Kozloduy, Ignalina and Bohunice Programme) each beneficiary Member States nominates a national programme coordinator with the responsibility, amongst others, to exclude double funding from national resources dedicated to decommissioning.

As regards the control strategy the assumption is that the Programme under this Regulation will share similar risk characteristics as the Union support for the period 2007 – 2013 and a similar control strategy will be applied. The therefore estimated level of non-compliance is expected to be similar to the level of the 2007 – 2013 Union support programme:

- A follow-up financial audit of the CPMA at the Ignalina nuclear power plant was finalised in 2010. This confirmed the institutional assessment conducted in November and December 2008, which found that the following key pillars are well established and operational to a satisfactory degree: procurement; internal control system; accounting, external audit, public access to information; and publication of beneficiaries. This provides reasonable assurance that the CPMA meets the requirements of the Financial Regulation.

- As regards the funds managed by the EBRD, an external financial audit of the Bohunice International Decommissioning Support Fund has detected a financial error that represents around 0.3% of the total budget of the fund. Assuming that there is a similar level of error in the other two decommissioning funds, reasonable assurance can be given (similar audits are foreseen to be launched by the end of 2011 for the Ignalina and Kozloduy International Decommissioning Support).

The agreements and decisions for implementing the actions under this Programme will provide for supervision and financial control by the Commission, or any representative authorised by the Commission, as well as audits by the Court of Auditors and on-the-spot checks carried out by the European Anti-Fraud Office (OLAF), in accordance with the procedures laid down in Council Regulation (Euratom, EC) No 2185/96 of 11 November 1996 concerning on-the-spot checks and inspections carried out by the Commission in order to protect the European Communities' financial interests against fraud and other irregularities and Regulation (EC) No 1073/1999 of the European Parliament and of the Council of 25 May 1999 concerning investigations conducted by OLAF.

As far as the implementation of financial instruments is concerned any agreement with an entity to which tasks have been entrusted or with other financial institutions involved will provide expressly for the Commission and the Court of Auditors to exercise their powers of control, on documents and on the premises and on information, even stored on electronic media, over all third parties who have received Union funds.

2.2.3. *Nature and intensity of controls*

Summary of controls	Amount in MEUR	Number of beneficiaries: transactions (% of total)	Depth of control	Coverage (% of
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			(assessment 1-4)	value)
Management of actions from evaluation to ex-post audits	8,48**	1) global monitoring of all projects: 100%	1	100
		2) audit of selected projects: 10%	4	20

** approximation based on the following calculation

- 3 financial audits: 3 x 0,1 MEUR (based on costs of financial audits under the 2007 – 2013 Union's financial support);
- 2015 and ex post evaluation: 0,5 MEUR;
- DG ENER internal control dedicated to the Programme: 0,18 MEUR (0,20 x 0,127 MEUR per year multiplied by 7 years);
- Costs for administration of the programme: 7,5 MEUR = 0,5 x (7+4+4) years (0,5 MEUR per year individually for the Kozloduy, Ignalina and Bohunice Programme, based on average amounts for the implementation of the 2007 – 2013 Union's financial support; 7+4+4 are respectively for the Kozloduy, Ignalina and Bohunice Programmes the durations of further Union support under this Regulation);

2.3. Measures to prevent fraud and irregularities

Specify existing or envisaged prevention and protection measures.

In addition to the application of all regulatory control mechanisms, DG ENER will devise an anti-fraud strategy and an action plan at DG level in line with the Commission's new anti-fraud strategy (CAFS) adopted on 24 June 2011 to ensure inter alia that its internal anti-fraud related controls are aligned with the CAFS and that its fraud risk management approach is geared to identify fraud risk areas and adequate responses. Where necessary, networking groups and adequate IT tools dedicated to analysing fraud cases related to the programme will be set up.

Tailored trainings on fraud prevention and detection in management of grants and procurements as well as in project and expenditure life cycle will be organised for the staff involved in financial management (including operational verification and management of projects as well as auditors).

Financial institutions involved in the execution of financial operations under a financial instrument will have to comply with relevant standards on the prevention of money laundering and fight against terrorism. They shall not be established in territories whose jurisdictions do not co-operate with the Union in relation to the application of internationally agreed tax standards.

3. ESTIMATED FINANCIAL IMPACT OF THE PROPOSAL/INITIATIVE

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

- Existing expenditure budget lines

In order of multiannual financial framework headings and budget lines.

Heading of multiannual financial framework	Budget line	Type of expenditure	Contribution			
	Number [Description.....]	Diff./non-diff. (17)	from EFTA ¹⁸ countries	from candidate countries ¹⁹	from third countries	within the meaning of Article 18(1)(aa) of the Financial Regulation
N° 1	32 05 03 Sûreté nucléaire – mesures transitoires (démantèlement)	Diff	NO	NO	NO	NO
N° 1	32 01 04 03	non-diff.	NO	NO	NO	NO

- New budget lines requested

In order of multiannual financial framework headings and budget lines.

Heading of multiannual financial framework	Budget line	Type of expenditure	Contribution			
	Number [Heading.....]	Diff./non-diff.	from EFTA countries	from candidate countries	from third countries	within the meaning of Article 18(1)(aa) of the Financial Regulation
	[XX.YY.YY.YY]		YES/N O	YES/N O	YES/N O	YES/NO

¹⁷ Diff. = Differentiated appropriations / Non-diff. = Non-Differentiated Appropriations

¹⁸ EFTA: European Free Trade Association.

¹⁹ Candidate countries and, where applicable, potential candidate countries from the Western Balkans.

3.2. Estimated impact on expenditure

3.2.1. Summary of estimated impact on expenditure

EUR million (to 3 decimal places)

Heading of multiannual financial framework:	1	Smart and Inclusive Growth
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DG: ENER			2014	2015	2016	2017	2018	2019	2020	2021 – 2025	TOTAL
• Operational appropriations											
32 05 03	Commitments	(1)	111,616	113,599	116,126	118,448	30,058	30,965	31,335		552,147
	Payments	(2)	60,000	101,750	104,000	116,000	87,700	21,000	20,750	40,947	552,147
Appropriations of an administrative nature financed from the envelope for specific programmes ²⁰											
32 01 04 03		(3)	0	0,250	0	0	0,300	0	0,250	0	0,800
TOTAL appropriations for DG ENER	Commitments	=1+3	111,616	113,849	116,126	118,448	30,358	30,965	31,585		552,947
	Payments	=2+3	60,000	102,000	104,000	116,000	88,000	21,000	21,000	40,947	552,947

²⁰ Technical and/or administrative assistance and expenditure in support of the implementation of EU programmes and/or actions (former "BA" lines), indirect research, direct research.

• TOTAL operational appropriations	Commitments	(4)	111,616	113,599	116,126	118,448	30,058	30,965	31,335		552,147
	Payments	(5)	60,000	101,750	104,000	116,000	87,700	21,000	20,750	40,947	552,147
• TOTAL appropriations of an administrative nature financed from the envelope for specific programmes		(6)	0	0,250	0	0	0,300	0	0,250	0	0,800
TOTAL appropriations under HEADING 1 of the multiannual financial framework	Commitments	=4+ 6	111,616	113,849	116,126	118,448	30,358	30,965	31,585		552,947
	Payments	=5+ 6	60,000	102,000	104,000	116,000	88,000	21,000	21,000	40,947	552,947

Heading of multiannual financial framework:	5	" Administrative expenditure "
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EUR million (to 3 decimal places)

		2014	2015	2016	2017	2018	2019	2020	TOTAL
DG: ENER									
• Human resources		0,762	0,762	0,762	0,762	0,762	0,762	0,762	5,334
• Other administrative expenditure		0,080	0,080	0,080	0,080	0,080	0,080	0,080	0,560
TOTAL DG ENER	Appropriations	0,842	0,842	0,842	0,842	0,842	0,842	0,842	5,894

TOTAL appropriations under HEADING 5 of the multiannual financial framework	(Total commitments = Total payments)	0,842	0,842	0,842	0,842	0,842	0,842	0,842	5,894
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EUR million (to 3 decimal places)

		2014	2015	2016	2017	2018	2019	2020	2021 – 2025	TOTAL
TOTAL appropriations under HEADINGS 1 to 5 of the multiannual financial framework	Commitments	112,458	114,691	116,968	119,290	31,200	31,807	32,427		558,841
	Payments	60,842	102,842	104,842	116,842	88,842	21,842	21,842	40,947	558,841

3.2.2. Estimated impact on operational appropriations

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

Commitment appropriations in EUR million (to 3 decimal places)

Indicate objectives and outputs ↓	Commitment appropriations in EUR million (to 3 decimal places)																			
			2014	2015	2016	2017	2018	2019	2020	TOTAL		OUTPUTS								
	Type of output ²¹	Average cost of the output	Number of outputs	Cost	Number of outputs	Cost	Number of outputs	Cost	Number of outputs	Cost	Number of outputs	Cost	Number of outputs	Cost	Number of outputs	Cost	Number of outputs	Cost	Total number of outputs	Total cost
SPECIFIC OBJECTIVE No 1 ²² ...																				
Kozloduy Programme				28,046		28,607		29,179		29,763		30,358		30,965		31,585				208,503
Sub-total for specific objective N°1																				
SPECIFIC OBJECTIVE No 2...																				
Ignalina Programme				55,713		56,828		57,964		59,124		p.m.		p.m.		p.m.				229,629
Sub-total for specific objective N°2																				
SPECIFIC OBJECTIVE No 3...																				
Bohunice Programme				27,857		28,414		28,983		29,562		p.m.		p.m.		p.m.				114,815

²¹ Outputs are products and services to be supplied (e.g.: number of student exchanges financed, number of km of roads built, etc.).

²² As described in Section 1.4.2. "Specific objective(s)..."

Sub-total for specific objective N°3															
TOTAL COST		111,616		113,849		116,126		118,448		30,358		30,965		31,585	552,947

3.2.3. Estimated impact on appropriations of an administrative nature

3.2.3.1. Summary

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

EUR million (to 3 decimal places)

	2014	2015	2016	2017	2018	2019	2020	TOTAL
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HEADING 5 of the multiannual financial framework								
Human resources	0,762	0,762	0,762	0,762	0,762	0,762	0,762	5,334
Other administrative expenditure	0,080	0,080	0,080	0,080	0,080	0,080	0,080	0,560
Subtotal HEADING 5 of the multiannual financial framework	0,842	0,842	0,842	0,842	0,842	0,842	0,842	5,894

Outside HEADING 5²³ of the multiannual financial framework								
Human resources								
Other expenditure of an administrative nature	0	0,250	0	0	0,300	0	0,250	0,800
Subtotal outside HEADING 5 of the multiannual financial framework	0	0,250	0	0	0,300	0	0,250	0,800

TOTAL	0,842	1,092	0,842	0,842	1,142	0,842	1,092	6,694
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The administrative appropriations required will be met by the appropriations which are already assigned to management of the action and/or which have been redeployed, together if necessary with any additional allocation which may be granted to the managing DG under the annual allocation procedure and in the light of existing budgetary constraints.

²³ Technical and/or administrative assistance and expenditure in support of the implementation of EU programmes and/or actions (former "BA" lines), indirect research, direct research.

3.2.3.2. Estimated requirements of human resources

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

Estimate to be expressed in full time equivalent units

	2014	2015	2016	2017	2018	2019	2020
• Establishment plan posts (officials and temporary agents)							
XX 01 01 01 (Headquarters and Commission's Representation Offices)	6	6	6	6	6	6	6
XX 01 01 02 (Delegations)							
XX 01 05 01 (Indirect research)							
10 01 05 01 (Direct research)							
• External personnel (in Full Time Equivalent unit: FTE)²⁴							
XX 01 02 01 (CA, INT, SNE from the "global envelope")							
XX 01 02 02 (CA, INT, JED, LA and SNE in the delegations)							
XX 01 04 yy²⁵	- at Headquarters ²⁶						
	- in delegations						
XX 01 05 02 (CA, INT, SNE - Indirect research)							
10 01 05 02 (CA, INT, SNE - Direct research)							
Other budget lines (specify)							
TOTAL	6	6	6	6	6	6	6

XX is the policy area or budget title concerned.

The human resources required will be met by staff from the DG who are already assigned to management of the action and/or have been redeployed within the DG, together if necessary with any additional allocation which may be granted to the managing DG under the annual allocation procedure and in the light of budgetary constraints.

Description of tasks to be carried out:

Officials and temporary agents	Implementation of the financial support to the Kozloduy, Ignalina and Bohunice Programmes, programming, monitoring, controlling and reporting.
External personnel	

²⁴ CA= Contract Agent; INT= agency staff ("*Intérimaire*"); JED= "*Jeune Expert en Délégation*" (Young Experts in Delegations); LA= Local Agent; SNE= Seconded National Expert;

²⁵ Under the ceiling for external personnel from operational appropriations (former "BA" lines).

²⁶ Essentially for Structural Funds, European Agricultural Fund for Rural Development (EAFRD) and European Fisheries Fund (EFF).

3.2.4. *Compatibility with the current multiannual financial framework*

- Proposal/initiative is compatible with the 2014 – 2020 multiannual financial framework as per COM(2011)500.
- Proposal/initiative will entail reprogramming of the relevant heading in the multiannual financial framework.

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

-

- Proposal/initiative requires application of the flexibility instrument or revision of the multiannual financial framework²⁷.

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

-

3.2.5. *Third-party contributions (no 3rd party contributions directly to the EU support prgr.)*

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

²⁷ See points 19 and 24 of the Interinstitutional Agreement.

3.3. Estimated impact on revenue

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

EUR million (to 3 decimal places)

Budget revenue line:	Appropriations available for the ongoing budget year	Impact of the proposal/initiative ²⁸						
		Year N	Year N+1	Year N+2	Year N+3	... insert as many columns as necessary in order to reflect the duration of the impact (see point 1.6)		
Article								

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

-

Specify the method for calculating the impact on revenue.

-

²⁸ As regards traditional own resources (customs duties, sugar levies), the amounts indicated must be net amounts, i.e. gross amounts after deduction of 25% for collection costs.