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PROPOSAL

From:	Secretary-General of the European Commission, signed by Mr Jordi AYET PUIGARNAU, Director
date of receipt:	13 June 2018
To:	Mr Jeppe TRANHOLM-MIKKELSEN, Secretary-General of the Council of the European Union
No. Cion doc.:	COM(2018) 466 final
Subject:	Proposal for a COUNCIL REGULATION establishing the nuclear decommissioning assistance programme of the Ignalina nuclear power plant in Lithuania (Ignalina programme); and repealing Council Regulation (EU) No 1369/2013

Delegations will find attached document COM(2018) 466 final.

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Proposal for a

COUNCIL REGULATION

establishing the nuclear decommissioning assistance programme of the Ignalina nuclear power plant in Lithuania (Ignalina programme); and repealing Council Regulation (EU) No 1369/2013

{SWD(2018) 342 final}

EXPLANATORY MEMORANDUM

1. CONTEXT OF THE PROPOSAL

This proposal provides for a date of application as of 1 January 2021 and is presented for a Union of 27 Member States, in line with the notification by the United Kingdom of its intention to withdraw from the European Union and Euratom based on Article 50 of the Treaty on European Union received by the European Council on 29 March 2017.

Reasons and objectives

The Ignalina nuclear power plant located nearby the town of Visaginas, consists of two High Power Channel Type Reactors (RBMK-1500 reactors), same type as in Chernobyl. The decommissioning of this plant contributes towards increased nuclear safety in the region and in the EU as a whole.

Accordingly, the Ignalina programme (the 'programme') has as its general objective to assist Lithuania in managing the radiological safety challenges of the decommissioning of the Ignalina nuclear power plant. Moreover, the programme has a high potential to create knowledge and support EU Member States with their own decommissioning, in particular for those Member States that have to pursue the decommissioning of graphite-moderated nuclear reactors.

The programme has been conducted through several financial periods and is planned to be finalised by 2038. The programme is expected to meet important milestones with the funding provided in this multiannual financial framework (2014-2020), nonetheless substantial amounts are still required in order to address the remaining key radiological safety issues related to its decommissioning. The decommissioning of these reactors is a first-of-a-kind activity entailing technological challenges such as the dismantling of graphite cores and the subsequent management of important amounts of irradiated graphite.

The programme originated in the context of the negotiations for accession to the European Union of Lithuania. Lithuania's commitment to close and subsequently decommission the two Soviet-designed nuclear reactors by a commonly agreed date is enshrined in the Lithuania's Accession Treaty[1]. As an act of solidarity, and acknowledging the long-term nature of the decommissioning of the Ignalina Nuclear Power Plant and the exceptional related financial burden, the European Union committed itself, through Protocol No 4 of Lithuania's Accession Treaty[2], to provide adequate financial assistance, based on actual payment needs and absorption capacity, for the decommissioning of Ignalina nuclear power plant.

1 OJ L 236, 23.9.2003, p. 33 and p. 944.

2 Article 3.1 "Recognising that the decommissioning of the Ignalina Nuclear Power Plant is of a long-term nature and represents for Lithuania an exceptional financial burden not commensurate with its size and economic strength, the Union shall, in solidarity with Lithuania, provide adequate additional Community assistance to the decommissioning effort beyond 2006." Article 3.2 "The Ignalina programme will be, for this purpose, seamlessly continued and extended beyond 2006. Implementing provisions for the extended Ignalina programme shall be decided […] and enter into force, at the latest, by the date of expiry of the current Financial Perspective. […]" Article 3.4 "For the period of the next Financial Perspectives, the overall average appropriations under the extended Ignalina programme shall be appropriate. Programming of these resources will be based on actual payment needs and absorption capacity." (2003 Act of accession, Protocol No 4 on the Ignalina nuclear power plant in Lithuania (OJ L 236, 23.9.2003, p. 944)).

Lithuania has fulfilled its accession treaty commitment to close its reactors in a timely manner [(3)]. Based on the provisions of Protocol No 4 of the Ignalina nuclear power plant in Lithuania's Accession Treaty [(4)], the Council of the European Union has adopted beyond 2006 successive Regulations [(5,6)] for the implementation of the decommissioning. In addition to EU financial support, at its inception the Ignalina programme benefited from support of international donors (EU Member States, Norway and Switzerland), which contributed to the Ignalina International Decommissioning Support Fund managed by the European Bank for Reconstruction and Development.

- **Consistency with existing policy provisions**

The programme's aim has evolved through the years in order to better address the needs and ensure the safe decommissioning of the facility: originally and until 2013, the European Union assistance was designed to support Lithuania both in its efforts to shut down and decommission the concerned reactors, but also to address the consequences of early closure of its nuclear power plant installation; later, in 2014, the programme's scope was restricted to decommissioning activities, i.e. on safety related measures; while for the next stage it is suggested that the programme further focuses on decommissioning activities that involve radiological safety challenges.

The disposal of spent fuel and radioactive waste in a deep geological repository is not in the scope of the programme and remains the responsibility of the Member State as per the relevant Council Directive 2011/70/Euratom on the responsible and safe management of spent fuel and radioactive waste.

- **Consistency with other Union policies**

In line with the Rome Declaration [(7)], the EU budget should enable a Europe that is safe and secure; this is a dimension where the Ignalina nuclear decommissioning assistance programme has contributed so far and may further contribute. The main positive impact to be achieved by the Ignalina programme is indeed the progressive decrease of the level of radiological hazard for the workers, the public and the environment in Lithuania but also in the EU as a whole.

The programme fits into the EU nuclear safety regulatory framework; particularly relevant for the programme are: (i) Council Directive 2011/70/Euratom establishing a Community framework for the responsible and safe management of spent fuel and radioactive waste; (ii) Council Directive 2009/71/Euratom and its amendment Council Directive 2014/87/Euratom establishing a Community framework for the nuclear safety of nuclear installations; (iii) Council Directive 2013/59/Euratom laying down basic safety standards for protection against the dangers arising from exposure to ionising radiation.

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3 Ignalina nuclear power plant Unit 1 was shut-down in 2004 and Unit 2 in 2009.

4 See footnote n°2.

5 Council Regulation (EC) No 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" (OJ L 411, 30.12.2006, p.10).

6 Council Regulation (EU) No 1369/2013 of 13 December 2013 on Union support for the nuclear decommissioning assistance programme in Lithuania (OJ L 346, 20.12.2013, p.7).

7 Declaration of the leaders of 27 Member States and of the European Council, the European Parliament and the European Commission (25 March 2017) - http://www.consilium.europa.eu/en/press/press-releases/2017/03/25/rome-declaration/pdf

2. LEGAL BASIS, SUBSIDIARITY AND PROPORTIONALITY

• **Legal basis**

The legal basis for the programme is established in Protocol No 4 of 2003 the Accession Treaty [(3)] whereby the Union shall, in solidarity with Lithuania, provide adequate additional Community assistance to the decommissioning effort beyond 2006.

This legal basis was confirmed by the legal service of the Council of the European Union in the process of adopting Council Regulation (EU) No 1369/2013.

• **Subsidiarity (for non-exclusive competence)**

The Ignalina programme stems from Lithuania's Accession Treaty and is a commitment from the European Union to Lithuania. The programme falls within the scope of the Lithuanian National Programme under Council Directive 2011/70/Euratom.

The EU added value of the programme from its beginning has been always defined in terms of nuclear safety and financial mitigation. Absence of EU co-financing would likely have a negative impact on the decommissioning process as such which in turn could result in direct impact on safety for the workers, the general public and the environment. The programme at its current stage of development provides still value in this respect, given the remaining radiological safety challenges, but its contribution naturally declines as the decommissioning progress.

Moreover, the programme can bring additional EU added value through increased focus on knowledge sharing which is important for addressing similar challenges faced by other Member States in progressing with their decommissioning plans[8]. Currently more than 90 nuclear reactors have been permanently shut down in Europe, but only three have been fully decommissioned. The level of experience in the dismantling of nuclear reactors in Europe (as well as internationally) is thus limited. The programme’s contribution to securing the dismantling of the Ignalina reactors will lead to the further generation of highly relevant experience and know-how that can be of benefit to other decommissioning projects and will result in increased levels of safety within the EU.

• **Proportionality**

The programme will focus in the next multiannual financial framework on radiological safety challenges of the decommissioning of the Ignalina nuclear power plant where the greatest EU added value can be achieved (i.e. progressive decrease of the level of radiological hazard for the workers, the public and the environment in Lithuania but also in the EU as a whole).

• **Choice of the instrument**

As a result of the programme's mid-term evaluation the current setup (i.e. Ignalina programme as dedicated spending programme) has proven to ensure effective and efficient implementation of the programme. Main factors of success are the clear definitions of roles and responsibilities as well as the strengthened monitoring framework.

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8 This programme is presently the most advanced in handling decommissioning of graphite core reactors and is an obligation resulting from the 2003 Act of accession, Protocol No 4 on the Ignalina nuclear power plant in Lithuania. Based on the detailed decommissioning plan, the programme will last until 2038.

The Commission proposes therefore to continue the implementation of the programme via indirect management through the pillar assessed implementing body (i.e. the Lithuanian national agency, CPMA).

3. RESULTS OF RETROSPECTIVE EVALUATIONS, STAKEHOLDER CONSULTATIONS AND IMPACT ASSESSMENTS

- **Retrospective evaluations/fitness checks of existing legislation**

The programme's mid-term evaluation concluded that the current programme is coherent with EU policies aiming at ensuring the highest level of nuclear safety. The EU support ensures that the immediate dismantling strategy in Lithuania is steadily pursued and prevents that undue burden is transferred to future generations, while it partially derogates for historical reasons to the ultimate responsibility of the Member State to ensure adequate financial resources for nuclear decommissioning and radioactive waste management.

Lithuania has progressed effectively and efficiently in the decommissioning of its reactors in line with the baseline agreed in 2014 (i.e. decommissioning plan). There have been challenges and setbacks due to the programme's complexity, but the management system has proven increasing ability to cope with such challenges.

The analysis also demonstrated that substantially improved levels of safety are going to be achieved at the site as a result of the Union funding in this multiannual financial framework. In Lithuania, the main ongoing developments in the field are the steady progress of removing spent fuel from the reactor buildings and the preparations for dismantling the irradiated graphite from the reactors' core, which is a first-of-a-kind project of unprecedented scale.

Beyond 2020, the raising of additional funds needed until 2038 for the decommissioning of Ignalina nuclear power plant calls for a careful follow-up as the financing gap is sizable (EUR 1331 million).

The mid-term evaluation showed that the increasing level of national contribution is supporting stronger accountability and inducing economy-seeking behaviour on the part of beneficiary. The analysis also concluded that increasing levels of national contribution are a necessary but not a sufficient condition to set the right incentives for timely and efficient decommissioning. However, the lack of defining in the past the co-financing rates in the legal basis created uncertainties that will be removed in the draft legal basis for the next multiannual financial framework (2021-2027).

The governance setup has ensured effective and efficient implementation of the programme and compensated for the uncertainties mentioned above on the co-financing aspects. Main factors of success were clear definitions of roles and responsibilities as well as a strengthened monitoring framework. The analysis has also identified areas for further improvement such as:

(i) deeper involvement of the Member State (programme coordinator and financial coordinator) for increased ownership together with stronger accountability of the decommissioning operator (final beneficiary);

(ii) streamlining of procedures to enhance the timeliness and effectiveness of the management cycle;

(iii) increased inter-comparability with other decommissioning programmes' performance.

The European Union financial assistance has been implemented by indirect management [9] since its inception. The Commission proposes to continue entrusting the implementation of the programme's budget to a pillar assessed implementing body (indirect management), i.e. to the Lithuanian national agency, CPMA.

- **Stakeholder consultations**

For the programme's mid-term evaluation an open public consultation was launched by the Commission in June 2017 for an extended duration of 14 weeks. The consultation received limited interest (20 responses). In addition to this consultation, a targeted e-survey consultation was launched in July 2017; it gathered an additional 17 responses (1 from Bulgaria, 4 from Lithuania and 12 from Slovakia) from 90 stakeholders contacted in total. The replies received were overall positive about the programme but did not provide any additional new input on the programme. However, these two consultations were complemented with targeted consultations through around 100 interviews with decommissioning operators and relevant stakeholders.

- **External expertise**

The following documents have been used as input for the preparation of the programme for the next multiannual financial framework:

- "Support to the mid-term evaluation of the Nuclear Decommissioning Assistance Programmes", EY, An evaluation for the European Commission DG Energy, 2018
- "Nuclear Decommissioning Assistance Programme (NDAP) – Assessment of the robustness of the financing plans considering the economic-financial-budgetary situation in each concerned Member State and of the relevance and feasibility of the detailed decommissioning plans", Deloitte, NucAdvisor, VVA Europe, A study prepared for the European Commission DG Energy, 2016
- ECA Special Report 22/2016 "EU nuclear decommissioning assistance programmes in Lithuania, Bulgaria and Slovakia: some progress made since 2011, but critical challenges ahead"

- **Impact assessment**

In line with the Financial Regulation and the requirements of the Commission's better regulation policy, the current programme has been subject to an ex-ante assessment (in the form of a Staff Working Document).

- **Simplification**

The programme is currently implemented via indirect management using a pillar-assessed implementing body in the concerned Member State (i.e. the Lithuanian national agency, CPMA). The programme's mid-term evaluation confirmed that the current setup has proven to ensure effective and efficient implementation of the programme and will be therefore continued in the next multiannual financial framework, with some simplifications drawing on lessons learned from the mid-term evaluation.

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9 Article 60 Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union.

For example, the programme will take advantage of the multi-annual programming foreseen under the revised Financial Regulation. This will make the best use of the multi-annual detailed decommissioning plan as a baseline for programming and monitoring and enhance the efficiency and timeliness of the programming cycle. As far as programming is concerned the multiannual nature of the decommissioning programme will be reflected in the adoption of a multiannual work programme and financing decision. The programme may be revised based on the results of the evaluation. In line with the current practice, the funding provided through this Regulation could be used to complete projects programmed in the Ignalina Final Decommissioning Plan until its end date. Another example, relates to the introduction of a clearer framework for co-financing that will reduce uncertainty concerning the source of financing, remove the need for negotiating and agreeing on an annual basis the national contribution, and increase the ownership of the programme by the Member State.

In addition, the single rule book will be used while additional synergies and complementarities between programmes will be exploited wherever possible.

Finally, the European Regional Development Fund (ERDF), the European Social Fund Plus (ESF+) and the Cohesion Fund could support measures to accompany the related social and economic transition, including also energy efficiency and renewable energy measures as well as certain other activities not linked to radiological safety processes. As such these Funds can create additional activities in the concerned regions and utilise the locally available expertise as a major driver of job creation, sustainable growth and innovation. Similarly synergies should be explored with FP9 and / or the Euratom Research and Training Programme in areas such as technology development and testing, as well as training and education.

- **Fundamental rights**

The programme has no impact on fundamental rights.

4. BUDGETARY IMPLICATIONS

The proposed budget allocation for 2021-2027 is set at EUR 552 000 000 (current prices). It is based on the expected yearly disbursements provided for in the decommissioning plan, taking into account the proposed thresholds for EU co-financing. The baseline defines a nearly linear progress curve hence almost constant yearly commitments and payment plans are envisaged as presented in the Legislative Financial Statement.

Actions co-financed under the proposed financial programme are based on the detailed decommissioning plan established by Council Regulation 2013/1369/EU. This plan has already defined the scope of the programme, the decommissioning end-state and end-date; it covers the decommissioning activities, their associated schedule, costs and required human resources.

The human and administrative resources required for the programme management remain unchanged from the predecessor programme.

5. OTHER ELEMENTS

- **Implementation plans and monitoring, evaluation and reporting arrangements**

The programming, monitoring and control system will be further improved and streamlined with respect to the existing one. Lessons learnt from the mid-term evaluation will be used in order to ensure simplification and continuous improvement.

In 2014, the Commission modified the governance of the programme for the multiannual financial framework 2014-2020 in order to set out clearer roles and responsibilities, and introduce increased planning, monitoring and reporting requirements for the beneficiaries. In line with this revised governance approach, Lithuania appointed a Programme Coordinator and a Financial Coordinator (deputy minister or state secretary) to be responsible for the programming, coordination and monitoring of the decommissioning programme at national level. A committee with monitoring and reporting functions is in place, co-chaired by a Commission representative and the Programme Coordinator.

In the next financing period, the multiannual nature of the decommissioning process will be reflected in the adoption of a multiannual work programme and financing decision, in line with the proposed new financial regulation. This programming process will be evidently synchronised with the evaluation steps (an interim one after four years, and a final one five years after 2027 when the completion of tasks in field is expected).

These evaluations will be carried out in line with paragraphs 22 and 23 of the Interinstitutional Agreement of 13 April 2016,[(10)] where the three institutions confirmed that evaluations of existing legislation and policy should provide the basis for impact assessments of options for further action. The evaluations will assess the programme's effects on the ground based on the programme indicators/targets and a detailed analysis of the degree to which the programme can be deemed relevant, effective, efficient, provides enough EU added value and is coherent with other EU policies. They will include lessons learnt to identify any lacks/problems or any potential to further improve the actions or their results and to help maximise their exploitation/impact.

The current practice of annual reporting to the European Parliament and the Council will be maintained.

The Commission plans to continue entrusting the implementation of the programmes' budget to a pillar assessed implementing body (indirect management), i.e. to the Lithuanian national agency, CPMA. In addition, the Commission services will continue the practice of closely following up project implementation through desk and on-the-spot reviews on a biannual basis, and to supplement the regular programming, monitoring and control cycle with thematic verifications based on a risk review basis.

- **Detailed explanation of the specific provisions of the proposal**

Article 3 of the proposed basic act defines the objective of the programme for the multiannual financial framework 2021-2027. The specific objective reflects the twofold nature of the programme's objective which translates EU added value on the one hand into enhanced nuclear safety and, on the other hand, into increased knowledge for the EU Member State on the nuclear decommissioning process.

Articles 3, 6, 7 and the Annex altogether define a framework to ensure that the EU funding is focussed on actions truly delivering the programme's objective. They clarify the level of shared effort between the EU and Lithuania in decommissioning the Ignalina nuclear power plant. Article 7 sets a yearly ceiling for EU payment maximum Union co-financing rate at 80%, in response to recommendation No 3 and 4 of the European Court of Auditors[11] calling

10 Interinstitutional Agreement between the European Parliament, the Council of the European Union and the European Commission on Better Law-Making of 13 April 2016; OJ L 123, 12.5.2016, p. 1-14.

11 European Court of Auditors, Special Report No 22/2016, Recommendation 3: "Respecting the polluter pays principle by increasing national financing for 2014-2020 and beyond. The three Member States

respectively Lithuania to be prepared to use national funds to cover decommissioning costs, and the Commission to seek increase in national contribution. This provision and the cost estimates of the detailed decommissioning plan as per Council Regulation 2013/1369/EU frame the EU commitment towards Lithuania established in the relevant Accession Treaty.

Article 8 introduces a major simplification with respect to the current programme, i.e. the use of a multiannual work programme, which reflects the nature of decommissioning programmes. Although a multiannual approach is adopted on the programming level, Article 4(3) provides for the possibility of annual budgetary commitments and the practice of annual reporting to the European Parliament and the Council is maintained as described in Article 9(4).

Article 10 defines the process for the multiannual work programme revision over a period which is commensurate to the programme nature and provides the Commission with adequate tools to introduce corrective measures if necessary.

Annex I gives a detailed description of the specific objective of the Programme. Annex I translates through Table 1 the Commission's reply to the recommendation no 6[12] of the European Court of Auditors which called the Commission to allow Union financing to be used only for costs of staff working fully on decommissioning activities. The table serves at maintaining Union funding for essential functions, such as safety, while using co-financing schemes to align the interests of local stakeholders with those of the Union. Annex II sets out specific indicators to report on the progress of the Programme towards the achievement of the objectives, in the area of ddismantling and decontamination, radioactive waste management and knowledge dissemination.

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should recognise their own role in ensuring that the polluter pays principle is respected, and be prepared to use national funds to cover decommissioning costs, as well as the cost of final disposal, both in the current financing period and thereafter. Recommendation 4 — Increase in national co-financing in the 2014-2020 financing period. The Commission should seek increases in national co-financing during the 2014-2020 financing period. It should define clearly, for example in a Commission decision, the ‘well-founded exceptional’ conditions under which projects can be fully financed by the EU under the nuclear decommissioning assistance programmes.

[12] European Court of Auditors, Special Report No 22/2016, Recommendation 6: "EU funding only for cost of decommissioning. The Commission should allow EU financing under the nuclear decommissioning assistance programmes to be used to finance only the costs of staff working fully on decommissioning activities".

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establishing the nuclear decommissioning assistance programme of the Ignalina nuclear power plant in Lithuania (Ignalina programme); and repealing Council Regulation (EU) No 1369/2013

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the 2003 Act of Accession, and in particular Article 3 of Protocol No 4 attached thereto,

Having regard to the proposal from the European Commission,

Whereas:

(1) In accordance with Protocol No 4 of the 2003 Act of Accession on the Ignalina nuclear power plant [13] Lithuania committed itself to the closure of Unit 1 and Unit 2 of the Ignalina nuclear power plant by 31 December 2004 and 31 December 2009 respectively, and to the subsequent decommissioning of those units.

(2) In line with its obligations under the Act of Accession and with Union assistance, Lithuania shut down the two units within the respective deadlines and made significant progress towards their decommissioning. Further work is necessary in order to continue the decrease of the level of radiological hazard. Based on the available estimates, additional financial resources are required for this purpose post 2020.

(3) The activities covered by this Regulation should comply with applicable Union and national law. The decommissioning of the nuclear power plant covered by this Regulation should be carried out in accordance with the legislation on nuclear safety, namely Council Directive 2009/71/Euratom [14] and waste management, namely Council Directive 2011/70/Euratom [15]. The ultimate responsibility for nuclear safety and for the safety of spent fuel and radioactive waste management remains with Lithuania.

(4) Recognising that the premature shutdown and consequent decommissioning of the Ignalina nuclear power plant with two 1 500 MW RBMK type reactor units inherited from the Soviet Union was of an unprecedented nature and represented for Lithuania an exceptional financial burden not commensurate with the size and economic strength of the country, Protocol No 4 stated that the Union assistance under the Ignalina programme is to be seamlessly continued and extended beyond 2006, for the period of the next Financial Perspectives.

(5) This Regulation lays down a financial envelope for the nuclear decommissioning assistance programme of the Ignalina nuclear power plant in Lithuania (the

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[13] OJ L 236, 23.9.2003, p. 944.

[14] Council Directive 2009/71/Euratom of 25 June 2009 establishing a Community framework for the nuclear safety of nuclear installations (OJ L 172, 2.7.2009, p. 18).

[15] 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 (OJ L 199, 2.8.2011, p. 48).

'Programme') which is to constitute the prime reference amount, within the meaning of point 17 of the Interinstitutional Agreement of 2 December 2013 between the European Parliament, the Council and the Commission on budgetary discipline, on cooperation in budgetary matters and on sound financial management [16], for the European Parliament and the Council during the annual budgetary procedure.

(6) Regulations (EU, Euratom) 2018/… of the European Parliament and of the Council [the new FR] [17] (the 'Financial Regulation') applies to this Programme. It lays down rules on the implementation of the Union budget, including the rules on grants, prizes, procurement, indirect implementation, financial assistance, financial instruments and budgetary guarantees.

(7) In accordance with the Financial Regulation, Regulation (EU, Euratom) No 883/2013 of the European Parliament and of the Council [18], Council Regulations (Euratom, EC) No 2988/95 [19], Regulation (Euratom, EC) No 2185/96 [20] and Regulation (EU) 2017/1939 [21], the financial interests of the Union are to be protected through proportionate measures, including the prevention, detection, correction and investigation of irregularities and fraud, the recovery of funds lost, wrongly paid or incorrectly used and, where appropriate, the imposition of administrative sanctions. In particular, in accordance with Regulations (EU, Euratom) No 883/2013 and Regulation (Euratom, EC) No 2185/96 the European Anti-Fraud Office (OLAF) may carry out investigations, including on-the-spot checks and inspections, with a view to establishing whether there has been fraud, corruption or any other illegal activity affecting the financial interests of the Union. In accordance with Regulation (EU) 2017/1939, the European Public Prosecutor's Office (EPPO) may investigate and prosecute fraud and other illegal activities affecting the financial interests of the Union as provided for in Directive (EU) 2017/1371 of the European Parliament and of the Council [22]. In accordance with the Financial Regulation, any person or entity receiving Union funds is to fully cooperate in the protection of the Union's financial interests, to grant the necessary rights and access to the Commission, OLAF, the EPPO and the European Court of Auditors (ECA) and to ensure that any third parties involved in the implementation of Union funds grant equivalent rights.

(8) This Regulation does not prejudge the outcome of any future State aid procedures that may be undertaken in accordance with Articles 107 and 108 of the Treaty on the Functioning of the European Union.

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16 OJ L123, 12.5.2016, p. 1-14.

17 [full title; OJ reference].

18 Regulation (EU, Euratom) No 883/2013 of the European Parliament and of the Council of 11 September 2013 concerning investigations conducted by the European Anti-Fraud Office (OLAF) and repealing Regulation (EC) No 1073/1999 of the European Parliament and of the Council and Council Regulation (Euratom) No 1074/1999 (OJ L 248, 18.9.2013, p. 1).

19 Council Regulation (EC, Euratom) No 2988/95 of 18 December 1995 on the protection of the European Communities financial interests (OJ L 312, 23.12.1995, p. 1).

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

21 Council Regulation (EU) 2017/1939 of 12 October 2017 implementing enhanced cooperation on the establishment of the European Public Prosecutor's Office ('the EPPO') (OJ L 283, 31.10.2017, p. 1).

22 Directive (EU) 2017/1371 of the European Parliament and of the Council of 5 July 2017 on the fight against fraud to the Union's financial interests by means of criminal law (OJ L 198, 28.7.2017, p. 29).

(9) The financing pursuant to this Regulation should concentrate on activities implementing the safety objectives of the decommissioning, while the ultimate responsibility for nuclear safety should remain with Lithuania.

(10) The Programme should also ensure dissemination of knowledge gained from the Programme to all Member States, in coordination and synergy with the other relevant Union programme for decommissioning activities in Bulgaria, Slovakia and the Commission's Joint Research Centre; as such measures bring the greatest Union added value.

(11) The decommissioning of the Ignalina nuclear power plant should be carried out with recourse to the best available technical expertise, and with due regard to the nature and technological specifications of the installations to be decommissioned, in order to ensure safety and the highest possible efficiency, thus taking into account international best practices.

(12) An effective monitoring and control of the evolution of the decommissioning process should be ensured by the Commission and Lithuania in order to assure the highest Union added value of the funding allocated under this Regulation, although the ultimate responsibility for the decommissioning rests with Lithuania. This includes effective measurement of progress and performance, and the enacting of corrective measures where necessary.

(13) Pursuant to paragraph 22 and 23 of the Interinstitutional Agreement of 13 April 2016 on Better Law-Making [(23)], there is a need to evaluate this Programme on the basis of information collected through specific monitoring requirements, while avoiding overregulation and administrative burdens, in particular on Member States. These requirements, where appropriate, can include measurable indicators, as a basis for evaluating the effects of the Programme on the ground.

(14) It should be possible to review the amount of the appropriations allocated to the Programme as well as the programming period based on the results of the mid-term evaluation report.

(15) Actions co-financed under this Regulation should be identified within the boundaries defined by the decommissioning plan submitted by Lithuania under the Council Regulation 2013/1369/EU [(25)] and its revised versions, if any. This plan defined the scope of the programme, the decommissioning end-state and end-date; it covers the decommissioning activities, their associated schedule, costs and required human resources. When relevant, Lithuania should submit updated versions of the plan to the Commission for its consideration in preparing the work programmes.

(16) The programme should be conducted with a joint financial effort of the Union and Lithuania. A maximum Union co-financing threshold should be established in line with the co-financing practice established under the predecessor programmes. Taking into account the practice of comparable Union programmes and the strengthened Lithuanian economy, from the inception of the Ignalina decommissioning programme until the end of the implementation of the activities financed under this Regulation, the Union co-financing rate should be no higher than 80 % of eligible costs. The remaining co-financing should be provided by Lithuania and sources other than the Union budget, notably from international financial institutions and other donors.

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23 OJ L 123, 12.5.2016, p. 1.

(17) Regulation (EU) No 1369/2013 [24] should therefore be repealed.

(18) Due account was taken of the Court of Auditors' Special report No 22/2016 on Union financial assistance for the decommissioning of nuclear plants in Bulgaria, Lithuania and Slovakia, its recommendations and the reply from the Commission.

(19) The Programme falls within the scope of the Lithuanian National Programme under the Council Directive 2011/70/Euratom.

(20) In order to ensure uniform conditions for the implementation of Article 3 of this Regulation, implementing powers should be conferred on the Commission. Those powers should be exercised in accordance with Regulation (EU) No 182/2011 of the European Parliament and of the Council [25].

(21) Horizontal financial rules adopted by the European Parliament and the Council on the basis of Article 322 of the Treaty on the Functioning of the European Union apply to this Regulation. These rules are laid down in the Financial Regulation and determine in particular the procedure for establishing and implementing the budget through grants, procurement, prizes, indirect implementation, and provide for checks on the responsibility of financial actors. Rules adopted on the basis of Article 322 of the Treaty on the Functioning of the European Union also concern the protection of the Union's budget in case of generalised deficiencies as regards the rule of law in the Member States, as the respect for the rule of law is an essential precondition for sound financial management and effective Union funding.

(22) Reflecting the importance of tackling climate change in line with the Union's commitments to implement the Paris Agreement and the United Nations Sustainable Development Goals, this Programme will contribute to mainstream climate action in the Union's policies and to the achievement of an overall target of 25 % of the Union budget expenditures supporting climate objectives. Relevant actions will be identified during the Programme's preparation and implementation, and reassessed in the context of its mid-term evaluation.

(23) The types of financing and the methods of implementation under this Regulation should be chosen on the basis of their ability to achieve the specific objectives of the actions and to deliver results, taking into account, in particular, the costs of controls, the administrative burden, and the expected risk of non-compliance. This should include consideration of the use of lump sums, flat rates and unit costs, as well as financing not linked to costs as referred to in Article 125(1) of the Financial Regulation.

24 Council Regulation (EU) No 1369/2013 of 13 December 2013 on Union support for the nuclear decommissioning assistance programme in Lithuania (OJ L 346, 20.12.2013, p.7).

25 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 powers (OJ L 55, 28.2.2011, p. 13).

HAS ADOPTED THIS REGULATION:

CHAPTER I
GENERAL PROVISIONS

Article .

Subject matter

This Regulation establishes the nuclear decommissioning assistance programme of the Ignalina nuclear power plant in Lithuania (‘the Programme’).

It lays down the objectives of the Programme, the budget for the period 2021 – 2027, the forms of Union funding and the rules for providing such funding.

Article .

Definitions

For the purposes of this Regulation, the following definitions apply:

(1) 'decommissioning' means administrative and technical measures which allow the removal of some or all of the regulatory controls from a nuclear facility and which aim at ensuring the long term protection of the public and the environment, including the reduction of the levels of residual radionuclides in the materials and on the site of the facility.

(2) 'decommissioning plan' means the document containing detailed information on the proposed decommissioning and covering the selected decommissioning strategy; the schedule, type and sequence of decommissioning activities; the waste management strategy applied, including clearance; the proposed end state; the storage and disposal of the waste from decommissioning; the timeframe for decommissioning; the cost estimates for the completion of decommissioning; and the objectives, expected results, milestones, target dates, as well as the corresponding key performance indicators, including earned value based indicators. The plan is prepared by the nuclear facility license holder and is reflected in the multiannual work programmes of the Programme.

Article .

Programme objectives

1. The general objective of the Programme is to assist Lithuania in implementing Ignalina nuclear power plant decommissioning, with specific emphasis on managing the radiological safety challenges of the decommissioning of the Ignalina nuclear power plant, whilst ensuring broad dissemination to all EU Member States of knowledge thereby generated on nuclear decommissioning.

2. The Programme has the specific objective to carry out the dismantling and decontamination of the Ignalina equipment and reactor shafts in accordance with the decommissioning plan, continue with the safe management of the decommissioning and legacy waste and disseminate the generated knowledge among EU stakeholders.

3. The detailed description of the specific objective is set out in the Annex I. The Commission may modify, by means of implementing acts, the Annex I, in accordance with the examination procedure referred to in Article 12(2).

Article .

Budget

1. The financial envelope for the implementation of the Programme for the period 2021 - 2027 shall be EUR 552 000 000 in current prices.
2. The amount referred to in paragraph 1 may cover expenses related to the technical and administrative assistance for the implementation of the Programme, such as preparatory, monitoring, control, audit and evaluation activities including corporate information technology systems.
3. Budgetary commitments for actions extending over more than one financial year may be broken down over several years into annual instalments.

Article .

Implementation and forms of funding

1. The Programme shall be implemented in direct management in accordance with the Financial Regulation or in indirect management with bodies referred to in Article 62(1)(c) of the Financial Regulation.
2. The Programme may provide funding in any of the forms laid down in the Financial Regulation.

CHAPTER II

ELIGIBILITY

Article .

Eligible actions

Only actions implementing the objectives referred to in Article 3 and in Annex I shall be eligible for funding.

Article .

Co-financing rates

The overall maximum Union co-financing rate applicable under the Programme shall be no higher than 80%. The remaining financing shall be provided by Lithuania and additional sources other than the Union budget.

CHAPTER III

PROGRAMMING, MONITORING, EVALUATION AND CONTROL

Article .

Work programme

1. The Programme shall be implemented by a multiannual work programme referred to in Article 110 of the Financial Regulation.
2. The multiannual work programme shall reflect the decommissioning plan that shall serve as baseline for programme monitoring and evaluation.

Article .

Monitoring and reporting

1. Indicators to report on the progress of the Programme towards the achievement of the objectives set out in Article 3 are set in Annex II.
2. The performance reporting system shall ensure that data for monitoring programme implementation and results are collected efficiently, effectively, and in a timely manner. To that end, proportionate reporting requirements shall be imposed on recipients of Union funds and (where relevant) Member States.
3. At the end of each year, the Commission shall elaborate a progress report on the implementation of the work carried out in the previous years and present it to the European Parliament and to the Council.

Article .

Evaluation

1. Evaluations shall be carried out in a timely manner to feed into the decision-making process.
2. The interim evaluation of the Programme shall be performed once there is sufficient information available about the implementation of the Programme, but no later than four years after the start of the period specified in Article 1. The interim evaluation shall also address the scope for modification of the multiannual work programme referred to in Article 8.
3. At the end of the implementation of the Programme, but no later than five years after the end of the period specified in Article 1, a final evaluation of the Programme shall be carried out by the Commission.
4. The Commission shall communicate the conclusions of the evaluations, accompanied by its observations, to the European Parliament and the Council.

Article .

Audits

Audits on the use of the Union and national contribution carried out by persons or entities, including others than those mandated by the Union Institutions or bodies, shall form the basis of the overall assurance pursuant to Article 127 of the Financial Regulation.

Article .

Committee

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

   Where the opinion of the committee is to be obtained by written procedure, that 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.

CHAPTER IV

TRANSITIONAL AND FINAL PROVISIONS

Article .

Information, communication and publicity

1. The recipients of Union funding shall acknowledge the origin and ensure the visibility of the Union funding (in particular when promoting the actions and their results) by providing coherent, effective and proportionate targeted information to multiple audiences, including the media and the public.
2. The Commission shall implement information and communication actions relating to the Programme, and its actions and results. Financial resources allocated to the Programme shall also contribute to the corporate communication of the political priorities of the Union, as far as they are related to the objectives referred to in Article 3.

Article .

Repeal

Regulation (EU) No 1369/2013 is repealed.

Article .

Transitional provisions

1. This Regulation shall not affect the continuation or modification of the actions under Regulation (EU) No 1369/2013, which shall continue to apply to the actions concerned until their closure.
2. The financial envelope for the Programme may also cover technical and administrative assistance expenses necessary to ensure the transition between the Programme and the measures adopted under its predecessor, Regulation (EU) No 1369/2013.
3. If necessary, appropriations may be entered in the budget beyond 2027 to cover the expenses provided for in Article 4(2), to enable the management of actions not completed by 31 December 2027.

Article .

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 2021.

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

LEGISLATIVE FINANCIAL STATEMENT

1. FRAMEWORK OF THE PROPOSAL/INITIATIVE

1.1. Title of the proposal/initiative

Regulation of the Council establishing the nuclear decommissioning assistance programme of the Ignalina nuclear power plant in Lithuania for the period 2021-2027

1.2. Policy area(s) concerned *(Programme cluster)*

Nuclear Safety

1.3. The proposal/initiative relates to:

☐ **a new action**

☐ **a new action following a pilot project/preparatory action** ([26])

☑ **the extension of an existing action**

☐ **a merger or redirection of one or more actions towards another/a new action**

1.4. Grounds for the proposal/initiative

1.4.1. Requirement(s) to be met in the short or long term including a detailed timeline for roll-out of the implementation of the initiative

The Ignalina programme addresses the requirements of its legal basis (i.e. Lithuania's Accession Treaty and in particular Protocol No 4 and Article 56 2003 of the Act of Accession).

1.4.2. Added value of Union involvement (it may result from different factors, e.g. coordination gains, legal certainty, greater effectiveness or complementarities). For the purposes of this point 'added value of Union involvement' is the value resulting from Union intervention which is additional to the value that would have been otherwise created by Member States alone.

As a condition for its accession to the EU Lithuania made the commitment to close and to subsequently decommission the Chernobyl type nuclear reactors at Ignalina nuclear power plant. As an act of solidarity with Lithuania, the European Union committed itself in Lithuania's Accession Treaty to provide financial assistance for the decommissioning of Ignalina nuclear power plant. The decommissioning activities are progressing with an end-date scheduled in 2038. It is in the interest of the Union to continue to provide financial support for decommissioning, contributing to ensuring the highest level of safety of the operation. The programme provides substantial and durable support for the health of workers and the general public, preventing environmental degradation and ensuring real progress in nuclear safety and security.

1.4.3. Lessons learned from similar experiences in the past

A mid-term evaluation of the Nuclear Decommissioning Assistance Programmes (NDAP) was conducted. The mid-term evaluation considered and assessed the results and impacts, the efficiency of the use of resources and its Union added value. For the

[26] As referred to in Article 58(2)(a) or (b) of the Financial Regulation.

mid-term evaluation the Commission gathered relevant information and data by extensively involving key stakeholders (i.e. Ministries, implementing bodies, decommissioning operators, members of the NDAP Committee).

The conclusions of the NDAP mid-term evaluation can be summarised as follows:

Coherence with EU policies. The EU support ensures that the immediate dismantling strategy in Lithuania is steadily pursued and prevents that undue burden is transferred to future generations, while it partially derogates for historical reasons to the ultimate responsibility of the Member State to ensure adequate financial resources for nuclear decommissioning and radioactive waste management. The decommissioning plan for Ignalina nuclear power plant was modified by Lithuania in 2013 in preparation for the MFF 2014-2020: the end-date of the programme was set back by nine years from 2029 to 2038.

Progress. Lithuania has progressed effectively and efficiently in the decommissioning of the two graphite-moderated nuclear power reactors in line with the agreed baseline (i.e. the decommissioning plan).

Safety. Substantially improved levels of safety are going to be achieved at the sites as a result of the Union funding in this MFF.

Financial scope. The financing gap beyond 2020 is in the range of EUR 1 331 million for the Ignalina programme.

National contribution. The achieved levels of national contribution appear fit to sustain proper efficiency; nonetheless co-financing is not established in the legal basis, thus creating uncertainties that should be removed. Moreover, the analysis showed that increasing levels of national contribution is a necessary but not sufficient condition to set the right incentives for timely and efficient decommissioning. To this end, the explicit transfer of risks (cost overruns, delays) to Lithuania would have a greater impact. This practice has been already introduced to a certain extent under the current MFF where possible.

Governance. The governance setup has ensured effective and efficient implementation of the Ignalina programme and compensated for the uncertainties mentioned on the national contribution aspects.

Objectives. Any post-2020 funding should focus on explicit safety objectives monitored by means of dedicated performance indicators.

Knowledge gain. Finally the experience gained so far from the projects implemented under the Ignalina programme in Lithuania, as well as under the Kozloduy programme in Bulgaria and the Bohunice programme in Slovakia, provides a solid base of knowledge in the EU for conducting ongoing and future decommissioning activities. These EU co-funded programmes may aim at becoming a solid benchmark for governance related issues and management practices such as cost estimation methodologies or planning, and persisting technological challenges such as the dismantling of graphite-moderated reactors and the subsequent management of important amounts of irradiated graphite.

1.4.4. Compatibility and possible synergy with other appropriate instruments

Other available EU instruments like the European Regional Development Fund (ERDF), the European Social Fund Plus (ESF+) and the Cohesion Fund may be deployed in the region of Visaginas ensuring complementarities with the Ignalina programme. For example, these Funds could support measures to accompany the related social and economic transition, including also energy efficiency and renewable energy measures as well as certain other activities not linked to radiological safety processes. As such these Funds can create additional activities in the region and utilise the locally available expertise as a major driver of job creation, sustainable growth and innovation. Similarly synergies should be explored with FP9 and / or the Euratom Research and Training programme in areas such as technology development and testing, as well as training and education.

1.5. **Duration and financial impact**

☑ **limited duration**

– ☑ in effect from 2021 to 2027

– ☑ Financial impact from 2021 to 2027 for commitment appropriations

☐ **unlimited duration**

– Implementation with a start-up period from YYYY to YYYY,

– followed by full-scale operation.

1.6. **Management mode(s) planned**[27]

☐ **Direct management** by the Commission

– ☐ by its departments, including by its staff in the Union delegations;

– ☐ by the executive agencies

☐ **Shared management** with the Member States

☑ **Indirect management** by entrusting budget implementation tasks to:

– ☐ third countries or the bodies they have designated;

– ☐ international organisations and their agencies (to be specified);

– ☐the EIB and the European Investment Fund;

– ☐ bodies referred to in Articles 208 and 209 of the Financial Regulation;

– ☑ public law bodies;

– ☐ bodies governed by private law with a public service mission to the extent that they provide adequate financial guarantees;

– ☐ bodies governed by the private law of a Member State that are entrusted with the implementation of a public-private partnership and that provide adequate financial guarantees;

– ☐ persons entrusted with the implementation of specific actions in the CFSP pursuant to Title V of the TEU, and identified in the relevant basic act.

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

Comments

The pillar assessed implementing body in Lithuania for the Ignalina programme – the Central Programme Management Agency (CPMA) – will continue as implementing body in the MFF 2021-2027.

27 Details of management modes and references to the Financial Regulation may be found on the BudgWeb site: https://myintracomm.ec.europa.eu/budgweb/EN/man/budgmanag/Pages/budgmanag.aspx

2. MANAGEMENT MEASURES

2.1. Monitoring and reporting rules

Specify frequency and conditions.

The implementation of the Ignalina programme is monitored by the Commission through the delegation agreement established with the pillar assessed implementing body (i.e. CPMA) and through desk reviews. Periodically and based on risk reviews, the Commission carries out independent thematic verifications.

The earned value management tool is also used for tracking actual progress and performance.

Lithuania is involved in the monitoring actions through the Monitoring Committee, which are co-chaired by a Commission's representative and the Programme Coordinator (Vice-Minister of Energy of the Republic of Lithuania). A major task of the monitoring committee is the revision and approval of biannual monitoring reports.

Twice a year officials of the Commission carry out site visits to verify physical progress.

An interim evaluation shall be carried out not later than in 2024.

A final evaluation shall be carried out not later than in 2032.

2.2. Management and control system

2.2.1. Justification of the management mode(s), the funding implementation mechanism(s), the payment modalities and the control strategy proposed

As a result of the Nuclear Decommissioning Assistance Programme (NDAP) mid-term evaluation the current governance setup has proven to ensure effective and efficient implementation of the programmes. Main factors of success are the clear definitions of roles and responsibilities as well as the strengthened monitoring framework.

2.2.2. Information concerning the risks identified and the internal control system(s) set up to mitigate them

The risks related to the implementation of the programmes are inventoried based on desk reviews, bi-annual on the spot monitoring missions and the use of EVM that allows for early detection of delays and cost overrun. Risks are then assessed following a procedure favouring a quantitative approach. The risk register and associated actions are reviewed and recorded at least twice per year. The most important projects implementation risks are followed up in parallel with the existing risk management systems of the implementing bodies and of the beneficiaries.

The risk review provides the information to develop a risk-based monitoring and control approach, including updating reporting requirement to focus on risk areas, defining the priorities for monitoring missions and launching additional thematic verifications.

At the programme management level, the most significant risk identified is that the national contribution to the financing of the programme would not meet the higher target with respect to present level. Therefore well-defined co-financing rates and a reinforced control framework should be introduced in the basic act to ensure the availability of the national contribution.

2.2.3. *Estimation and justification of the cost-effectiveness of the controls (ratio of "control costs ÷ value of the related funds managed"), and assessment of the expected levels of risk of error (at payment & at closure)*

Based on an assessment of the most relevant key indicators and control results, DG ENER has assessed the cost-effectiveness and the efficiency of the control system and reached a positive conclusion for the year 2017. Similar conditions will be obtained in the next MFF.

The cost effectiveness indicator takes into account the Commission level cost of supervision (covering the staff working time allocated to these tasks and the specific contracts directly related to supervisory tasks when relevant) of the different entities.

In 2017, the estimated consolidated cost-effectiveness indicator (i.e. for all entrusted entities together) remained overall stable.

The variations observed in the cost of control of the nuclear decommissioning assistance bodies (EBRD, CPMA) mirror the gradual shift to national implementation channels in Lithuania and the increased level of supervision and monitoring of the programme that resulted.

The 2016 and earlier estimates included the fees paid to the NDAP entrusted entities. These fees are now included in the cost at entity level reported below but have also been taken into account, for consistency reason in calculation of the cost of control ratio.

Entity	Cost of Control at Commission level	Controlled amount
EBRD	EUR 0.32 million (+ fees paid EUR 2.14 million)	EUR 239.8 million
CPMA	EUR 0.23 million (+ fees paid EUR 1.24 million)	EUR 87.44 million

As for the expected levels of risk of errors these are estimated at 0,5%. In 2017 DG ENER carried out a thematic verification on procurement procedures conducted by the implementing bodies with positive results.

2.3. Measures to prevent fraud and irregularities

Specify existing or envisaged prevention and protection measures.

DG ENER has developed and implemented its own anti-fraud strategy since November 2013, in accordance with the guidance laid out in the OLAF methodology. Subsequent updates occurred in October 2015 (covering 2016-2017) and December 2017 (covering 2018-2019). The strategy is in line with the revised Internal Control Framework (C(2017) 23730). DG ENER is committed to update its Anti-Fraud Strategy every two years.

The current strategy is built on the fraud risk vulnerability analysis, in order to ascertain fraud risks specific to DG ENER and to understand them in the wider context. This assessment concluded that DG ENER is subject to no more than moderate or low level fraud related risks, i.e. no significant or critical risks were established.

The controls intended to ensure the legality and regularity of the transactions are complemented by an action plan that is attached to the strategy.

This action plan ensures notably:

That internal rules for fraud suspicion handling and reporting are in place;

A clear assignment of responsibilities for antifraud actions between the units and functions;

That potential fraud risks are considered within the annual risk assessment exercise for the Management Plan.

A regular attendance to the Fraud Prevention and Detection network and to the Fraud and Irregularity Committee meetings as well as contacts with other DGs and services;

That the Local Anti-Fraud Correspondent function is operated, in line with the common action plan for the Research family;

That an appropriate level of cooperation is ensured with OLAF.

The previous antifraud action plan for 2017 was implemented successfully. The successive antifraud strategies of DG ENER have recognized the importance of staff awareness and the importance of relations with implementing bodies as well as the evolution of the cooperation framework between OLAF and the Commission, and between DG ENER and the other Research family DGs. The implementation of the strategy is monitored and reported at least twice a year to DG ENER's management.

The indicators, related to the maintenance and update of the strategy, to regularity of reporting to management and to the improvement of staff awareness, show that the strategy is an effective tool to prevent and detect fraud, but that further efforts regarding staff awareness should be pursued as a continuous effort. In 2016-2017, a programme of awareness-raising actions was developed with tailor-made initiatives related to DG ENER's core activities and policy objectives. In 2017, the initiatives focussed on targeted meetings and vulnerability assessment workshops. Fraud prevention was also regularly discussed in the internal control newsletter. An information package was available on a dedicated intranet page.

3. ESTIMATED FINANCIAL IMPACT OF THE PROPOSAL/INITIATIVE

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

Heading of multiannual financial framework	Budget line	Type of expenditure	Contribution			
	Number 1 'Nuclear Decommissioning (Lithuania)'	Diff./Non-diff.[28]	from EFTA countries[29]	from candidate countries[30]	from third countries	within the meaning of Article 21(2)(b) of the Financial Regulation
5	Ignalina programme [12.03]	Diff.	NO	NO	NO	NO

28 Diff. = Differentiated appropriations / Non-diff. = Non-differentiated appropriations.

29 EFTA: European Free Trade Association.

30 Candidate countries and, where applicable, potential candidates from the Western Balkans.

3.2. Estimated impact on expenditure

3.2.1. Summary of estimated impact on expenditure[31]

EUR million (to three decimal places)

Heading of multiannual financial framework	**5**	'Nuclear Decommissioning (Lithuania)'

			2021	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	***Post 2027***	**TOTAL**
Operational appropriations	Commitments	(1)	72.500	71.400	78.300	83.600	83.700	80. 100	82. 400	-	552.000
	Payments	(2)	-	-	-	-	90.000	90.000	90.000	282.000	552.000
Appropriations of an administrative nature financed from the envelope of the programme[32]	Commitments = Payments	(3)									
TOTAL appropriations for the envelop of the programme	Commitments	=1+3	72. 500	71. 400	78. 300	83. 600	83. 700	80. 100	82. 400	-	552.000
	Payments	=2+3	-	-	-	-	90.000	90.000	90.000	282.000	552.000

31 Totals may not tally due to rounding.

32 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.

Heading of multiannual financial framework	7	‘Administrative expenditure’

This section should be filled in using the 'budget data of an administrative nature' to be firstly introduced in the Annex to the Legislative Financial Statement (Annex V to the internal rules), which is uploaded to DECIDE for interservice consultation purposes.

EUR million (to three decimal places)

		2021	2022	2023	2024	2025	2026	2027	*Post 2027*	TOTAL
Human resources		0.429	0.429	0.429	0.429	0.429	0.429	0.429		3.003
Other administrative expenditure		0.065	0.065	0.065	0.065	0.065	0.065	0.065		0.455
TOTAL appropriations under HEADING 7 of the multiannual financial framework		0.494	0.494	0.494	0.494	0.494	0.494	0.494		**3.458**

EUR million (to three decimal places)

		2021	2022	2023	2024	2025	2026	2027	*Post 2027*	TOTAL
TOTAL appropriations across HEADINGS of the multiannual financial framework	Commitments	72.994	71.894	78.794	84.094	84.194	80.594	82.894	0	555.458
	Payments	0.494	0.494	0.494	0.494	90.494	90.494	90.494	282.000	555.458

3.2.2. *Summary of estimated impact on appropriations of an administrative nature*

– ☐ The proposal/initiative does not require the use of appropriations of an administrative nature

– ☑ The proposal/initiative requires the use of appropriations of an administrative nature, as explained below:

EUR million (to three decimal places)

Years	2021	2022	2023	2024	2025	2026	2027	TOTAL
HEADING 7 of the multiannual financial framework								
Human resources	0.429	0.429	0.429	0.429	0.429	0.429	0.429	**3.003**
Other administrative expenditure	0.065	0.065	0.065	0.065	0.065	0.065	0.065	**0.455**
Subtotal HEADING 7 of the multiannual financial framework	0.494	0.494	0.494	0.494	0.494	0.494	0.494	**3.458**
Outside HEADING 7[33] of the multiannual financial framework								
Human resources								
Other expenditure of an administrative nature								
Subtotal outside HEADING 7 of the multiannual financial framework								
TOTAL	0.494	0.494	0.494	0.494	0.494	0.494	0.494	**3.458**

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.

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

3.2.2.1. 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

Years		2021	2022	2023	2024	2025	2026	2027
• Establishment plan posts (officials and temporary staff)								
Headquarters and Commission's Representation Offices		3	3	3	3	3	3	3
Delegations								
Research								
• External staff (in Full Time Equivalent unit: FTE) - AC, AL, END, INT and JED [34] Heading 7								
Financed from HEADING 7 of the multiannual financial framework	- at Headquarters							
	- in Delegations							
Financed from the envelope of the programme [35]	- at Headquarters							
	- in Delegations							
Research								
Other (specify)								
TOTAL		**3**	**3**	**3**	**3**	**3**	**3**	**3**

Description of tasks to be carried out:

Officials and temporary staff	
External staff	

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.

34 AC= Contract Staff; AL = Local Staff; END = Seconded National Expert; INT = agency staff; JPD= Junior Professionals in Delegations.

35 Sub-ceiling for external staff covered by operational appropriations (former 'BA' lines).

3.2.3. *Third-party contributions*

– ☑ does not provide for co-financing by third parties

– ☐ provides for the co-financing by third parties estimated below:

Appropriations in EUR million (to three decimal places)

Years	2021	2022	2023	2024	2025	2026	2027	TOTAL
Specify the co-financing body								
TOTAL appropriations co-financed								

3.3. Estimated impact on revenue

– ☑ The proposal/initiative has no financial impact on revenue.

– ☐ The proposal/initiative has the following financial impact:

– ☐ on own resources

– ☐ on other revenue

please indicate, if the revenue is assigned to expenditure lines ☐

EUR million (to three decimal places)

Budget revenue line:		Impact of the proposal/initiative[36]					
	2021	2022	2023	2024	2025	2026	2027
Article ………….							

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

Other remarks (e.g. method/formula used for calculating the impact on revenue or any other information).

–

[36] As regards traditional own resources (customs duties, sugar levies), the amounts indicated must be net amounts, i.e. gross amounts after deduction of 20 % for collection costs.