EUROPEAN COMMISSION

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2011/0414 (CNS)

Proposal for a

COUNCIL REGULATION

establishing an Instrument for Nuclear Safety Cooperation

{SEC(2011) 1472 final}
{SEC(2011) 1473 final}

EXPLANATORY MEMORANDUM

1. CONTEXT OF THE PROPOSAL

Since the early 1990s, support for the promotion of nuclear safety and nuclear safeguards in third countries has been an essential part of the Community's work, both in Central Europe and in the countries of the former Soviet Union, under the nuclear safety programme components of the TACIS and PHARE programmes. From 2007, nuclear safety cooperation was extended to include 'third countries' under the Instrument for Nuclear Safety Cooperation, while the Instrument for Pre-Accession Assistance (IPA) provided for nuclear safety cooperation with the countries engaged in the process of accession to the EU.

The Chernobyl accident in 1986 highlighted the global importance of nuclear safety. The Fukushima Daiichi accident in 2011 confirmed the need to continue the efforts to improve nuclear safety to meet the highest standards. Both accidents clearly demonstrated that the health, social, environmental and economic consequences of a nuclear accident may extend well beyond national borders and, potentially, worldwide.

The importance of nuclear safety was recognized by the Council of the European Union in its Resolution of 18 June 1992 on the technological problems of nuclear safety, which emphasized "the particular importance it attaches to nuclear safety in Europe, and therefore requests the Member States and the Commission to adopt as the fundamental and priority objective of Community cooperation in the nuclear field, in particular with the other European countries, … bringing their nuclear installations up to safety levels equivalent to those in practice in the Community …".

The Community decided to accede to the Convention on Nuclear Safety in 1999 and to the Joint Convention on the Safety of Spent Fuel Management and on the Safety of Radioactive Waste Management in 2005, both Conventions aiming to enhance national measures and international cooperation in these fields.

The Council of the European Union adopted Directive 2009/71/Euratom of 25 June 2009, establishing a Community framework for nuclear safety of nuclear installations in order to maintain and promote the continuous improvement of nuclear safety and its regulation. In 2011, the Council of the European Union also adopted the Directive establishing a Community framework for the responsible and safe management of spent fuel and radioactive waste. These directives and the high standards of nuclear safety and radioactive waste and spent fuel management implemented in the European Union are examples that can be used to encourage third countries to adopt similar high standards.

The Community already pursues close cooperation, in accordance with Chapter 10 of the Euratom Treaty, with the International Atomic Energy Agency (IAEA), in relation both to nuclear safeguards (in furtherance of the objectives of Chapter 7 of Title Two of the Euratom Treaty), and to nuclear safety.

The promotion of regulatory and other forms of cooperation with emerging economies, and the promotion of EU approaches, rules, standards and practices are external policy objectives of the Europe 2020 strategy

In order for the European Union to fulfil its role as a global player in the promotion of human and strategic security, it is essential that the Community should have the capability and means to respond to challenges arising in the field of nuclear safety, radiation protection and nuclear safeguards in any third countries, building on the experience of the Community and of its Member States in these fields within the European Union. With this in mind, the proposed Instrument for Nuclear Safety Cooperation (INSC) will continue the actions initiated in the 1990s in Central Europe and in the countries of the former Soviet Union, which have been extended since 2007 to 'third countries'.

It is expected that the basic motivations which led to engaging in cooperation with third countries will remain valid over the period 2014 to 2020. However, as major projects carried out under the INSC (in particular those related to the remediation of the Chernobyl site and nuclear plant improvement projects) will have been mostly completed by 2014, this will free up resources to address other areas of concern. Remediation of mining sites (the legacy of uranium mining which did not respect basic environmental requirements), disposal of spent fuel, waste management and decommissioning of installations will need to be dealt with as a programme priority.

A shift in the intervention of the European Union, from technical assistance to cooperation, is also taking place. It focuses on core activities designed to improve nuclear safety culture, radiation protection and safeguards.

Under the Euratom Framework Programmes research and innovation actions encourage the prevention and mitigation of severe accidents and in improving radiation protection with the aim to enhance safety culture. The bilateral international cooperation agreements under Euratom on nuclear safety are also to be seen as an additional way to contribute to improve nuclear safety, radiation protection and safe management of radioactive waste, through increased research and innovation efforts with third country partners.

The lessons learnt in the wake of the Fukushima-Daiichi accident will play an important role in the improvement of nuclear safety in the coming years. The results of the EU Member States' comprehensive and transparent risk and safety assessments ("stress tests"), which are due to be extended to the EU neighbouring countries and possibly other third countries, are expected to have a considerable impact on the design, operation, maintenance and regulation of nuclear power plants. The experience gained within the EU will be important to other third countries.

The cooperation under the INSC must be complementary to that provided by the European Union under other development cooperation instruments, and the measures adopted must be consistent with the European Community's overall strategic policy framework for the partner countries concerned. Given the international commitments related to nuclear safety improvements, cooperation under the INSC should further exploit synergies with the Euratom Framework Programmes on nuclear research and training activities.

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

Public Consultation

The Commission held a public consultation from 26 November 2010 to 31 January 2011 on future funding for EU external action. This process was based on an online questionnaire, accompanied by a background paper 'What funding for EU external action after 2013?' prepared by Commission and EEAS services involved. The 220 contributions received in response to the public consultation reflect a broad and diverse spectrum representing the variety of structures, views and traditions characterising the external action community.

In general, the responses did not suggest the need for a substantial change in the current structure of the existing instruments. Nevertheless, several issues were identified which are relevant to the INSC and, as appropriate, are taken into account in the preparation of the new Regulation.

A majority of the respondents (around 70%) confirmed that EU financial intervention provides *substantial added value* in the main policy areas supported through EU financial instruments for external action. The criterion of EU added value is mentioned by many respondents as the main driver for the future: the EU should exploit its comparative advantage linked to its global field presence, its wide-ranging expertise, its supranational nature, its role as a facilitator of coordination, and economies of scale.

Nearly all respondents (92%) support a *more differentiated approach***,** tailored to the situation of the beneficiary country, based on sound criteria and efficient data collection, to be used as a way to increase the impact of EU financial instruments.

Over two thirds of respondents believe that *EU interests are sufficiently taken into account in its external action*, and that the latter should be based to a larger extent on EU values and principles, and on the development objectives of the partner countries. Conversely, a minority considers that EU external action should concentrate more on the EU's own interests in the global economy, particularly in relation to emerging economies.

The overwhelming majority of respondents support a stronger focus on *monitoring and evaluations systems* in the future instruments and in the implementation of projects/programmes.

With regard to ways of enhancing the *visibility of EU external funding*, a majority of stakeholders support greater efforts in the area of information and communication activities, particularly in beneficiary countries; however, EU visibility appears to be better served by effective policies, strategies and presence in third countries than by additional spending on communication.

The ideas *of reinforcing EU's coordinating role* among other donors and of ensuring that implementing partners give more visibility to EU funding also receive strong support from stakeholders.

Impact Assessment

The Commission carried out an Impact Assessment, which reviewed four options as follows:

(a) No further EU action (no Nuclear Safety Cooperation Instrument). Some cooperation activities on nuclear safety could be included in the geographical cooperation instruments and be implemented as such. However, this might create complications with the legal basis and unsatisfactory implementation due to the highly technical nature of the issues.

(b) ’No change’ (cooperation with third countries would continue under the existing INSC Regulation). This option would not allow the incorporation of lessons learnt, the revision of the geographic scope and the setting of criteria for cooperation and priorities in the regulation. It would miss an opportunity to improve the implementation and effectiveness of the Regulation.

(c) Amend the INSC Regulation. The amended Regulation could provide for a revision of the geographical scope to include all third countries (including those currently covered by the Instrument for Pre-Accession (IPA)) and specify the priorities and criteria for cooperation. This would lead to a simplification and a more efficient implementation than is the case with the current regulation.

(d) A new instrument, which could include the current INSC scope plus part of the scope of the existing Instrument for Stability (IFS). This could provide a unified approach towards nuclear safety, security and safeguards (the ‘3S’); however, it would require a dual legal basis (the Euratom Treaty and the Treaty of the Functioning of the European Union). The dual legal basis would be likely to lead to increased complexity in implementation and perpetuate the need for close coordination with other risk mitigation actions (chemical and biological).

The option to amend the Regulation was found to be the preferred one. In comparison with the options of 'no change' and 'a new Instrument', it would allow continuity and using the experience of a well tried system, while resolving a number of issues which have been identified, including a clearer understanding of the limits of intervention. This, as well as the utilization of a single legal basis (as compared with the 'new instrument' option), would simplify implementation.

3. LEGAL ELEMENTS OF THE PROPOSAL

The legal basis of the current INSC Regulation is the Treaty establishing the European Atomic Energy Community (the ‘Euratom Treaty’), and in particular Article 203 thereof. Considering the legislative framework for nuclear safety at EU level, and the fact that the revised scope does not entail a change in the legal basis, this should continue to be the case for the future Regulation.

Subsidiarity and Proportionality

With 27 Member States acting within common policies and strategies, the EU alone has the critical mass to respond to global challenges, whereas the action of Member States may be limited and fragmented, with projects which are often too small to make a sustainable difference in the field. This critical mass also puts the EU in a better position to conduct policy dialogue with partner governments.

The EU is in a uniquely neutral and impartial position to deliver on external action on behalf of and with Member States, lending enhanced credibility in the countries in which it works. It is best placed to take on the role of global leader on behalf of its citizens.

4. BUDGETARY IMPLICATIONS

The Commission proposes to allocate €70 billion for the period 2014-2020 for the external instruments[1]. The allocation earmarked for the INSC over the period 2014 to 2020 is EUR 631.1 million (EUR 560 million at 2011 prices). The indicative yearly budget commitments for the INSC are identified in the table below.

Year	2014	2015	2016	2017	2018	2019	2020	**TOTAL**
INSC allocation (Million EUR)	84.9	86.6	88.3	90.1	91.9	93.7	95.6	**631.1**

The indicative financial allocations per specific objective are set out in the Legislative Financial Statement.

5. OPTIONAL ELEMENTS

Simplification

Articles of horizontal nature were deleted as they are covered by the Regulation No …. /… establishing common implementation rules for external relations financing instruments.

In order to simplify the programming and implementation of the INSC, a definition of the criteria for cooperation and the thematic and geographic priorities for the selection of cooperation projects is provided in an annex to the Regulation.

Explanation of the major articles of the Regulation and changes relative to the current INSC

TITLE I – Objectives

Article 1 -Subject matter and scope

Article 1 sets out the objectives and scope of the Regulation. The Regulation will apply to all third countries (as further explained in the Annex).

Three specific objectives are established:

(a) promotion of an effective nuclear safety culture and implementation of the highest nuclear safety standards and radiation protection;

(b) responsible and safe management of spent fuel and radioactive waste, decommissioning and remediation of former nuclear sites and installations;

(c) establishment of frameworks and methodologies for the application of efficient and effective safeguards for nuclear material in third countries.

[1] EDF, Global Climate and Biodiversity Fund and Emergency Aid Reserve are additional to this and remain outside the EU budget.

Relative to the current INSC Regulation the presentation is simplified. Articles 1 and 2 of the current INSC have been merged. The article defines the major areas of cooperation, while the Annex defines the specific measures.

TITLE II – Programming and indicative allocation of funds

Article 2 – Strategy papers

This article stipulates that the multi-annual strategy paper(s) shall constitute the general basis for the cooperation setting out the Union's strategy for cooperation under the Regulation.

Article 3 – Multiannual indicative programmes

This article stipulates that multiannual indicative programmes shall set out the priority areas selected for financing, the specific objectives, the expected results, the performance indicators and the indicative financial allocations.

TITLE III – Implementation

This Title was greatly simplified as Article 4 stipulates that the decision shall be implemented in accordance with Regulation No …. /… establishing common implementation rules for external relations financing instruments.

TITLE IV – Final provisions

This title provides the definition of the financial reference amount (Article 7) and entry into force (Article 8).

ANNEX

The Annex on s*pecific supported measures and criteria applying to nuclear safety cooperation* was introduced in order to further simplify the body of the text of the Regulation and its implementation, by defining the areas of cooperation, technical and geographical scope, criteria for cooperation and priorities .

Under the terms of the proposal, the annex may be amended using a lighter procedure than would be required for the Regulation as a whole (Article 5 of the Regulation).

The Annex defines the specific measures supported by the Regulation (a revised version the current INSC, redefining the areas of cooperation), the criteria for nuclear safety cooperation with third countries, the priorities and coordination. The criteria for cooperation take into account and follow essentially those proposed by the Council in 2008.

2011/0414 (CNS)

Proposal for a

COUNCIL REGULATION

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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 Commission,

Having regard to the opinion of the European Parliament[2],

Acting in accordance with a special legislative procedure,

Whereas:

(1) This Regulation constitutes one of the instruments providing direct support for the European Union's external policies, it will replace Regulation No 300/2007 of the European Parliament and of the Council of 19 February 2007 establishing an Instrument for Nuclear Safety Cooperation[3] which expires on 31 December 2013.

(2) The European Union is a major provider of economic, financial, technical, humanitarian and macroeconomic assistance to third countries. The present Regulation is part of the framework devised for the planning of cooperation and provision of assistance aimed at supporting the promotion of a high level of nuclear safety, radiation protection and the application of efficient and effective safeguards of nuclear material in third countries.

(3) The Chernobyl accident in 1986 highlighted the global importance of nuclear safety. The Fukushima Daiichi accident in 2011 confirmed the need to continue the efforts to improve nuclear safety to the highest standards. To create the conditions of safety necessary to eliminate hazards to the life and health of the public, the European Atomic Energy Community (the 'Community') should be able to support nuclear safety in third countries.

(4) By acting within common policies and strategies with its Member States, the European Union alone has the critical mass to respond to global challenges and is also best placed to coordinate the cooperation with third countries.

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2 OJ C , , p. .

3 OJ L 81, 22.3.2007, p. 1–10

(5) By Commission Decision 1999/819/Euratom[4] the Community acceded to the 1994 Convention on Nuclear Safety. By Commission Decision 2005/510/Euratom[5] the Community also acceded to the Joint Convention on the Safety of Spent Fuel Management and on the Safety of Radioactive Waste Management.

(6) In order to maintain and promote the continuous improvement of nuclear safety and its regulation, the Council adopted Directive 2009/71/Euratom of 25 June 2009 establishing a Community framework for nuclear safety of nuclear installations[6]. The Council also adopted Directive 2011/70/Euratom of 19 July 2011 establishing a Community framework for the responsible and safe management of spent fuel and radioactive waste[7]. These Directives and the high standards of nuclear safety and radioactive waste and spent fuel management implemented in the Union are examples that can be used to encourage third countries to adopt similar high standards.

(7) The promotion of regulatory and other forms of cooperation with emerging economies and the promotion of Union approaches, rules, standards and practices are external policy objectives of the Europe 2020 strategy.

(8) The Union Member States are signatory parties of the Non Proliferation Treaty and the Additional Protocol.

(9) The Community already pursues a close cooperation, in accordance with Chapter 10 of the Euratom Treaty, with the International Atomic Energy Agency (IAEA), both in relation to nuclear safeguards (in furtherance of the objectives of Chapter 7 of Title Two of the Euratom Treaty) and in relation to nuclear safety.

(10) There is a particular need for the Community to continue its efforts in support of the application of effective safeguards of nuclear material in third countries, building on its own safeguard activities within the Union.

(11) It is understood that the responsibility for the safety of the installation shall rest with the operator and the State having the jurisdiction over the installation.

(12) While Union external assistance has increasing financing needs, the economic and budgetary situation of the Union limits the resources available for such assistance. The Commission must therefore seek the most efficient use of available resources through, in particular, the use of financial instruments with leverage effect. Such leverage effect is increased by allowing the possibility to use and re-use the funds invested and generated by the financial instruments.

(13) In order to ensure uniform conditions for the implementation of this Regulation, implementing powers should be conferred on the Commission.

(14) The implementing powers relating to the programming and financing of the actions supported under this Regulation should be exercised in accordance with Regulation (EU) No 182/2011 of the European Parliament and of the Council of 16 February 2011

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4 OJ L 318, 11.12.1999, p. 20.
5 OJ L 185, 16.7.2005, p. 33.
6 OJ L 172, 2.7.2009, p. 18.
7 OJ L 199, 2.8.2011, p. 48.

laying down the rules and general principles concerning mechanisms for control by Member States of the Commission's exercise of implementing powers[8]. Taking into account the nature of those implementing acts, in particular their policy orientation nature or their financial implications, the examination procedure should in principle be used for their adoption, except for technical implementing measures of a small financial scale. The Commission should adopt immediately applicable implementing acts where in duly justified cases relating to the need for a swift response from the Union, imperative grounds of urgency so require.

(15) Common rules and procedures for the implementation of the Union's instruments for external action are laid down in Regulation (EU) No ../… of the European Parliament and of the Council of ….

(16) The organisation and functioning of the European External Action Service are described in Council Decision 2010/427/EU,

HAS ADOPTED THIS REGULATION:

TITLE I

OBJECTIVES

Article 1

Subject matter and scope

The European Union shall finance measures to support the promotion of a high level of nuclear safety, radiation protection and the application of efficient and effective safeguards of nuclear material in third countries, in line with the provisions of this Regulation.

1. The following specific objectives shall be pursued:

   (a) promotion of an effective nuclear safety culture and implementation of the highest nuclear safety standards and radiation protection;

   (b) responsible and safe management of spent fuel and radioactive waste, decommissioning and remediation of former nuclear sites and installations;

   (c) establishment of frameworks and methodologies for the application of efficient and effective safeguards for nuclear material in third countries.

2. The overall progress in achieving the above specific objectives shall be assessed, respectively, through the following performance indicators:

   (a) number and importance of issues identified during relevant IAEA peer review missions;

[8] OJ L 55, 28.2.2011, p. 13.

(b) status of development of the spent fuel, nuclear waste and decommissioning strategies, the respective legislative and regulatory framework and implementation of projects;

(c) number and importance of issues identified in relevant IAEA nuclear safeguards reports.

3. The Commission shall ensure that the measures adopted are consistent with the Union's overall strategic policy framework for the partner country and in particular with the objectives of its development and economic cooperation policies and programmes.

4. Specific measures supported by this Regulation and criteria applying to nuclear safety cooperation are detailed in the Annex.

5. The financial, economic and technical cooperation provided under this Regulation shall be complementary to that provided by the Union under other development cooperation instruments.

TITLE II

PROGRAMMING AND INDICATIVE ALLOCATION OF FUNDS

Article 2

Strategy papers

1. Union cooperation under this Regulation shall be implemented on the basis of multi-annual strategy papers.

2. The multi-annual strategy paper shall constitute the general basis for the cooperation and shall be established for a period up to seven years. It shall set out the Union's strategy for cooperation under this Regulation, having regard to the needs of the countries concerned, the Union's priorities, the international situation and the activities of the main partners.

3. Strategy papers will aim at providing a coherent framework for cooperation between the Union and the partner countries or regions concerned, consistent with the overall purpose and scope, objectives, principles and policy of the Union.

4. The preparation of strategy papers shall apply principles of aid effectiveness: national ownership, partnership, coordination, harmonisation, alignment to recipient country or regional systems, mutual accountability and results orientation.

5. The strategy paper shall be approved by the Commission in accordance with the examination procedure referred to in Article 15(3) of the Common Implementing Regulation. Strategy papers may be reviewed at mid-term or whenever necessary in accordance with the same procedure. However, that procedure shall not be required for updates of the strategy which do not affect the initial priority areas and objectives set out in the paper.

Article 3

Multiannual Indicative programmes

1. Multiannual indicative programmes shall be drawn up on the basis of the strategy papers mentioned in Article 2. Multiannual indicative programmes shall normally cover a period of 2 to 4 years.

2. Multiannual indicative programmes shall set out the priority areas selected for financing, the specific objectives, the expected results, the performance indicators and the indicative financial allocations, both overall and per priority area, and including a reasonable reserve of unallocated funds; this may be given in the form of a range or a minimum, where appropriate.

3. Multiannual indicative programmes shall, in principle, be based on a dialogue with the partner countries or region(s) which involves the stakeholders, so as to ensure that the country or region concerned takes sufficient ownership of the process and to encourage support for national development strategies.

4. Multiannual indicative programmes shall be adopted in accordance with the examination procedure referred to in Article 15(3) of the Common Implementing Regulation.

5. The multi annual indicative programmes shall be revised as necessary, taking into account any review of the relevant strategy papers, in accordance with the same procedure. However, the examination procedure shall not be required for modifications to multiannual indicative programmes, which make technical adjustments, reassign funds within the allocations per priority area, or increase or decrease the size of the initial indicative allocation by less than 20%, provided that these modifications do not affect the initial priority areas and objectives set out in the document. Any such technical adjustments shall be communicated within one month to the European Parliament and to the Council.

TITLE III

IMPLEMENTATION

Article 4

Implementation

This Regulation shall be implemented in accordance with Regulation No …. /….of the European Parliament and of the Council of … establishing common implementation rules for external relations financing instruments, hereinafter referred as 'the Common Implementing Regulation'.

TITLE IV

FINAL PROVISIONS

Article 5

Modification of the Annex

The Annex to this Regulation may be modified in accordance with the examination procedure provided for in Article 15(3) of the Common Implementing Regulation.

Article 6

Committee

The Commission shall be assisted by the Nuclear Safety Cooperation Committee. That committee shall be a committee within the meaning of Regulation (EU) No 182/2011.

Article 7

European External Action Service

The application of this Regulation shall be in accordance with Council Decision 2010/427/EU, establishing the organisation and functioning of the European External Action Service.

Article 8

Financial reference amount

1. The financial reference amount for the implementation of this Regulation over the period 2014 to 2020 is EUR 631 100 000.

2. Annual appropriations shall be authorised by the budgetary authority within the limits of the multi-annual financial framework.

Article 9

Entry into force

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

It shall apply from 1 January 2014.

This Regulation shall be binding in its entirety and directly applicable in the Member States in accordance with the Treaties.

Done at Brussels,

For the Council
The President

ANNEX

Specific supported measures and criteria applying to nuclear safety cooperation

This Regulation supports the promotion of a high level of nuclear safety, radiation protection and the application of efficient and effective safeguards in third countries worldwide that are seeking cooperation in these fields. This Annex defines the specific supported measures and the criteria for cooperation, including the priorities.

Specific supported measures

The following measures may be supported to fulfil the objectives set out in article 1 of this Regulation.

(a) The promotion of an effective nuclear safety culture and implementation of the highest nuclear safety standards and radiation protection at all levels, in particular through:

- continuous support for regulatory bodies, technical support organisations, and the reinforcement of the regulatory framework, notably concerning licensing activities, including the review and follow up of effective and comprehensive risk and safety assessments (‘stress tests’);

- the promotion of effective regulatory frameworks, procedures and systems to ensure adequate protection against ionising radiations from radioactive materials, in particular from high activity radioactive sources, and their safe disposal;

- the establishment of effective arrangements for the prevention of accidents with radiological consequences as well as the mitigation of such consequences should they occur (for example, monitoring the environment in case of radioactive releases, design and implementation of mitigation and remediation activities), and for emergency-planning, preparedness and response, civil protection and rehabilitation measures.

- support to nuclear operators, in exceptional cases, under specific and well justified circumstances in the framework of follow-up measures of the comprehensive safety and risk assessments (‘stress tests’);

(b) Responsible and safe management of spent fuel and radioactive waste, decommission and remediation of former nuclear sites and installations, in particular through:

- cooperation with third countries in the domain of spent nuclear fuel and radioactive waste management (i.e. transport, pre-treatment, treatment, processing, storage and disposal), including the development of specific strategies and frameworks for the responsible management of spent nuclear fuel and radioactive waste;

- the development and implementation of strategies and frameworks for decommissioning existing installations, for the remediation of former nuclear

sites and legacy sites related to uranium mining, and for the recovery and management of sunken radioactive objects and material at sea;

– The establishment of the necessary regulatory framework and methodologies (including nuclear forensics methods) for the implementation of nuclear safeguards, including for the proper accounting and control of fissile materials at State and operators' level;

– Measures to promote international cooperation (including in the framework of relevant international organisations, notably IAEA) in the above fields, including the implementation and monitoring of international Conventions and Treaties, exchange of information, capacity building and training in the area of nuclear safety and research.

These measures shall include a substantial element of know-how transfer in order to reinforce sustainability of the results achieved. They must be implemented through cooperation with third countries' authorities, nuclear regulators and their technical support organisations and, in specific cases, with nuclear operators. The measures should also be supported by exploiting further synergies with the direct and indirect actions of the Euratom Framework Programmes in nuclear research and training.

Criteria[9]

Cooperation should be based on the following criteria and fulfilment of conditions by third countries.

1. General criteria

– Cooperation may cover all 'third countries' (non-EU Member States) worldwide.

– Priority will be given to Accession Countries and countries in the European Neighbourhood region. Regional approaches will be favoured.

– High income countries should be included only in order to allow exceptional measures to be undertaken, for example following a major nuclear accident, if necessary and appropriate

– A common understanding and a reciprocal agreement between the third country and the European Union should be confirmed through a formal request to the Commission, committing the respective Government.

– Third countries wishing to cooperate with the European Union should fully subscribe to the principles of non-proliferation. They should also be parties to the relevant conventions, within the framework of the IAEA, on nuclear safety and security or have taken steps demonstrating a firm undertaking to accede to such conventions. Cooperation with the European Union could be made conditional on accession or the completion of steps towards accession to the

[9] The criteria take into account the Council Conclusions on assistance to third countries in the field of nuclear safety and security (2913th Transport, Telecommunications and Energy Council meeting, Brussels, 9 December 2008).

relevant conventions. In cases of emergency, flexibility should, exceptionally, be shown in the application of this principle.

– In order to ensure and monitor compliance with the cooperation objectives, the third country beneficiary must accept the principle of evaluation of the actions undertaken. Evaluation would make it possible to monitor and verify compliance with the agreed objectives and could be a condition for continued payment of the Community contribution.

– Cooperation in the fields of nuclear safety and safeguards under this Regulation is not aimed at promoting nuclear energy.

2. Countries with installed nuclear generating capacity

In the case of countries which have already benefited from Community financing, additional cooperation should depend on the evaluation of actions funded by the Community budget and on proper justification of new needs. The evaluation should make it possible to determine more precisely the nature of the cooperation and the amounts to be granted to those countries in the future.

In the case of countries requiring rapid cooperation, consideration should be given to:

(a) the degree of urgency of intervention in a given country, in the light of the situation as regards nuclear safety and security; and

(b) the significance, in certain countries where an ambitious programme for developing nuclear generating capacity is planned, of stepping in at the appropriate moment so as to ensure that a nuclear safety and security culture is fostered in parallel with that process, in particular as regards the deployment or strengthening of the regulatory authorities and technical support organisations and the development and implementation of strategies and frameworks for the responsible and safe management of spent fuel and radioactive waste.

The use of the Integrated Regulatory Review Service (IRRS) and the IAEA Operational Safety Review Team (OSART) missions would be viewed favourably, although this would not constitute a formal criterion for EU cooperation.

3. Countries without installed nuclear generating capacity:

In the case of countries which have research reactors but do not wish to develop nuclear generating capacity, cooperation will depend on the degree of urgency in the light of the situation as regards nuclear safety and security.

In the case of countries that wish to develop nuclear generating capacity, whether or not they have research reactors and for which the issue arises of intervention at the appropriate moment to ensure that a nuclear safety and security culture is fostered in parallel with the development of the nuclear generating programme, especially as regards strengthening the regulatory authorities and technical support organisations, cooperation will take into account the credibility of the nuclear power development programme, the existence of a government decision on the use of nuclear energy and the drawing up of a preliminary road map[10].

[10] This should take into account the Milestones in the Development of a National Infrastructure for Nuclear Power (IAEA Nuclear Energy Series Document NG-G-3.1)

For countries in this category, cooperation should be primarily aimed at developing the required regulatory infrastructure, the technical competence of the nuclear regulator and the respective technical support organization(s). The development of strategies and frameworks for the responsible and safe management of spent fuel and radioactive waste should also be considered and, if appropriate, supported, including in countries which do not envisage developing or have decided not to develop nuclear generating capacity.

In the case of countries which do not fall into the above categories, cooperation may be provided in the case of emergency situations as regards nuclear safety and security. These countries should be able to benefit from a certain degree of flexibility in the application of the general criteria.

Priorities

In order to create the safety conditions necessary to eliminate hazards to the life and health of the public, and to ensure that nuclear materials are not diverted to purposes other than those for which they are intended, cooperation is directed primarily at the nuclear regulators (and their technical support organisations). The objective is to ensure their technical competence and independence and the reinforcement of the regulatory framework, notably concerning licensing activities, including the review and follow up of effective and comprehensive risk and safety assessments (‘stress tests’).

Other priorities of the cooperation programmes to be developed in the context of this Regulation include:

– the development and implementation of responsible strategies and frameworks for the responsible and safe management of spent fuel and radioactive waste;

– decommissioning of existing installations, the remediation of former nuclear sites and legacy sites related to uranium mining, as well as the recovery and management of sunken radioactive objects and material at sea, when these constitute a danger to the public.

Cooperation with operators of nuclear installations in third countries will be considered in specific situations in the framework of follow-up measures of the 'stress tests'. Such cooperation with nuclear installations operators will exclude supply of equipment.

Coordination

The Commission should coordinate its cooperation with third countries with organisations pursuing similar objectives, in particular international organisations, including in particular the International Atomic Energy Agency (IAEA). This coordination should enable the European Union and the organisations concerned to avoid any duplication of actions and funding in relation to third countries. The Commission should also involve the competent authorities of Member States and European operators in the fulfilment of its task, thereby harnessing the quality of European expertise in the field of nuclear safety and safeguards.

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 FOR PROPOSALS

1. FRAMEWORK OF THE PROPOSAL/INITIATIVE

1.1. Title of the proposal/initiative

Instrument for Nuclear Safety Cooperation (INSC)

1.2. Policy area(s) concerned in the ABM/ABB structure[11]

External Relations, Nuclear Safety Cooperation

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**[12]

☒ 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

The European Union has a long-standing nuclear safety culture and know-how which was developed in Europe and other parts of the world where nuclear power is being used. This was already the case in 1992 when the Community programme to assist CIS and CEEC countries in improving their Nuclear Power Plants was launched.

The promotion of the highest standards of nuclear safety and security was reaffirmed as a fundamental and priority objective for Community cooperation in the nuclear field, in the communication COM2008 (312) dated 22 May 2008 of the Commission to the Council and the European Parliament addressing the international challenge of nuclear safety and security.

Any country aiming to use nuclear power for civil purposes must respect internationally recognised nuclear safety and security standards. For this it will face the challenge of developing capabilities (both in human resources and infrastructure) and of establishing the legislative framework and institutions necessary to fulfil the international obligations. Building on extensive experience, the EU can provide a considerable contribution to improve nuclear safety, radiation protection and safeguards through the Instrument for Nuclear Safety Cooperation, which had its geographical scope extended to all 'third countries'.

The Commission's intervention is being shifted from technical assistance to cooperation. It focuses on activities designed to improve nuclear safety radiation protection and safeguards, including studies, development of legislation, institution building, improvement of procedures and methodologies, including for the safe

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

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

management of radioactive waste and spent nuclear fuel. Particular attention is given to training in the countries concerned. In this context, the added value of the EU action lies in making available to third countries, the benefit of the EU experience built on the highest standards for nuclear safety, in close cooperation with the International Atomic Energy Agency (IAEA).

The Chernobyl accident (1986) highlighted the importance of nuclear safety and clearly established the need for a global approach to cope with the global, trans-boundary, consequences of a nuclear accident. The need to adopt the highest nuclear safety standards worldwide has recently become even more evident in the wake of the Fukushima-Daiichi accident, which has raised serious concerns regarding the capability of operating nuclear installations to withstand the conditions which may be imposed by major natural events, including earthquakes and flooding.

As a response to the Fukushima-Daiichi event, the European Commission and national authorities have requested the performance of comprehensive and transparent risk and safety assessments ("stress tests") of nuclear power plants in EU Member States. The European Nuclear Safety Regulators Group (ENSREG) specifications and a schedule for this unprecedented assessment have been agreed and the extension of the exercise to third countries (particularly in the EU neighbourhood) is being pursued.

The health, environmental, social and economic impact of nuclear accidents in third countries in the EU has been confirmed to be potentially very high. The need to establish effective cooperation aimed at preventing accidents through the establishment of high levels of nuclear safety is being reaffirmed. Some countries have taken the political decision to phase out nuclear power and others decided not to start envisaged programmes, however a large number of countries will continue operating nuclear power plants and some are likely to build new ones. While the EU recognizes that the use of nuclear power is a sovereign decision, it is in the EU's best interest that nuclear installations are operated safely, in particular in the EU neighbourhood, and that nuclear materials are properly accounted for. The EU will cooperate with third countries and organizations in these respects.

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

The European Union shall finance measures to support the promotion of a high level of nuclear safety, radiation protection and the application of efficient and effective safeguards of nuclear material in third countries.

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

Specific objective No. 1 Promotion of an effective nuclear safety culture and implementation of the highest nuclear safety standards and radiation protection. ABM/ABB activity(ies) concerned Specific objective No. 2

Responsible and safe management of spent fuel and radioactive waste, decommissioning and remediation of former nuclear sites and installations.

ABM/ABB activity(ies) concerned

Specific objective No. 3

Establishment of frameworks and methodologies for the application of efficient and effective safeguards for nuclear material in third countries.

ABM/ABB activity(ies) concerned

1.4.3. Expected result(s) and impact

- Creation of an effective culture of nuclear safety and implementation of the highest standards of nuclear safety and radiation protection for nuclear installations and in radiological practices in third countries;
- Establishment of effective regulatory frameworks concerning nuclear safety, including procedures and systems to ensure adequate protection against ionizing radiations from radioactive materials;
- Establishment of effective arrangements for the prevention of accidents with radiological consequences and mitigation measures of such consequences should they occur and for emergency-planning, preparedness and responses, civil protection and rehabilitation measures;
- International cooperation and support for nuclear safety matters to ensure that the highest and most robust levels of nuclear safety are in place and implemented;
- Elaboration and implementation of responsible strategies concerning the disposal of spent fuel, waste management, decommissioning of installations, restoration of former nuclear sites and recovery and management of sunken or dispersed radioactive objects and material at sea or on land;
- Establishment of effective frameworks and methodologies for the improvement of nuclear safeguards worldwide.

1.4.4. Indicators of results and impact

- The annual action programmes detail the activities to be carried out by the EU, including the objectives pursued by the respective actions and the expected results. Specific indicators are defined prior to implementation of projects, having in mind the particularities of each action. One indicator per objective is provided in Article 1 of the Regulation for overall progress assessment.

1.5. Grounds for the proposal/initiative

The legal base of the INSC is the Euratom Treaty, in particular the Article 203.

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

The legislative proposal addresses the requirement for the promotion and implementation in third countries of the highest nuclear safety standards, radiation protection and efficient and effective safeguards of nuclear material.

1.5.2. Added value of EU involvement

With a large number of commercial nuclear power plants (146 out of 436 worldwide) and nuclear power providing for about 30% of the electricity generation, the EU has accumulated a long experience in the domain of nuclear safety, including in decommissioning of nuclear installations and radioactive waste management. As a result a wide expertise in all the domains of nuclear safety is available in EU Member States. The diversity of technologies, which requires different approaches, allows for the necessary flexibility in addressing the needs of third countries.

The EU has adopted common legal frameworks concerning nuclear safety and radioactive waste and spent fuel management. In this respect, the EU has set up an example and expects to persuade others to adopt similar high standards.

In the face of increasingly complex challenges, none of the EU's internal priorities – security, growth and job creation, climate change, access to energy, health and pandemics and migration - will be achieved in isolation from the wider world. In times of economic crisis, a more coordinated and integrated approach between the EU and its Member States through joint programming will bring about more added value, increased strength and legitimacy, and more impact and effectiveness.

The EU is in a uniquely neutral and impartial position to deliver on external action on behalf of and with Member States, giving enhanced credibility in the countries in which it works. It is best placed to take on the role of global leader on behalf of its citizens.

With 27 Member States acting within common policies and strategies, the EU alone has the critical weight to respond to global challenges, while the action of Member States can be limited and fragmented, with projects which are often too small to make a sustainable difference in the field. This critical mass also puts the EU in a better position to conduct policy dialogue with partner governments.

When programming its cooperation, the EU pays particular attention to the structural as well as economic capacity of the countries concerned. The possibility to react to unforeseen needs is envisaged within the current INSC regulation and was made available to Japan after the Fukushima accident.

The EU has a network of international agreements all over the world, not matched by individual Member States, which gives them influence in almost all fields of international relations, including nuclear safety. The EU plays a major role in this domain but needs to continue enhancing its visibility.

The EU can do more than other international organisations as it has a holistic approach to development and external relations. Division of labour through the EU is a crucial component of its added value. With its network of international agreements with partners and organisations all over the world, the EU is a natural coordinator,

and can influence almost all fields of international relations, which individual Member States, acting within common policies and strategies, cannot do alone.

Furthermore, at a time of budgetary restrictions, when several Member States are compelled to exit entire sectors and countries, the EU is able to continue playing an active role.

1.5.3. Lessons learned from similar experiences in the past

The root causes of the major nuclear accidents have been mainly lack of nuclear safety culture, design safety (safety aspects of the plant design) and operational safety. It was therefore considered appropriate that the nuclear safety cooperation programmes of the European Union addressed the nuclear operators, to improve the situation on the ground, and the nuclear regulators to ensure that they had the required technical capability and independence to enforce adherence to appropriate nuclear safety standards.

In some cases, safety related equipment had to be supplied to ensure that urgent cases were promptly resolved. However, as these cases have been addressed and the programmes are guided by the principle of the most efficient use of resources and avoidance of practices which might have commercial and competition implications, supply of equipment has, in general, been discontinued.

Under the INSC, cooperation was initiated with a number of third countries which intend to use nuclear energy as part of their energy mix (the so called 'emerging countries'). The cooperation covered mainly the building up of the capacity of the regulators, the regulatory infrastructure and waste management strategies to ensure that a nuclear safety culture and framework is developed at a sufficiently early stage. The selection of the countries followed the criteria proposed by the Council.

The consequences of nuclear accidents can, to some extent, be mitigated by emergency preparedness. Therefore, emergency preparedness needs to remain an important part of the programme.

Major accidents with radiological consequences have required the help of the international community to the affected population and to restore the sites to an environmentally safe situation. This was the case with Chernobyl where the major construction projects are entering the final phase. The possibility should be left in future programmes to cooperate with third countries in this respect, if needed and appropriate.

Past activities related to the nuclear fuel cycle, the use of nuclear powered ships and submarines and radioisotopes have not always been up to the standards required to protect the population and the environment. Governments and local authorities have been left with the difficult task of restoring affected sites to an environmentally safe situation and the disposal of nuclear spent fuel and waste, for which international cooperation may be required. This part of the nuclear safety programme should be among the instrument’s priorities in the future.

In order that spent nuclear fuel and nuclear waste be dealt with in a proper and responsible way, the nuclear safety programmes have provided for cooperation with third countries to establish national strategies and frameworks for the spent fuel and nuclear waste. As the European Union has just adopted a radioactive waste and spent

fuel management directive, third countries should continue to be encouraged to adopt similar high standards, cooperation in this field should also be continued as a matter of priority.

The promotion of international cooperation will remain essential to ensure coordination of activities by the different actors and the best use of resources. The IAEA will continue to play a fundamental role in this respect, particularly to enhance the Global Nuclear Safety Regime (the framework for achieving the worldwide implementation of a high level of safety at nuclear installations). Support to IAEA activities, particularly those of global or regional nature should continue to be envisaged, with the appropriate visibility for the EU actions /contributions.

Following the Fukushima-Daiichi accident, issues related to the comprehensive risk and safety assessments of operating nuclear power plants ('stress tests') are likely to become more relevant and to be extended to other nuclear facilities, including research reactors, spent fuel interim storage facilities, radioactive waste storage and disposal facilities.

Cooperation with nuclear regulators (including their technical support organizations) should remain at the centre of the nuclear safety cooperation, while cooperation with nuclear power plant operators needs to be reconsidered taking into account the performance and results of the 'stress tests' and specific circumstances.

Disposal of spent fuel, waste management, decommissioning of installations, restoration of sites have gained increased relevance over the years. Future cooperation in these areas should be treated as a programme priority.

Geographical proximity to the EU (including pre-accession countries and EU neighbourhood) should remain a priority but not an exclusive criterion when deciding on cooperation programmes under the future instrument.

The evolution of the international situation requires a change in focus and in priorities rather than a change in the broader scope of nuclear safety cooperation.

1.5.4. Coherence and possible synergy with other relevant instruments

Consistency with the measures envisaged in the domain of chemical, biological, radiological, and nuclear (CBRN) risk mitigation, in the framework of the Instrument for Stability (IFS) must be ensured, particularly those related to nuclear safeguards (including countering illicit trafficking of nuclear and radiological materials and border control) as well as emergency preparedness.

1.6. Duration and financial impact

☒ Proposal/initiative of **limited duration**

– ☒ Proposal/initiative in effect from 2014 to 2020

– ☐ Financial impact from YYYY to YYYY

☐ 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) envisaged[13]

☒ **Centralised direct management** by the Commission

☒ **Centralised indirect management** with the delegation of implementation tasks to:

☐ executive agencies

☐ bodies set up by the Communities[14]

☒ 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 ***(IAEA)***

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

Comments

The major part of the projects and programmes of the instrument will be managed by centralised direct management. When necessary and appropriate to improve efficiency of the interventions, for logistic and political reasons, indirect, shared or joint management may be considered; the later may in particular be applied when Member States and/or their Agencies or the International Atomic Energy Agency (IAEA) have already launched or are preparing similar actions.

[13] 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

[14] As referred to in Article 185 of the Financial Regulation.

2. MANAGEMENT MEASURES

2.1. Monitoring and reporting rules

Specify frequency and conditions.

The European Commission's Monitoring and Evaluation systems are increasingly focussed on results. They involve internal staff as well as external expertise.

Task Managers in Delegations and Headquarters continuously monitor the implementation of projects and programmes in various ways, including wherever possible through field visits. Monitoring provides valuable information on progress; it helps managers to identify actual and potential bottlenecks, and to take corrective action.

External, independent experts are contracted to assess the performance of EU external actions through three different systems. These assessments contribute to accountability, and to the improvement of ongoing interventions; they also draw lessons from past experience to inform future policies and actions. The tools all use the internationally-recognised OECD-DAC evaluation criteria including (potential) impact.

Firstly, at the project level, the Headquarters-managed Results Oriented Monitoring (ROM) system provides a brief, focused snapshot of the quality of a sample of interventions. Using a highly structured, standardised methodology, independent ROM experts attribute grades which highlight the strengths and weaknesses of the project and give recommendations on how to improve effectiveness.

Project-level evaluations, which are managed by the EU Delegation in charge of the project, deliver a more detailed, in depth analysis and help project managers to improve ongoing interventions and prepare future ones. External, independent experts with thematic and geographic expertise are hired to conduct the analysis and gather feedback and evidence from all stakeholders, not least the final beneficiaries.

The Commission also conducts strategic evaluations of its policies, from programming and strategy to the implementation of interventions in a specific sector (such as health, education etc), in a country or region, or of a specific instrument. These evaluations are an important input to the formulation of policies and the design of instruments and projects. These evaluations are all published on the Commission's website and a summary of the findings is included in the Annual Report to the Council and the European Parliament.

2.2. Management and control system

The measures financed under this Regulation shall be implemented in accordance with the Financial Regulation.

In duly justified cases, the Commission may, in accordance with Article 54 of the Financial regulation, decide to entrust tasks of public authority, and in particular budget implementation tasks, to bodies referred in Article 54(2)(c) of the Financial Regulation if they are of recognised international standing, comply with

internationally recognised systems of management and control, and are supervised by public authority.

In accordance with the Financial Regulation, measures financed under this Regulation may be implemented directly by the Commission, in shared management with Member States or indirectly by entrusting budget implementing tasks to any of the entities or persons listed in Article 55(1) point c) of the Financial Regulation. These entities or persons may, under the conditions laid down in Article 57 of the Financial Regulation, be authorised to use their own contract and grant award rules and procedures.

2.2.1. Risk(s) identified

Risk environment

The operational environment of aid under this instrument is characterised by the following risks of not achieving the instrument's objectives, suboptimal financial management and/or of not complying with the applicable rules (legality and regularity errors):

– economic/political instability and/or natural disaster may lead to difficulties and delays in the design and implementation of interventions, particularly in fragile states;

– a lack of institutional and administrative capacity in partner countries may lead to difficulties and delays in the design and implementation of interventions;

– geographically dispersed projects and programmes (covering many states/territories/regions) may pose logistical/resource challenges to monitoring - particularly any 'on-the-spot' follow-up of activities;

– diversity of potential partners / beneficiaries with their diverse internal control structures and capacities can fragment and therefore reduce the effectiveness and efficiency of the Commission's available resources to support and monitor implementation;

– poor quality and quantity of available data on the outcomes and impact of external aid / national development plan implementation in partner countries may hinder the Commission's ability to report on and be accountable for results.

Expected level of risk of non-compliance with applicable rules

The compliance objective for the instrument is to maintain the historic level of risk of non-compliance (error rate) for DEVCO portfolio which is a residual 'net' level of error (on a multi-annual basis after all planned controls and corrections have been executed on closed contracts) of less than 2%. This has traditionally implied an estimated error range of 2-5% in terms of an annual randomised sample of transactions undertaken by the European Court of Auditors for the purposes of the annual Statement of Assurance (DAS). DEVCO considers this to be the lowest risk of non compliance achievable in relation to its high risk environment and taking into account the administrative burden and necessary cost effectiveness of compliance controls.

2.2.2. Control method(s) envisaged

DEVCO Internal Control architecture

DEVCO's internal control / management process is designed to provide reasonable assurance regarding the achievement of objectives in the effectiveness and efficiency of its operations, the reliability of its financial reporting and compliance with the relevant legislative and procedural framework.

Effectiveness and efficiency

To ensure the effectiveness and efficiency of its operations (and to mitigate the high level of risk in its external aid environment), in addition to all the elements of the Commission wide Strategic Policy and Planning process, internal audit environment and other requirements of the Commission's Internal Control Standards, DEVCO will continue to have a tailored aid management framework in operation under all its instruments which will include:

– A devolved management of the majority of external aid by EU delegations in the field.

– Clear and formalised lines of financial accountability (from the Delegated Authorising officer (Director General)) by means of a subdelegation from the Subdelegated Authorising Officer (Director) at HQ to the Head of Delegation;

– Regular reporting from EU Delegations to HQ (External Assistance Management Reports) including an annual Statement of Assurance by the Head of Delegation;

– Provision of a substantial programme of training for staff both at HQ and in delegation;

– Significant HQ/Delegation support and guidance (including via internet);

– Regular 'verification' visits to 'devolved' delegations every 3 to 6 years;

A project and programme cycle management methodology including:

– Quality support tools for the design of the intervention, its delivery method, financing mechanism, management system, assessment and selection of any implementing partners, etc.

– Programme and project management, monitoring and reporting tools for effective implementation including regular external on-the-spot monitoring of projects.

– Significant evaluation and audit components.

Financial Reporting and Accounting

DEVCO will continue to pursue the highest standards of accounting and financial reporting using the Commission's accruals based accounting system (ABAC) as well as external aid specific tools such as the Common Relex Information System (CRIS).

In relation to compliance with the relevant legislative and procedural framework, compliance control methods are set out in section 2.3 (measures to prevent fraud and irregularities).

2.3. Measures to prevent fraud and irregularities

Given the high risk environment in which EuropeAid operates, its systems need to anticipate a significant occurrence of potential compliance errors (irregularities) in transactions and build in a high level of prevention, detection and correction controls as early as possible in the payment process. This means in practice that EuropeAid's compliance controls will place most reliance on significant ex-ante checks on a multi-annual basis by both external auditors and Commission staff in the field before final project payments (while still executing some ex-post audits and checks), going well beyond the financial safeguards required by the Financial Regulation. EuropeAid's compliance framework is made up inter alia of the following significant components:

Preventative measures

– Compulsory core training covering fraud issues for aid management staff and auditors;

– Provision of guidance (including via internet) including the Practical Guide to Contracts, the EuropeAid Companion and the Financial Management Toolkit (for implementing partners);

– Ex-ante assessment to ensure that appropriate anti-fraud measures to prevent and detect fraud in the management of EU funds are in place in the authorities managing the relevant funds under joint and decentralised management);

– Ex-ante screening of the anti-fraud mechanisms available in the partner country as part of the assessment of the eligibility criterion of public finance management for receiving budget support (i.e. active commitment to fight fraud and corruption, adequate inspection authorities, sufficient judicial capacity and efficient response and sanction mechanisms);

– The Commission signed the International Aid Transparency Initiative (IATI) in Accra in 2008, agreeing on a standard for aid transparency which ensures more timely, detailed and regular data on aid flows and documents.

– The Commission implements since 14 October 2011 the first phase of the IATI standard for publishing aid information transparency before the next High Level Forum on aid effectiveness in Busan in November 2011. In addition, the Commission will work in cooperation with the EU Member States on a joint web-based IT application called TR-AID which transforms the EU aid data provided through the IATI and other sources into user-friendly aid information.

Detective and corrective measures

– External audits and verifications (both mandatory and risk based) including the European Court of Auditors;

– Retrospective checks (on a risk basis) and recoveries;

– Suspension of EU funding where there is a serious fraud case, including large scale corruption, until the authorities have taken appropriate action with a view to correcting and preventing such fraud in the future.

EuropeAid will further devise its anti-fraud strategy in line with the Commission's new anti-fraud strategy (CAFS) adopted on 24 June 2011 in order to ensure inter alia that:

– EuropeAid's internal anti-fraud related controls are fully aligned with the CAFS;

– EuropeAid's fraud risk management approach is geared to identify fraud risk areas and adequate responses;

– The systems used for spending EU funds in third countries enable relevant data to be retrieved with a view to feeding this data into fraud risk management (e.g. double funding);

– Where necessary, networking groups and adequate IT tools dedicated to analysing fraud cases related to the external aid sector could be set up.

2.4 Estimate of the costs and benefits of the controls

For the EuropeAid portfolio as a whole, internal control / management costs total an estimated annual average of **€ 658 million** in commitments in the 2014-2020 budget planning. This figure includes the management of the EDF which operates in an integrated way within the management structure of EuropeAid. These 'non operational' costs represent approximately **6,4 %** of the estimated annual average of **€ 10.2 billion** planned for the overall (operational + administrative) commitments by EuropeAid on its expenditure portfolio financed by the General Budget of the EU and the European Development Fund for the period 2014-2020.

These management costs take into account all EuropeAid staff at HQ and in Delegations, infrastructure, travel, training, monitoring, evaluation and audit contracts (including those launched by beneficiaries).

EuropeAid plans to reduce the management / operational activities ratio over time under the improved and simplified arrangements of the new instruments, building on changes likely to come in under the revised Financial Regulation. The key benefits of these management costs are realised in terms of meeting policy objectives, efficient and effective use of resources, and the exercise of robust cost-effective preventative measures and other checks to ensure the legal and regular use of funds.

While improvements in the nature and targeting of management activities and compliance checks in relation to the portfolio will continue to be pursued, these costs are globally necessary to effectively and efficiently achieve the objectives of the instruments at a minimal risk of non compliance (below 2% residual error). They are significantly less than risks involved in removing or scaling back internal controls in this high risk area.

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 19 06 04 Assistance in the nuclear sector	DA/NDA (15)	from EFTA[16] countries	from candidate countries[17]	from third countries	within the meaning of Article 18(1)(aa) of the Financial Regulation
	Number 19 06 04 01	DA	NO	NO	NO	

- New budget lines requested **NOT APPLICABLE**

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/NO	YES/NO	YES/NO	YES/NO

15 DA= Differentiated appropriations / DNA= Non-Differentiated Appropriations

16 EFTA: European Free Trade Association.

17 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:		**Assistance in the Nuclear Safety Sector**

DG: <…….>			Year N[18] **2014**	Year **N+1 2015**	Year **N+2 2016**	Year **N+3 2017**	**Year N+4 2018**	**Year N+5 2019**	**Year N+6 2020**	**TOTAL**
• Operational appropriations										
Instrument for Nuclear Safety Cooperation (19.06.04)	Commitments	(1)	83,584	85,277	86,970	88,763	90,478	92,348	94,241	621,661
	Payments	(2)	0,581	38,592	59,602	69,624	76,548	84,636	81,649	411,232
Appropriations of an administrative nature financed from the envelop of specific programs[19]										
Number of budget line 19.0104 06		(3)	1,316	1,323	1,330	1,337	1,422	1,352	1,359	9,439
TOTAL appropriations for DG <…….>	Commitments	=1+1a +3	84,900	86,600	88,300	90,100	91,900	93,700	95,600	631,100
	Payments	=2+2a +3	*1,897*	*39,915*	60,932	70,961	77,970	85,988	83,008	420,671

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

[19] 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)	83,584	85,277	86,970	88,763	90,478	92,348	94,241	621,661
	Payments	(5)	0,581	38,592	59,602	69,624	76,548	84,636	81,649	621,661
• TOTAL appropriations of an administrative nature financed from the envelop of specific programs		(6)	1,316	1,323	1,330	1,337	1,422	1,352	1,359	9,439
TOTAL appropriations under HEADING <4> of the multiannual financial framework	Commitments	=4+ 6	84,900	86,600	88,300	90,100	91,900	93,700	95,600	631,100
	Payments	=5+ 6	1,897	39,915	60,932	70,961	77,970	85,988	83,008	420,671

If more than one heading is affected by the proposal / initiative: N/A

• TOTAL operational appropriations	Commitments	(4)								
	Payments	(5)								
• TOTAL appropriations of an administrative nature financed from the envelop of specific programs		(6)								
TOTAL appropriations under HEADINGS 1 to 4 of the multiannual financial framework (Reference amount)	Commitments	=4+ 6								
	Payments	=5+ 6								

Heading of multiannual financial framework:	**5**	" Administrative expenditure "

EUR million (to 3 decimal places)

		Year **N 2014**	Year **N+1 2015**	Year **N+2 2016**	Year **N+3 2017**	Year **N+4 2018**	Year **N+5 2019**	Year **N+6 2020**	**TOTAL**
DG: <…….>									
• Human resources		2,440	2,415	2,391	2,367	2,367	2,367	2,367	16,716
• Other administrative expenditure		0,368	0,340	0,335	0,335	0,335	0,335	0,335	2,383
TOTAL DG <…….>	Appropriations	2,808	2,756	2,726	2,702	2,702	2,702	2,702	19,099

TOTAL appropriations under HEADING 5 of the multiannual financial framework	(Total commitments = Total payments)	2,808	2,756	2,726	2,702	2,702	2,702	2,702	19,099

EUR million (to 3 decimal places)

		Year **N 2014**	Year **N+1 2015**	Year **N+2 2016**	Year **N+3 2017**	Year **N+4 2018**	Year **N+5 2019**	Year **N+6 2020**	**TOTAL**
TOTAL appropriations under HEADINGS 1 to 5 of the multiannual financial framework	Commitments	87,708	89,356	91,026	92,802	94,602	96,402	98,302	650,199
	Payments	4,705	42,671	63,658	73,663	80,672	88,690	85,710	439,770

3.2.2. Estimated impact on operational appropriations ☐ The proposal/initiative does not require the use of operational appropriations

☒ The proposal/initiative requires the use of operational appropriations, as explained below:

Commitment appropriations in EUR million (to 3 decimal places)

Indicate objectives and outputs ⇩			**2014**		**2015**		**2016**		**2017**		**2018**		**2019**		**2020**		**TOTAL**	
	OUTPUTS																	
	Type of output[20]	Average cost of the ouput	Number of ouputs	Cost	Number of ouputs	Cost	Number of ouputs	Cost	Number of ouputs	Cost	Number of ouputs	Cost	Number of ouputs	Cost	Number of ouputs	Cost	Total number of ouputs	Total cost
SPECIFIC OBJECTIVE No 1[21] Promotion of an effective nuclear safety culture and implementation of the highest nuclear safety standards and radiation protection																		
- Output																		
- Output																		
Sub-total for specific objective N°1				25,08		25,58		26,09		26,63		27,14		27,70		28,27		186,50

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

[21] As described in Section 1.4.2. "Specific objective(s)…"

SPECIFIC OBJECTIVE No 2 Responsible and safe management of spent fuel and radioactive waste, decommissioning and remediation of former nuclear sites and installations																	
- Output																-	
- Output																	
Sub-total for specific objective N°2				54,33		55,43		56,53		57,70		58,81		60,03		61,26		404,08
SPECIFIC OBJECTIVE No 3 Establishment of frameworks and methodologies for the application of efficient and effective safeguards for nuclear material in third countries																	
- Output																	
- Output																	
Sub-total for specific objective N°3				4,18		4,26		4,35		4,44		4,52		4,62		4,71		31,08
TOTAL COST				83,58		85,28		86,97		88,76		90,48		92,35		94,24		621,66

N.B. It should be underlined that the breakdown per specific objectives and their allocations among outputs can only, at this stage, be indicative. The outputs are thus based on initial estimates and been presented for illustrative purposes.

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[22]	**2015**	**2016**	**2107**	**2018**	**2019**	**2020**	**TOTAL**
HEADING 5 of the multiannual financial framework								
Human resources	*2,440*	*2,415*	*2,391*	*2,367*	*2,367*	*2,367*	*2,367*	*16,716*
Other administrative expenditure	0,368	0,340	0,335	0,335	0,335	0,335	0,335	2,383
Subtotal HEADING 5 of the multiannual financial framework	2,808	2,756	2,726	2,702	2,702	2,702	2,702	19,099
Outside HEADING 5[23] **of the multiannual financial framework**								
Human resources	0,968	0,968	0,968	0,968	0,968	0,968	0,968	6,778
Other expenditure of an administrative nature	0,348	0,355	0,362	0,369	0,453	0,384	0,391	2,661
Subtotal outside HEADING 5 of the multiannual financial framework	1,316	1,323	1,330	1,337	1,422	1,352	1,359	9,439
TOTAL	**4,124**	**4,079**	**4,056**	**4,039**	**4,124**	**4,054**	**4,062**	**28,538**

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

[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 amounts (or at most to one decimal place)

		Year **N** **2014**	Year **N+1** **2015**	Year **N+2** **2016**	Year **N+3** **2017**	Year **N+4** **2018**	Year **N+5** **2019**	Year **N+6** **2020**
Establishment plan posts (officials and temporary agents)								
Assistance in the Nuclear Sector 01 01 01 (Headquarters and Commission's Representation Offices)		18,5	18,4	18,2	18,0	18,0	18,0	18,0
Assistance in the Nuclear Sector 01 01 02 (Delegations)								
Assistance in the Nuclear Sector 01 05 01 (Indirect research)								
10 01 05 01 (Direct research)								
Assistance in the Nuclear Sector 01 02 01 (CA, INT, SNE from the "global envelope")		1,3	1,2	1,2	1,2	1,2	1,2	1,2
Assistance in the Nuclear Sector 01 02 02 (CA, INT, JED, LA and SNE in the delegations)								
Assistance in the Nuclear Sector 01 04 ***yy*** [24]	- at Headquarters[25]	17,3	16,9	16,6	16,3	15,9	15,6	15,3
	- in delegations							
Assistance in the Nuclear Sector 01 05 02 (CA, INT, SNE - Indirect research)								
10 01 05 02 (CA, INT, SNE - Direct research)								
Other budget lines (specify)								
TOTAL		**37,0**	**36,5**	**36,0**	**35,5**	**35,1**	**34,8**	**34,5**

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	
External personnel	

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

[25] 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 the current multiannual financial framework.

☐ Proposal/initiative will entail reprogramming of the relevant heading in the multiannual financial framework.

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

☐ Proposal/initiative requires application of the flexibility instrument or revision of the multiannual financial framework[26].

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

*3.2.5. Third-party contributions **NOT APPLICABLE***

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

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

Appropriations in EUR million (to 3 decimal places)

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

[26] See points 19 and 24 of the Interinstitutional Agreement.

3.3. Estimated impact on revenue (NOT APPLICABLE)

☐ 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[27]						
		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.

[27] 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.