Insert date

FINANCING MEMORANDUM

The European Commission, hereinafter referred to as "THE COMMISSION", acting for and on behalf of the European Community, hereinafter referred to as "**THE COMMUNITY**"

on the one part, and

The Government of **Bulgaria,** hereinafter referred to as "THE RECIPIENT"

on the other part,

HAVE AGREED AS FOLLOWS:

The measure referred to in Article 1 below shall be executed and financed out of the budget resources of THE COMMUNITY in accordance with the provisions set out in this Memorandum. The technical, legal, and administrative framework within which the measure referred to in Article 1 below shall be implemented is set out in the General Conditions annexed to the Framework Agreement between THE COMMISSION and THE RECIPIENT, and supplemented by the terms of this Memorandum and the Special Provisions annexed hereto.

ARTICLE 1 - NATURE AND SUBJECT

As part of its aid programme, THE COMMUNITY shall contribute, by way of grant, towards the financing of the following MEASURE:

Programme number:	2002/000/632.01
Title:	Horizontal Programme for Community support in the field of Nuclear Safety for 2002 for Bulgaria.
Duration:	Until 30/11/ 2004

ARTICLE 2 - COMMITMENT OF THE COMMUNITY

The financial contribution of THE COMMUNITY is fixed at a maximum of **1.96 MEUR** hereinafter referred to as "THE EC GRANT".

ARTICLE 3 - DURATION AND EXPIRY

For the present MEASURE, THE EC GRANT is hereby available for contracting until 30/11/04 subject to the provisions of his Memorandum. All contracts must be signed by this date. Any balance of funds of the EC GRANT which have not been contracted by this date shall be cancelled. The deadline for disbursement of THE EC GRANT is 30/11/2005; All disbursements must be completed by the deadline for disbursement. THE COMMISSION may however, in exceptional circumstances, agree to an appropriate extension of the contracting period or of the disbursement period, should this be requested in due time and properly justified by THE RECIPIENT. This Memorandum shall expire at the expiry of the

disbursement period of the EC GRANT. All the funds which have not been disbursed shall be returned to the Commission.

ARTICLE 4 - ADDRESSES

Correspondence relating to the execution of THE MEASURE, stating THE MEASURE'S number and title, shall be addressed to the following:

for the COMMUNITY:

Mr. Demetre Kourkoulas
Delegation of the European Commission
9 Moscovska Str.
1000 Sofia
Bulgaria

for THE RECIPIENT:

Mr Milen Velchev
Minister of Finance (National Aid Co-ordinator)
Ministry of Finance
102, Rakovski St.
1040 Sofia
Bulgaria

ARTICLE 5 - NUMBER OF ORIGINALS

This Memorandum is drawn up in duplicate in the English language.

ARTICLE 6 - ENTRY INTO FORCE

This Memorandum shall enter into force on the date on which it has been signed by both parties. No expenditure incurred before this date is eligible for the EC GRANT.

The Annexes shall be deemed an integral part of this Memorandum.

Done at Sofia
Date 14.02.2003

for THE RECIPIENT

Done at Sofia
Date 27.12.2002

for THE COMMUNITY

Dimitris Kourkoulas
Head of Delegation

Encl.

1. Framework Agreement (Annexes A & B)
2. Special Provisions (Annex C)
3. Visibility/Publicity (Annex D)

ANNEX C SPECIAL PROVISIONS

1. OBJECTIVES AND DESCRIPTION

1.1. Objectives

The overall objective of this programme is to contribute to improving nuclear safety in the beneficiary candidate countries.

The specific objective of this programme is to ensure that the projects listed below are completed in a manner ensuring that their outcome provides sustainable results towards the aim of a high level of nuclear safety.

With regard to the elements of the programme containing regulatory assistance, the objective is to contribute to the enhancement of factors affecting regulatory effectiveness as spelled out, for instance, in the conclusions of the CONCERT Group. These factors are[1]:

- "To be effective, a regulatory body must have a well-defined task, well-defined work and assessment processes, be independent from the energy producers, political power and pressure groups, be transparent and open, and have the adequate means, in terms of budget and competent and well motivated staff to perform its task.
- An effective regulatory body is one that ensures an acceptable level of safety, acts to prevent degradation of safety, promotes safety improvements, is timely and cost effective, ensures the confidence of operators, general public and government, and strives continuously for improved performance.
- A regulatory system is effective when the utilities consistently do all that they should to maintain or improve safety. Nevertheless, the performance of the plant operators depends also on other factors, and it is difficult to use it to assess the effectiveness of the regulatory body.
- International co-operation and international peer reviews play an important role in the development and maintenance of an effective regulatory body."

Indicators of achievement

Overall indicators of achievement have, in the past, not been established for projects in the field of nuclear safety.

On the one hand, there is no Community *acquis* of common standards covering safety in the operation of nuclear installation or regulatory practices. Consequently, in their absence, the secondary step of deriving benchmarks from such standards is not possible. With regard to regulatory practices, respective expert literature has identified at least six different regulatory approaches, according to practices in Member States determined by their specific legal and technical traditions. In this light, the European Commission is currently launching an initiative to establish Community norms as well as a methodology to evaluate nuclear safety in Member States. Should these be adopted this will facilitate defining indicators of achievement.

[1] Conclusions of the 17th CONCERT Group meeting, June 29-30 2000.

With regard to the technical assistance projects in support of regulatory authorities and their technical support organisations (TSO assistance) or of radioactive waste management agencies, the main achievements to be reached are the provision of the project deliverables according to project-specific tasks. These tasks are described in the project fiches.

1.2. Description of Projects

Essentially, the projects are described through the respective Project Fiche.

Most projects pertain to the field of institution building, supporting either the nuclear safety authority or agencies entrusted with specific duties regarding radioactive waste management or similar tasks. The revised PHARE Guidelines acknowledge that pre-accession financial assistance in the field of nuclear safety demands a distinct approach. Due to their specific technical nature and with the aim of enhancing public safety, the investment projects supported by this programme do not necessarily correspond to the general criteria of being catalytic, co-financed, or additional. The projects have, however, been chosen for being sufficiently mature and able to contribute to a sustainable improvement to the level of nuclear safety within their specific objectives. As a general consideration, the project should enhance the accession process in the candidate country.

This programme allocates financial assistance to the following projects:

Country-specific projects:

Bulgaria

632.01.01 Supply of equipment for characterisation of institutional radioactive waste and development of technical design for waste processing and storage facility

In Bulgaria, institutional radioactive waste is disposed of in a near-surface facility situated at Novi Han, near Sofia. However, this repository does not comply with current safety requirements. As a consequence, the Bulgarian Nuclear Safety Authorities (BNSA) temporarily stopped disposal operations in 1994 until upgrading of the safety of the facility is made. To perform the requested safety improvements, the Bulgarian authorities decided to create a "State Fund", which has already supported a number of investment projects. However, in order to speed up the upgrading of the Novi Han facility, PHARE support is requested for two main purposes:

- Delivery of equipment to characterise radioactive waste packages;
- Technical assistance for the design of the waste processing and storage facilities that should be then constructed through the "State Fund".

Therefore this project has two main components: supply of equipment (e.g. gamma spectrometer, hot-cell for characterisation of high-activity sealed sources, etc) and design of the waste processing and storage facility where radioactive waste packages could be re-conditioned and stored.

632.01.02 Assistance to regulatory activities of the Bulgarian Nuclear Safety Authority (BNSA) with regard to improving management of high-activity sealed radioactive sources

In Bulgaria, like in many countries, there is a growing awareness of the radiological and economical problems that could arise from mismanagement of high-activity sealed radioactive sources. The Bulgarian regulatory authorities are in fact confronted with the following problems:

- Review of options for the extension of the Recommended Working Life (RWL) for those sealed radioactive sources still being operated (80 % of the sources in exploitation have already exceeded their RWL);
- Traceability of the sealed sources in particular when they become disused;
- Awareness of users of sources about their inherent risks;
- Reduction of the number of disused sources stored at users' premises;
- Liability in the case of users disappearance;
- Retrieval of orphan sources.

This project aims at helping BNSA to develop appropriate regulations on all these topics so that management of sealed sources in Bulgaria is improved.

Czech Republic

632.02.01 Qualification of Non-Destructive Testing and inspections

The general objective is to strengthen the level of nuclear safety of Czech NPPs by qualifying Non-Destructive Testing (NDT) methods in support of regular, on-site in-service inspection. Qualification is to be attained according to ENIQ (European Network for Inspection and Qualification) and IAEA methodologies. The project includes design and manufacturing of test assemblies, implementation of advanced NDT methods, development and optimisation of inspection procedures, the performance and evaluation of practical trials. Areas covered:

- VVER 1000/320 type Steam Generator tubes and collector ligaments
- VVER 440/213 type Pressuriser and Steam Generator heterogeneous welds
- VVER 1000/320 type Primary Circuit Piping welds to the Pressuriser
- VVER 1000/320 type Steam Line and Piping Components
- VVER 1000/320 type Piping welds of Emergency Core Cooling System

In addition to raising the capabilities of the Czech TSO through equipment supply and the transfer of technical know-how from EU TSOs, a Qualification Dossier is to be produced that includes results of this project relevant to regular in-service inspection procedures followed the Beneficiary, i.e. the Czech State Office for Nuclear Safety (SUJB). This project addresses two Type I recommendations of the Council Report on Nuclear Safety in the Context of Enlargement for all candidate states with nuclear power plants: that they should complete their plant-specific safety improvement programmes according to the presented plans, and that, in regard to the full safety analysis report and related safety measures, the resources of the regulator be adequate.

632.02.02 VVER Cladded Reactor Pressure Vessel Integrity Evaluation with respect to Pressurised Thermal Shock Events

Reactor pressure vessels of the VVER reactors in the Czech Republic, and in other countries operating this type of reactors, are covered by austenitic stainless steel cladding on their inner surface to protect them against corrosion. At the same time, austenitic cladding plays an important role in the evaluation of the "pressurised thermal shock" (PTS) events in VVER type reactor pressure vessels.

Cladding in VVER reactor pressure vessels (around 8 mm) is relatively thick in comparison with most of PWR reactor pressure vessels (around 3-4 mm), which affects heat transfer and thus also temperature and stress field in the vessel wall.

The main objective of this project to prepare and validate procedures for integrity evaluation of reactor pressure vessels with the presence of austenitic cladding with/without defects found during in-service inspections. These procedures will include a realistic behaviour of austenitic cladding of reactor pressure vessels especially during Pressurised Thermal Shock events (PTS). These regimes represent the most severe ones in reactors operation and thus they are leading ones in vessel integrity and lifetime assessment.

The procedures to be considered should be based on design procedures used for VVER type reactors but would be also harmonised with procedures and approaches applied for PWR type reactors like RSE-M (Règles de Surveillance en Exploitation de Matériels Mécaniques – Rules for In-Service Inspection of Mechanical Components) or ASME. It will be validated by real experimental data from testing large-scale specimens with cladding and defects. The process includes design and manufacturing test specimens, their testing and results evaluation and analysis to be applied in the vessel integrity procedure. Specific targets will be underclad type defects that are realistic in vessels and serve as examples of typical postulated defects in harmonised calculating procedures.

This project covers a series of tasks ranging from the creation of a data base of all available fracture data of austenitic cladding of VVER reactor pressure vessels tested in non-irradiated as well as irradiated conditions, to the evaluation of the quantitative cladding role in the evaluation of the reactor pressure vessel lifetime with respect to PTS events and assessment of connected safety margins.

This project can be connected with the recommendations set forth in the Council Report on Nuclear Safety in the Context of Enlargement, namely the first general recommendations - type I ("all candidate states with nuclear power plants should complete their plant-specific safety improvement programmes according to the presented plans") and to the second general recommendation – type I ("regarding the full safety analysis report and related safety measures " and "regarding the resources of the regulator"). The Czech Nuclear Safety Authority (SUJB) can benefit from the process and results of the project.

632.02.03 Upgrade of the testing facility for transport packages

In the year 2000, the Czech Agency for radioactive waste management (RAWRA) took over the ownership and operation of the testing facility for transport and storage containers for radioactive material and/or waste. However, the equipment of this facility is totally obsolete and the testing procedures must be changed in order to comply with the new safety requirements defined by the Czech Nuclear Safety Authorities. Therefore, this project has four main objectives:

- Development of new testing procedures for transport and storage containers for radioactive material and/or waste;
- Procurement and installation of modern testing equipment;
- Preparation of the safety documents for licensing;
- Demonstration of new testing procedures.

Activities of RAWRA are financed from the "Nuclear Account" (funded by waste producers) and from the State budget. According to the Atomic Act, these resources can only be used for the management and disposal of radioactive waste. Income from testing activities hardly covers the normal maintenance cost. They cannot be used for any large reconstruction of the facility.

632.02.04 Realisation of the closure of a chamber in the Richard repository as input for establishing a safety case

In the Czech republic, institutional radioactive waste is disposed of in the Richard repository. This repository mainly consists of a tunnel several hundred metres long excavated horizontally into a hillside. This tunnel gives access to chambers in which mainly 200-litre drums of radioactive waste are piled up. It is the intention of RAWRA (Czech Radioactive Waste Management Agency) to progressively close the chambers. To do so, immobilisation of the radioactive waste drums should be performed through injection of a suitable back-filling material. The aim of the project is to perform the closure of one or two chambers in order to demonstrate the merits of the concept and to establish a safety case. Actually, this project proposal is a logical continuation of the PHARE 2001 project, which is focussing on the identification of the back-filling material for that specific application and development of a detailed plan regarding the closure of chambers, including a monitoring programme and a safety report.

The selected chambers to be closed are those containing historical radioactive waste stored for already several decades. This means that the project may include re-packaging of the drums. The launching of a long-term monitoring programme to confirm the efficiency and tightness of the closure concept is part of the project.

Estonia

632.03.01 Safe long-term storage of the Paldiski sarcophagi and related dismantling activities

Two nuclear submarines were constructed and commissioned in the sixties and eighties on the former Soviet Navy training centre located at Paldiski in Estonia. Following a 1994 agreement between the Russian Federation and Estonia, the Paldiski nuclear submarines were dismantled and the radioactive reactor compartments (RCs) housed in two sarcophagi. In principle, the Russian authorities vouched for the stability and tightness of the two sarcophagi for a period of 50 years. However no safety case backed up this statement. The sarcophagi were not even designed to be airtight. Several studies highlighted a number of issues giving rise to safety-related concerns, namely:

- Tightness of the sarcophagi;
- Risk of corrosion;
- Degradation of the infrastructure which accommodates the sarcophagi;

- Existence of contaminated rooms and places around the sarcophagi;
- Absence of any environmental impact assessment related to the long-term storage of the RCs.

Based on a previous PHARE-funded study, the Estonian authorities have decided that dismantling operations of the RCs should not occur before at least 40-50 years. Therefore, the conditions that would guarantee a safe long-term storage of the RCs need to be met through actions dealing with each of the issues mentioned above. These constitute the main aim of the project proposal.

Hungary

632.04.01 Hydrogen Management for the VVER-440/213 Containment

The general objective is to contribute to improving nuclear safety in Hungary through capacity building of the regulatory body, the Hungarian Atomic Energy Authority (HAEA), who is the Beneficiary of this project. The project assesses severe accident mitigation, in particular, hydrogen mitigation for a VVER-440/213 NPP. The project comprises TSO support for the following tasks (upgrading of the relevant code available for this work through contact with an EU Institute that is the source of the code; GASFLOW 3D is a part of this Project):

- Calculation of hydrogen/steam distribution, combustion and pressure loads in VVER-440/213 containment without mitigation measures (base case);
- Calculation of hydrogen/steam distribution, combustion and loads in VVER-440/213 containment with application of different mitigation alternatives;
- Comparison of base case with results of different mitigation options and evaluation of their effectiveness for hydrogen management in a VVER-440/213.

Comparison of these results with earlier evaluations (carried out using less detailed codes) would permit HAEA to evaluate the challenge to containment from hydrogen related hazard potential, and the combustion loads which could develop in the containment during selected severe accident sequences. The project would responds to the Council Report "Nuclear Safety in the Context of Enlargement" type I recommendation for all candidate countries with nuclear power plants, as a short term priority, to complete, including regulatory reviews and approval, of plant-specific, in-depth safety analysis reports to Western standards that cover, inter alia, plant-specific severe accident vulnerability analyses including all levels of defence in depth, and to take the results of all analyses made into due account in the development and implementation of plant-specific safety improvement measures. This project also addresses the recommendation to ensure "adequate human and financial resources for the regulatory authority, including in particular access to independent technical support".

632.04.02 Development of the APROS Nuclear Plant Analyser

The Hungarian Atomic Energy Authority Nuclear Safety Directorate (HAEA/NSD) has purchased the APROS Nuclear Plant Analyser in order to facilitate the licensing and assessment activity of the regulatory body. The code has been developed to describe the behaviour of a general VVER-440/213-type nuclear reactor within the framework of the design basis. The original plant models of the APROS system essentially correspond to the Loviisa NPP, which contains several substantial differences compared to the Paks NPP.

The objective of the project is the development of the Analyser to account for specific features of the Hungarian Paks nuclear power plant, as well as to extend its capabilities beyond design basis and severe accident scenarios. As a result of such developments the Analyser may become a valuable tool for the nuclear safety authority in the licensing and assessment processes related to plant modifications proposed by the licensees as well as to accident management issues.

This project also contributes to increasing Hungarian TSOs capabilities (there is already certain experience in using APROS) to better support the needs of the national safety authority.

The project is divided into the main following activities:

- Development of modules and databases of APROS specific to Paks NPP;
- Developing further data management and snapshot capabilities of the APROS code;
- Developing beyond design basis and severe accident modules of APROS for the Paks NPP;
- Providing sample scenarios and training courses to the users.

This project can be connected with the recommendations set forth in the Council Report on Nuclear Safety in the Context of Enlargement, mainly to the second general recommendation - type I ("regarding the resources of the regulator"), allowing the Hungarian Nuclear Safety Authority (HAEA) to increase its technical capabilities.

632.04.03 Providing free storage/disposal space in the Püspökszilágy repository

In Hungary, institutional radioactive waste is disposed of in the Püspökszilágy near-surface repository. Due to the disposal of low level radioactive waste arising from the operation of the Hungarian NPPs that have occurred during the eighties and nineties, the facility is now nearly full (remaining capacity lower than 100 m^3). This means that there is space for disposal operations of institutional radioactive waste for only a few more years. Therefore, it is becoming urgent to undertake actions to free disposal space in this facility. Otherwise, institutional radioactive waste would need to be stored at users' premises, which is far from ideal from the safety point of view. For that purpose, it is intended to buy a high-force compactor that would enable to free enough space for at least a further 70 years of disposal of institutional radioactive waste. This project is supporting the radioactive waste management agency (PURAM) in Hungary to buy this high-force compactor.

632.04.04 Implementation of mass spectrometry for the analysis of nuclear material of unknown origin and environmental samples

The general objective is to contribute to improving the forensic capabilities available to the Hungarian Atomic Energy Authority (HAEA), who is the Beneficiary of this project. The overall objective of the project is to increase the security and safety of radioactive sources and to efficiently combat illicit trafficking of nuclear and other radioactive material according to international requirements. The HAEA co-ordinates development of national capacity to respond in cases of unaccounted or seized nuclear material, including organising exercises, promoting r/d and advising the competent national services, particularly in urgent cases. This project comprises the purchase of a high-resolution mass spectrometer, to be physically sited at the Institute for Isotope and Surface Chemistry which is a TSO for the HAEA as well as

having the national legal mandate with the task of identification and analysis of nuclear material of unknown origin (confiscated or found in Hungary) - Government Decree of 1996. In view of recent developments and following up the training offered jointly by the IAEA and ITU/JRC on illicit trafficking there is a need to equip a radiochemical laboratory with modern instrumentation that would be the central tool of the analytical laboratory because of its wide range of application and high resolution in elemental and isotope ratio measurements. The laboratory, which is fully equipped to deal with active materials, would enhance delivery of results through non-destructive analysis of suspect packages. The laboratory capabilities would serve also to respond to safeguards queries as well as analyse environmental samples.

Latvia

632.05.01 Enhancement of Regulatory Capacity for Radiation and Nuclear Safety Infrastructure

The general objective is to strengthen the capabilities of the Latvian nuclear regulatory body (Radiation Safety Centre, RDC) who is the Beneficiary of this project. The project comprises two parts: first, an equipment supply component to enhance the infrastructure of the RDC and its TSO; second, a technical assistance component to enhance working practices of the RDC. The equipment is needed to ensure sustainability of occupational exposure control, enhance capabilities to combat illicit trafficking of radioactive and nuclear materials by improving of investigation abilities of seized materials in the laboratory of RDC, and to strengthen the emergency response capabilities of the TSO. In respect of illicit trafficking issues, Latvian specialists have participated in the relevant training courses offered by the IAEA jointly with the ITU/JRC. The technical assistance component addresses institution building. This project addresses the general recommendation type III of the Council Report on Nuclear Safety in the Context of Enlargement, concerning the Safety of Other Types of Nuclear Installations and the related regulatory framework. The technical assistance component envisages a short-term expertise of 12 months to prepare the RDC for eventual implementation of a QA system. The project does not foresee actual accreditation of the QA system. Sustainability is ensured as the project corresponds to a Latvian Government instruction (Order of Cabinet, March 2002), requiring Ministries and Government Agencies to introduce quality management systems corresponding to best currently available standards.

Lithuania

632.06.01 Safety assessment and upgrading of the Maisiagala repository

In Lithuania, in the past, institutional radioactive waste was disposed of in a near surface vault (Radon type) situated at Maisaigala. The design of the facility is out-dated and does not meet international recommendations concerning disposal of radioactive waste. The facility has not been operated since 1988. Although closed, this facility has never been subject to any safety assessment. Therefore there is still an uncertainty regarding its medium- and long-term safety. Possible reconstruction works to prevent any release of radioactivity into the environment are yet undefined.
Therefore the main aim of this project is first to proceed with a safety assessment of the facility, and to define on that basis the necessary reconstruction works, i.e.:

- The additional engineering barriers to be installed around the vault;

- The improvement of the physical protection of the facility;
- The installation of equipment to monitor possible releases of radioactivity into the environment.

The project comprises service, supply and works activities.

Poland

632.07.01 Creation of a central system of radiological monitoring and radiation safety of the Świerk nuclear centre

Świerk is the main nuclear centre in Poland. It is owned by the State organisation named "Institute of Atomic Energy" (IAE). It comprises research reactors, storage facilities for spent nuclear fuel, radioisotopes production unit, and various research laboratories. Due to the presence of large quantities of enriched uranium, criticality problems cannot be excluded. Radiation monitoring within the centre has been set up in the seventies. It is now completely out-dated. In addition, it cannot be used under emergency conditions. As such it cannot fulfil the requirements of the International Convention on Early Notification of a Nuclear Accident that was signed by Poland on 23rd March 1988.

Complete refurbishment of the radiation monitoring system is part of the priority actions supported by the Polish Nuclear Safety Authority (NAEA) and the IAE. The technical design of a new monitoring system has been elaborated and adopted. Reconstruction of the building that is accommodating the emergency control room is now completed. An emergency power supply unit has already been financed. Part of the instruments for measuring air contamination has been purchased.

The project consists of completing the refurbishment of the central radiation monitoring system through the delivery of equipment (hardware, software, contamination measuring instruments, and a Radiation Calibration Laboratory).

632.07.02 Reduction of occupational exposure and radioactive waste arising from the operation of the Maria research reactor through actions taken at the source

The Maria research reactor situated at the Świerk nuclear centre has been operating for nearly 20 years. At present, the operation of the reactor experiences increased occupational exposure, larger discharges of radioactive gases through the stack, and higher amounts of radioactive waste (generated during purification of the liquid coolant in the primary circuit) for two main reasons:

- The radiation monitoring system in place in the reactor building is out-dated;
- The new fuel assemblies that are being used following international agreements (decreasing the percentage of enriched uranium-235 from 80 to 36 %) have a thinner cladding and therefore are subject to leaking.

The Polish nuclear safety authority (NAEA) is well aware of the radiation protection and radioactive waste management problems that are arising from the use of new fuel assemblies in the Maria reactor. Some funding has already been provided to the refurbishment of the radiation monitoring system. However, the means currently available in the short term do not suffice to cover all needs.

Consequently, the project is to cover both the completion of the radiation monitoring system and the entire upgrading of the fuel element integrity monitoring system as a means to decrease the extent to which radiation protection and radioactive waste management issues arise through measures taken at the source.

The project mainly consists of defining the technical specifications of the new monitoring systems, purchasing the necessary equipment, and fitting them into the reactor building.

Romania

632.08.01 Preliminary safety analysis report for the low-level radioactive waste repository Baita Bihor

The Baita Bihor repository is the disposal facility for institutional radioactive waste in Romania. The repository was created in a former uranium mine. It consists of some 800 m of galleries excavated in a hillside. It has been operated since 1985. Both short-lived and long-lived radioactive wastes have been disposed of in the repository. The safety assessment of the repository constitutes a key-question for the Romanian regulatory authorities (CNCAN) which has to grant a new licence beyond 2005. For that purpose, the repository operator should produce two types of documents:

- Preliminary Safety Analysis Report (PSAR);
- The Final Safety Analysis Report.

Preparing the PSAR constitutes the main part of this project. It would valorise the results of a previous PHARE-funded project entitled "Preparatory measures for the long-term safety assessment of the low-level radioactive waste repository Baita Bihor", completed in 2001, and transferred a code used within the EU in support of the safety assessment of disposal facilities for radioactive waste. The project gives Romanian experts access to EU measuring laboratories (regarding the characterisation of soil samples) and ensures the continued transfer of know-how from EU Member States. The results of the project could also help determine if the Baita Bihor site could also be used as the intended repository for waste from decommissioning the VVER-type Magurele research reactor.

Slovakia

632.09.01 Decontamination of the Bohunice NPP A-1 primary circuit

In Slovakia, at Bohunice, the A-1 nuclear power plant was shut down in 1977 due to a severe operational accident. The Slovak authorities established a decommissioning plan for the A-1 NPP. The first phase of this plan is running from 1999 to 2007. To date, a number of decommissioning operations have already been performed. These mainly focussed on the least active parts of the A-1 reactor and auxiliary systems. Most of the projects being developed within the first decommissioning phase are actually preparing the second phase where full-scale decommissioning projects are to be implemented.

This project proposal for decontamination of A-1 NPP primary circuit is part of the first decommissioning phase. It aims at developing a decontamination concept for the primary circuit:

- removal of the reactor from the primary circuit;
- draining off the pipes;
- identification of the most appropriate technologies for decontamination;
- decontamination experiments.

Since January 2002, the Slovak national Fund for the decommissioning of nuclear installations conducts separate accounts with regard to each individual installation under which payments accrue to prepare for their decommissioning. The programme for decommissioning the Bohunice NPP A1 reactor, established in 1995, predates the Government decision of September 1999 on the early decommissioning of Bohunice NPP V1 that will have a detrimental effect on the amount of resources available to the Fund. In this light, the Slovak authorities are seeking Community support to their effort to decommission the Bohunice NPP A1 reactor. The implementation of the decommissioning measures lies in the hands of a separate division of Slovenské Elektrárne, namely SE-VYZ.

Slovenia

632.10.01 Support to SNSA in Upgrading and Modernisation of the National Early Warning System

The general purpose of the project is to complete alignment in the area of exchange of information in the case of a nuclear or radiological accident (Council decision 87/600 EURATOM) with improvement and expansion of the Early Warning System (EWS) network in Slovenia for immediate detection of potential contamination and to enhance the overall capabilities of Slovenian Nuclear Safety Administration (SNSA) in case of emergency. The Beneficiary of this project is the SNSA. The present EWS comprises 44 radiation-measuring instruments, augmented by 2 nationally procured aerosol-measuring stations, augmented by high-resolution equipment donated by a neighbouring EU Member State. There is also a network linking the measuring stations permitting real time data collection. This project would upgrade the extant network to give more uniform national coverage, augment the measuring capabilities, particularly as regards aerosol measurements, make the system more robust and enhance the field measurement capabilities of SNSA. The project largely foresees equipment supply, with some software procurement for enhancing the response of the networked system.

632.10.02 "Hot cells" facility renovation and modernisation

At present, Slovenia has no facility for characterising and processing institutional radioactive waste and notably spent sealed radioactive sources (SSRS). Therefore, this waste type is generally stored at users' premises (200 SSRS are currently stored in 40 different places) or in the national central storage facility located at Brinje near Ljubljana (about 100 m^3 of radioactive waste are stored). In addition, waste is generated during the operation of the Triga research reactor. The forthcoming decommissioning of this reactor will also generate a rather high amount of radioactive waste (within the range 60-70 tons).

At the "Jozef Stefan Institute" where the Triga research reactor is located, there is a complex of hot-cells that could be used for the characterisation, treatment, and conditioning of all these radioactive waste types. However, this complex needs complete refurbishing. The definition of a renovation plan for this complex of hot-cells, the purchase and installation of the relevant equipment (e.g. compactor, cutting devices, measurement of the contamination level in air and liquid effluents) constitute the main content of the project.

632.10.03 Characterisation of institutional low and intermediate level radioactive waste currently stored in a central facility

In Slovenia there are approximately 100 m^3 of institutional radioactive waste currently stored in the national central storage facility located at Brinje near Ljubljana. A significant part of this waste is historical in the sense that very few data exist concerning their chemical and radiochemical characteristics. It is suspected that some of the waste packages stored on-site contain hazardous material. The Slovenian authorities, through the Radioactive Waste Management Agency (ARAO), started to fund a programme aiming to categorise the waste packages. Some reconstruction works started in 2001. However, PHARE funding could accelerate the process of re-organisation and reconstruction of the central storage facility. Three main components are featuring the PHARE project:

- Logistic activities (transfer of waste packages from one zone to another one);
- Preparatory works for waste characterisation;
- Radiation protection measures.

The relationship between this proposal and the foregoing one is obvious since the equipment to be bought for waste characterisation in the complex of hot-cells could advantageously be used for the storage facility which is located on the same site.

Multi-country and support element:

632.11.01 ACCESS project (Applicant Countries' Co-operation with the EURATOM Safeguards System)

The objective of this project is to prepare operators of nuclear installations in the candidate countries for full compliance with the EURATOM Treaty requirements with regard to nuclear materials accounting obligations. The project provides technical manuals, procedure manuals and training manuals in the languages of each beneficiary country. Training seminars and the delivery of hard- and software packages are also included. The project was started in 2000 and will end in 2004. The present work-programme 2003 covers the final phase of project completion. Thus, the project provides for the continuation of activities already funded from the 1997, 1999, and 2001 PHARE nuclear safety programmes.

632.11.02 Support to all applicant countries in respect of management of the full Project Cycle

The objective of this project is to allow the Commission services to seek, to the advantage of beneficiary countries, technical and policy advice related to the project management cycle, with particular regard to regulatory assistance and dissemination of project results. The input

provided would serve the preparation of further PHARE nuclear safety programmes, council with regard to specific issues that might arise in the context of their implementation as well as policy advice on the impact of the programme. Under this project, the Commission services will also be able to commission support to the dissemination of project results.

1.3. Assumptions and risks

The programme assumes that the beneficiary countries will maintain their efforts to ensure a high level of nuclear safety and to implement the recommendations of the June 2001 Council Report on Nuclear Safety in the Context of Enlargement. The Peer Review Status Report, established by the Council's Atomic Questions Group and its ad-hoc formation Working Party on Nuclear Safety on 5 June 2002, found that candidate countries are clearly committed to fulfil the recommendations set out in the Council Report, both for nuclear power plants and other types of installations. The status report also noted that all candidate countries had accepted the recommendations. This programme assumes that the beneficiary countries will continue to pay sufficient attention and devote appropriate effort to implementing the supported projects also – where and when applicable – under the EDIS in a time frame reaching beyond accession.

Whilst there are no identifiable risks inherent in the tasks to be fulfilled under the various projects, an overall risk to the programme is that continued nuclear safety assistance involves the danger to create dependency on this side of the beneficiary. Special regard has to be directed towards the way in which the beneficiary organisations will sustain the results of the projects. In the cases of regulatory assistance, emphasis needs to be laid on the value of transferring know-how to the recipient and avoiding the replacement of functions in the sphere of responsibility of the beneficiary organisation through activities of the contractor.

1.4. Conditionalities

The effective launching of some of the projects listed above is subject to particular conditions that are described, in more detail, in the respective project fiches.

2. BUDGET

Country	*Implementing Agency*	*Code*	*Co-Financing*	*Total Budget*	*Total PHAREBudget*
Bulgaria	**CFCU**	**632.01.**	**0.25**	**2.21**	**1.96 M €**
Project 1		632.01.01	0.25	1.66	1.41 M €
Project 2		632.01 .02		0.55	0.55 M €

Czech Republic	**CFCU**	**632.02**	**1.09**	**5.15**	**4.06 M €**
Project 1		632.02.01	**0.5**	**2.10**	1.6 M €
Project 2		632.02.02	**0.240**	**1.2**	0.96 M €
Project 3		632.02.03	**0.1**	**0.6**	0.5 M €
Project 4		632.02.04	**0.25**	**1.25**	1.0 M €
Estonia	**CFCU**	**632.03**	**0.28**	**1.575**	**1.295 M€**
Project 1		632.03.01	**0.28**	**1.575**	1.295 M€
Hungary	**CFCU**	**632.04**	**0.145**	**2.295**	**2.15 M €**
Project 1		632.04.01		0.95	0.95 M €
Project 2		632.04.02		0.4	0.4 M €
Project 3		632.04.03	0.05	0.25	0.2 M €
Project 4		632.04.04	0.095	0.695	0.6 M €
Latvia	**CFCU**	**632.05**	**0.09**	**0.76**	**0.67 M €**
Project 1		632.05.01	0.09	0.76	0.67 M €
Lithuania	**CFCU**	**632.06**	**0.13**	**2.03**	**1.9 M €**
Project 1		632.06.01	0.13	2.03	1.9 M €
Poland	**CFCU**	**632.07**	**0.21**	**0.91**	**0.7M €**
Project 1		632.07.01	0.06	0.36	0.3M €
Project 2		632.07.02	0.15	0.55	0.4 M €
Romania	**CFCU**	**632.08**		**0.5**	**0.5 M €**
Project 1		632.08.01		0.5	0.5 M €
Slovakia	**CFCU**	**632.09**		**1.25**	**1.25M €**
Project 1		632.09.01		1.25	1.25 M €

Slovenia	**CFCU**	**632.10**	**0.3**	**1.563**	**1.263M €**
Project 1		632.10.01	0.120	0.613	0.493 M €
Project 2		632.10.02	0.1	0.6	0.5 M €
Project 3		632.10.03	0.08	0.35	0.27 M €
Multi-country	**Commission**	**632.11**		**2.35**	**2.35 M €**
Project 1		632.11.01		0.95	0.95 M €
Project 2		632.11.02		1.4	1.4 M €
TOTAL			**2.495**	**20.593**	**18.098 M €**

3. IMPLEMENTATION ARRANGEMENTS

The bulk of this Financing Proposal is for a horizontal programme. The projects will be implemented through the PHARE national programme structures. This Financing Proposal will be split on a country-by-country basis leading to ten separate Financing Memoranda, as set out in the table above. Solely, for the multi-country element of this programme the Commission Headquarters will centrally implement, manage and co-ordinate, through the Task Force for Nuclear Safety of DG Enlargement (632.11.01) and by sub-delegation to DG TREN (632.11.02), on behalf of the beneficiary countries. The Commission may review the implementation provisions as appropriate.

3.1. Implementation

Financial and Project Management by the Candidate Country

With the exception of the multi-country elements, the programme will be managed in accordance with the PHARE Decentralised Implementation System (DIS) procedures, with ex-ante approval by the European Commission, and with due regard to the "new rules for contracts in the field of nuclear safety" as adopted by the Commission on 6 September 2000. The National Aid Co-ordinator (NAC) of each of the ten countries (see table above) will have overall responsibility for programming, monitoring and implementation of PHARE programmes. The National Authorising officer (NAO) and the Project Authorising Officers (PAO) will ensure that the programmes are implemented in line with the procedures laid down in the DIS Manual and other instructions of the Commission, and that all contracts are being prepared in accordance with the Practical Guide for PHARE, ISPA and SAPARD. The National Aid Co-ordinator and the National Authorising Officer (NAO) shall be jointly responsible for co-ordination between PHARE (including PHARE CBC), ISPA and SAPARD.

The National Fund (NF) in the relevant Ministry (as indicated in the table below), headed by the National Authorising Officer (NAO), will supervise the financial management of the

Programme, and will be responsible for reporting to the European Commission. The NAO shall have overall responsibility for financial management of the PHARE funds. He shall ensure that the PHARE rules, regulations and procedures pertaining to procurement, reporting and financial management as well as Community State Aids rules are respected, and that a proper reporting and project information system is functioning. This includes the responsibility of reporting all suspected and actual cases of fraud and irregularity. The National Authorising Officer shall have the full overall accountability for the PHARE funds of a programme until the closure of the programme. The competent National Control Authority with respect to the implementation of the programme will carry out appropriate financial control.

The National Fund (NF) in each of the countries respectively is as follows:

Bulgaria – Ministry of Finance
Czech Republic – Ministry of Finance
Estonia – Ministry of Finance
Hungary – Ministry of Finance
Latvia – Ministry of Finance
Lithuania – Ministry of Finance
Poland – Ministry of Finance
Romania – Ministry of Public Finances
Slovakia – Ministry of Finance
Slovenia – Ministry of Finance

Contracting and Disbursement deadline

All contracts must be concluded by 30 November 2004. All disbursements must be made by 30 November 2005.

Recovery of funds

Any proven irregularity or fraud discovered at any time during the implementation of the programme will lead to the recovery of funds by the Commission.

If the implementation of a measure appears not to justify either a part or the whole of the assistance allocated, the Commission is to conduct an appropriate examination of the case, in particular requesting the beneficiary country to submit its comments within a specified period of time and to correct any irregularity.

Following the examination referred to in the previous paragraph, the Commission may reduce, suspend or cancel assistance in respect of the measures concerned if the examination reveals irregularity, an improper combination of funds or a failure to comply with one of the conditions in the financing memorandum and in particular any significant change affecting the nature or conditions of implementation of the measure for which the Commission's approval has not been sought. Any reduction or cancellation of the assistance is to give rise to recovery of the sums paid.

Where the Commission considers that an irregularity has not been corrected or that all or part of an operation does not justify either all or part of the assistance granted to it, the Commission is to conduct a suitable examination of the case and request the beneficiary

country to submit its comments within a specified period. After the examination, if the beneficiary country has undertaken no corrective measures, the Commission may:

(a) reduce or cancel any advance;
(b) cancel all or part of the assistance granted to the measure.

The Commission is to determine the size of a correction taking into account the nature of the irregularity and the extent of any failures in the management and control systems.

The Commission will recover any funds not used by the expiry date of the programme. A final written declaration with supporting documentation shall be issued by the NAO just after the end of the disbursement period of the Financing Memorandum showing the total amount contracted and disbursed. A final bank reconciliation showing the existing balances in the NF/IA/CFCU shall also be enclosed.

Notwithstanding the recovery of unused and ineligible funds after expiry of the Financing Memorandum, a complementary recovery order may be issued after the final audit of the reliability and consistency of contracts and disbursements as well as their compliance with the provisions of the Financing Memorandum has been carried out, taking into account the independent opinion of the final audit.

The National Authorising Officer will ensure the reimbursement of any unused funds or any sum wrongly paid within sixty calendar days of the date of notification. If the NAO does not repay the amount due to the Community, the beneficiary country shall refund this amount to the Commission. Interest on account of late payments shall be charged on sums not repaid by applying the rules specified in the Financial Regulation governing the Community Budget.

Financial Flows

The Commission will transfer funds to the NF in accordance with the Memorandum of Understanding signed between the Commission and the relevant countries in December 1998. Funds will be transferred following requests from the NAO, onto a separate bank account, denominated in €, which will be opened and managed by the NF in the Central bank (or "in a bank agreed in advance with the Commission")

Transfer of Funds to the National Fund:

A payment of up to 20% of the funds to be managed locally will be transferred to the NF following signature of the Financing Memorandum and the Financing Agreements (FAs) between the NF and the Implementing Agencies (IAs)/Central Finance and Contracts Unit (CFCU). The provisions foreseen in articles 2 and 13 of the MoU on the NF must also be met. Furthermore, the NAO must submit to the Commission the designation of the Programme Authorising Officers (PAOs) and a description of the system put in place, highlighting the flow of information between the NF and the IA/CFCU and the manner in which the payment function will be carried out.

Two Replenishments will be made of up to 30% of the funds to be managed locally and the final payment of up to 20% or the full balance of the budget whichever is the lesser amount. The first replenishment will be triggered when 5 % of the budget has been disbursed by the IAs and the CFCU. The second replenishment may be requested when 35% of the total

budget in force has been disbursed. The final third replenishment will be paid when 70% of the total budget in force is disbursed. Exceptionally the NAO may request an advance payment of more than the percentages mentioned above in accordance with the procedures laid down in the aforesaid Memorandum of Understanding. Save for express prior authorisation from the Commission HQs, no replenishment may be made if the trigger points mentioned above have not been respected.

Transfer of Funds to the Implementing Agencies:

Implementing Agencies will be responsible for sub-programmes as follows:

Bulgaria
CFCU
Czech Republic:
CFCU
Estonia
CFCU
Hungary:
CFCU
Latvia:
CFCU, Ministry of Finance
Lithuania:
CFCU, Ministry of Finance
Poland:
CFCU
Romania:
CFCU, Ministry of Finance
Slovakia
CFCU
Slovenia:
CFCU

The National Fund will transfer funds to the nominated Implementing Agency in each country, including the Central Financing and Contracting Unit (CFCU), in accordance with Financing Agreements (FAs) signed between the NFs and the IAs/CFCU where applicable.

Each individual FA will be endorsed in advance by the European Commission. In cases where the NF is itself the paying agent for the CFCU/Implementing Agency there will be no transfer of funds from the NF to the CFCU/Implementing Agency. The CFCU and the IAs must each be headed by a Programme Authorising Officer (PAO) appointed by the NAO after consultation with the NAC. The PAO will be responsible for all the operations carried out by the relevant CFCU/IA.

Interest

In principle, all bank accounts will be interest bearing. Interest will be reported to the European Commission. If the Commission so decides, on the basis of a proposal from the NAO, interest may be reinvested in the Programme. The same procedures will apply to any funds transferred to the Implementing Agency or the CFCU.

The NAO and the PAOs will ensure that all contracts are being prepared in accordance with the procedures set out in the DIS Manual.

For those contracts with funds retained for a warranty period extending beyond the end of the disbursement period of the programme, the overall total of funds related to those contracts, as calculated by the PAO and established by the Commission, will be paid to the Implementing Agency before the official closure of the programme. The Implementing Agency assumes full responsibility of depositing the funds until final payment is due and for ensuring that said funds will only be used to make payments related to the retention clauses.

The Implementing Agency further assumes full responsibility towards the contractors for fulfilling the obligations related to the retention clauses. Interests accrued on the funds deposited will be paid to the Commission after final payment to the contractors. Funds not paid out to the contractors after final payments have been settled shall be reimbursed to the Commission. An overview of the use of funds deposited on warranty accounts - and notably of the payments made out of them - and of interests accrued will annually be provided by the NAO to the Commission.

Co-financing

Provisions on joint or parallel co-financing are contained in the budgetary paragraphs of the individual project fiches. The level of co-financing per project is indicated in the proposal under Point 5. Budget.

Environmental Impact Assessment and Nature Conservation

The procedures for environmental impact assessment as set down in the EIA-directive[2] are fully applicable for all investment projects under PHARE. If the EIA-directive has not yet been fully transposed, the procedures should be similar to the ones established in the above-mentioned directive. If a project would fall within the scope of annex I or annex II of the EIA Directive, the carrying out of the EIA-procedure must be documented[3].

If a project is likely to affect sites of nature conservation importance, an appropriate assessment according to Art. 6 of the Habitats-Directive[4] must be documented[5].

All investment projects shall be carried out in compliance with the relevant Community environmental legislation. The Project Fiches will contain specific clauses on compliance with the relevant EU-legislation in the field of the environment according to the type of activity carried out under each investment project.

4. MONITORING AND EVALUATION

Joint Monitoring Committees (JMC) have been established for each of the ten countries covered by the bulk of this Programme. The JMC will include the NAO, the NAC and the Commission. The JMC will meet at least once a year to review all PHARE funded

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[2] DIR 85/337/EEC; OJ L 175/40; 5.7.1985; as amended by DIR 97/11/EEC; OJ L 73/5; 14.3.1997

[3] in **Annex EIA** to the corresponding investment project fiche

[4] DIR 92/43/EEC; OJ 206/7; 22.7.1992

[5] in **Annex Nature Conservation** to the corresponding investment project fiche

programmes in order to assess their progress towards meeting the objectives set out in FM and the Accession Partnership. The JMC may recommend a change of priorities and/or the reallocation of PHARE funds. Furthermore, the JMC will review the progress of all pre-accession EU - funded assistance programmes once a year (PHARE, ISPA and SAPARD)

For the PHARE programme, the JMC will be assisted by Sectoral Monitoring Sub-Committees (SMSC) which will include the NAC, the PAO of the Implementing Agency (and of the CFCU where applicable) and the Commission Services. The SMSC will review in detail the progress of each programme, including its components and contracts, assembled by the JMC into suitable monitoring sectors. Each sector will be supervised by one SMSC on the basis of regular Monitoring and Assessment reports produced by the Implementing Agency, and interim evaluations undertaken by independent evaluators. The SMSC will put forward recommendations on aspects of management and design, ensuring that these are effected. The SMSC will report to the JMC, to which it will submit overall detailed reports on all PHARE financed programmes.

The Commission services shall ensure that an ex-post evaluation is carried out after completion of the Programme.

5. AUDIT AND ANTI-FRAUD MEASURES

a) By the Candidate Countries

Each year an audit plan and a summary of the findings of the audits carried out shall be sent to the Commission. Audit reports shall be at the disposal of the Commission.

The competent national financial control authority with respect to the implementation of the programme shall carry out appropriate financial control.

Beneficiary countries shall ensure investigation and satisfactory treatment of suspected and actual cases of fraud and irregularity following national or Community controls.

Irregularity shall mean any infringement of a provision of Community law resulting from an act or omission by an economic operator, which has, or would have, the effect of prejudicing the general budget of the Communities or budgets managed by them, either by reducing or losing revenue accruing from own resources collected directly on behalf of the Communities, or by an unjustified item of expenditure.

Fraud shall mean any intentional act or omission relating to:

(i) the use or presentation of false, incorrect or incomplete statements or documents, which has as its effect the misappropriation or wrongful retention of funds from the general budget of the European Communities or budgets managed by, or on behalf of, the European Communities,
(ii) non-disclosure of information in violation of a specific obligation, with the same effect,
(iii) the misapplication of such funds for purposes other than those for which they are originally granted .

The national authorities shall ensure the functioning of a control and reporting mechanism equivalent to the one foreseen in Commission Regulation 1681/94[15].

In particular, all suspected and actual cases of fraud and irregularity as well as all measures related thereto taken by the national authority must be reported to the Commission services without delay. Should there be no suspected or actual cases of fraud and irregularity to report, the beneficiary country shall inform the Commission of this fact at the end of each quarter.

b) By the Commission

All financing memoranda as well as the resulting contracts are subject to supervision and financial control by the Commission (including the European Anti-fraud Office) and the Court of Auditors. This includes measures such as ex-ante verification of tendering and contracting carried out by the Delegation in the candidate country and on-the-spot checks.

In order to ensure efficient protection of financial interests of the Community, the Commission may conduct on-the-spot checks and inspections in accordance with the procedures foreseen in Council Regulation (EURATOM, EC) N°. 2185/96.

The accounts and operations of the National Fund and, where applicable, the CFCU and all relevant Implementing Agencies may be checked at the Commission's discretion by an outside auditor contracted by the Commission without prejudice to the responsibilities of the Commission and the European Union's Court of Auditors as referred to in the General Conditions relating to the Financing Memorandum attached to the Framework Agreement.

6. VISIBILITY / PUBLICITY

The appropriate Programme Authorising Officer will be responsible for ensuring that the necessary measures are taken to ensure appropriate publicity for all activities financed from the programme. This will be done in close liaison with the Commission Delegation. Further details are described in the Annex Visibility/Publicity.

7. SPECIAL CONDITIONS

In the event that agreed commitments are not met for reasons which are within the control of the Government concerned , the Commission may review the programme with a view, at the Commission' s discretion, to cancelling all or part of it and/or to reallocate unused funds for other purposes consistent with the objectives of the PHARE programme.

15 OJ L 178; 12.7.94; p. 43-46

ANNEX D

INFORMATION AND PUBLICITY

1. Objective and scope

Information and publicity measures concerning assistance from the European Community Phare Programme are intended to increase public awareness and transparency of EU action and to create a consistent image of the measures concerned in all applicant countries. Information and publicity shall concern measures receiving a contribution from the Phare Programme.

2. General principles

The appropriate Programme Authorising Officer in charge of the implementation of Financing Memoranda, and other forms of assistance shall be responsible for publicity on the spot. Publicity shall be carried out in co-operation with the EC Delegations, which shall be informed of measures taken for this purpose.

The competent national and regional authorities shall take all the appropriate administrative steps to ensure the effective application of these arrangements and to collaborate with the EC Delegations on the spot.

The information and publicity measures described below are based on the provisions of the regulations and decisions applicable to the Structural Funds. They are:

- Regulation (EEC) 1159/2000 Official Journal of the European Communities No L130/30, 31 May 2000;

- Commission Decision of 31 May 1994; Official Journal of the European Communities No L 152/39, 18 June 1994.

Specific provisions concerning ISPA are included in:

- Commission Decision of 22nd June 2001, Official journal of the European Communities No L.182/58

Information and publicity measures must comply with the provisions of the above mentioned regulation and decision. A manual on compliance is available to national, regional and local authorities from the EC Delegation in the country concerned.

3. Information and publicity concerning Phare programmes

Information and publicity shall be the subject of a coherent set of measures defined by the competent national, regional and local authorities in collaboration with the EC Delegations for the duration of the Financing Memorandum and shall concern both programmes and other forms of assistance.

The costs of information and publicity relating to individual projects shall be met from the budget for those projects.

When Phare programmes are implemented, the measures set out at (a) and (b) below shall apply:

(a) The competent authorities of the applicant countries shall publish the content of programmes and other forms of assistance in the most appropriate form. They shall ensure that such documents are appropriately disseminated and shall hold them available for interested parties. They shall ensure the consistent presentation throughout the territory of the applicant country of information and publicity material produced.

(b) Information and publicity measures on the spot shall include the following:

(i) In the case of infrastructure investments with a cost exceeding EUR 1 million:

- billboards erected on the sites, to be installed in accordance with the provisions of the regulation and decision mentioned in paragraph 2 above, and the technical specifications of the manual to be provided by the EC Delegation in the country concerned.

- permanent commemorative plaques for infrastructures accessible to the general public, to be installed in accordance with the provisions of the regulation and decision mentioned in paragraph 2 above, and the technical specifications of the manual to be provided by the EC Delegation in the country concerned.

(ii) In the case of productive investments, measures to develop local potential and all other measures receiving financial assistance from Phare, Ispa or Sapard:

- measures to make potential beneficiaries and the general public aware of Phare, Ispa or Sapard assistance, in accordance with the provisions cited at paragraph 3(b)(i) above.

- measures targeting applicants for public aids part-financed by Phare, ISPA or SAPARD in the form of an indication on the forms to be filled out by such applications, that part of the aid comes from the EU, and specifically, the Phare, ISPA or SAPARD Programmes in accordance with the provisions outlined above.

4. Visibility of EU assistance in business circles and among potential beneficiaries and the general public

4.1 Business circles

Business circles must be involved as closely as possible with the assistance, which concerns them most directly.

The authorities responsible for implementing assistance shall ensure the existence of appropriate channels for disseminating information to potential beneficiaries, particularly SMEs. These should include an indication of the administrative procedures to be followed.

4.2 Other potential beneficiaries

The authorities responsible for implementing assistance shall ensure the existence of appropriate channels for disseminating information to all persons who benefit or could benefit from measures concerning training, employment or the development of human resources. To this end, they shall secure the co-operation of vocational training bodies involved in employment, business and groups of business, training centres and non-governmental organisations.

Forms

Forms issued by national, regional or local authorities concerning the announcement of, application for and grant of assistance intended for final beneficiaries or any other person eligible for such assistance shall indicate that the EU, and specifically the Phare, Ispa or Sapard Programmes, is providing financial support. The notification of aid sent to beneficiaries shall mention the amount or percentage of the assistance financed by the Programme in question. If such documents bear the national or regional emblem, they shall also bear the EU logo of the same size.

4.3 The general public

The media

The competent authorities shall inform the media in the most appropriate manner about actions co-financed by the EU, and Phare, ISPA or SAPARD in particular. Such participation shall be fairly reflected in this information.

To this end, the launch of operations (once they have been adopted by the Commission) and important phases in their implementation shall be the subject of information measures, particularly in respect of regional media (press, radio and television). Appropriate collaboration must be ensured with the EC Delegation in the applicant country.

The principles laid down in the two preceding paragraphs shall apply to advertisements such as press releases or publicity communiqués.

Information events

The organisers of information events such as conferences, seminars, fairs and exhibitions in connection with the implementation of operations part-financed by the Phare, Ispa or Sapard Programmes shall undertake to make explicit the participation of the EU. The opportunity could be taken of displaying the European flags in meeting rooms and the EU logo upon documents depending on the circumstances. The EC Delegation in the applicant country shall assist, as necessary, in the preparation and implementation of such events.

Information material

Publications (such as brochures and pamphlets) about programmes or similar measures financed or co-financed by Phare, Ispa or Sapard should, on the title page, contain a clear indication of the EU participation as well as the EU logo where the national or regional emblem is used.

Where such publications include a preface, it should be signed by both the person responsible in the applicant country and, for the Commission, the Delegate of the Commission to ensure that EU participation is made clear.

Such publications shall refer to the national and regional bodies responsible for informing interested parties.

The above-mentioned principles shall also apply to audio-visual material.

5. Special arrangements concerning billboards, commemorative plaques and posters

In order to ensure the visibility of measures part-financed by the Phare, Ispa or Sapard Programmes, applicant countries shall ensure that the following information and publicity measures are complied with:

Billboards

Billboards providing information on EU participation in the financing of the investment should be erected on the sites of all projects in which EU participation amounts to EUR 1 million or more. Even where the competent national or regional authorities do not erect a billboard announcing their own involvement in financing the EU assistance must nevertheless be announced on a special billboard. Billboards must be of a size which is appreciable to the scale of operation (taking into account the amount of co-financing from the EU) and should be prepared according to the instructions contained in the technical manual obtainable from EC Delegations, referred to above.

Billboards shall be removed not earlier than six months after completion of the work and replaced, wherever possible, by a commemorative plaque in accordance with the specifications outlined in the technical manual referred to above.

Commemorative plaques

Permanent commemorative plaques should be placed at sites accessible to the general public (congress centres, airports, stations, etc.). In addition to the EU logo, such plaques must mention the EU part financing together with a mention of the relevant Programme (Phare, Ispa or Sapard).

Where a national, regional or local authority or another final beneficiary decides to erect a billboard, place a commemorative plaque, display a poster or take any other step to provide information about projects with a cost of less than EUR 1 million, the EU participation must also be indicated.

6. Final provisions

The national, regional or local authorities concerned may, in any event, carry out additional measures if they deem this appropriate. They shall consult the EC Delegation and inform it of the initiatives they take so that the Delegation may participate appropriately in their realisation.

In order to facilitate the implementation of these provisions, the Commission, through its Delegations on the spot, shall provide technical assistance in the form of guidance on design requirements, where necessary. A manual will be prepared in the relevant national language, which will contain detailed design guidelines in electronic form and this will be available upon request.