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 LITHUANIA, 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 of November 1991 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:

<table>
<thead>
<tr>
<th>Programme number:</th>
<th>LI0010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Title:</td>
<td>Special Programme to Support the Decommissioning of Nuclear Power Plants and Consequential Measures in the Energy Sector – Lithuania - 2000</td>
</tr>
<tr>
<td>Duration:</td>
<td>Until 31/12/2002</td>
</tr>
</tbody>
</table>

ARTICLE 2 - COMMITMENT OF THE COMMUNITY

The financial contribution of THE COMMUNITY is fixed at a maximum of € 35 million 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 31/12/2002 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 31/12/2003. 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:

Delegation of the European Commission
Naugarduko 10
2001 Vilnius, Lithuania

Tel.: +370-2-31 31 91
Fax: +370-2-31 31 92

for THE RECIPIENT:

Mr Antanas VALIONIS, National Aid Co-ordinator
Minister of Foreign Affairs
J. Tumo-Vaizganto 2
2600 Vilnius, Lithuania
Tel.: +370-2-61 85 37
Fax: +370-2-62 07 52

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 Vilnius,
Date ____________________

for THE RECIPIENT
Minister of Foreign Affairs
Antanas VALIONIS

Done at Vilnius
Date 29/12/2000

for THE COMMUNITY
Head of EC Delegation in Lithuania a.i.
Dieter THIEL
ANNEX C

SPECIAL PROVISIONS

1. OBJECTIVES AND DESCRIPTION

General objectives

The overall objective of the “Special Programme” is to assist Lithuania’s preparation for membership of the EU in relation to the nuclear and energy sectors especially by facilitating the preparation and implementation of Lithuania’s early closure decision of 5 October 1999 and the short-term priorities of the Accession Partnership in these areas.

This will be achieved through support to the first phase of decommissioning of the INPP, and measures required for the necessary restructuring, upgrading and modernisation of the energy production, transmission and distribution sectors, and improving energy efficiency.

The ‘Special Programme’ will contribute to the international efforts to share the financial implications of early closure with the Lithuanian authorities.

Specific objectives

Contribution to the “Ignalina International Decommissioning Support Fund”

The purpose of the Fund is to finance or co-finance, through specific grants, two main areas of work:

(i) decommissioning activities concerning the INPP (nuclear projects “window”);
(ii) measures which are consequential to the decision taken to close and decommission the INPP and which would assist the necessary restructuring, upgrading and modernisation of the energy production, transmission and distribution sectors as well as to improve energy efficiency (non-nuclear projects “window”),

through the provision of goods, works and services.

Igala International Decommissioning Support Fund

The Fund - established by the EBRD’s Board of Directors on 12 June 2000 - will be governed by the Assembly of Contributors providing strategic guidance, in a manner compatible with the Rules. The Assembly may be supported by an Operating Committee. The EBRD, as Fund Manager, will provide technical, project management, financial, legal and administrative services. Project financing will be conditional upon the Assembly of Contributors being satisfied that Lithuania is in compliance with its closure commitments. Any member of the EBRD and any interested country may contribute to the Fund. Several countries may pool their contributions. The minimum initial contribution shall be at least € 1.5 million. Contributions may be earmarked for one of the purposes of the Fund but not for specific
projects. The Fund will commence operation and a first Assembly of Contributors will be called by the EBRD when a minimum of three contributors (including the Commission) have entered into Contribution Agreements with the EBRD totalling at least € 110 million. For the first two years of the Funds operation, the EBRD will receive full compensation for all costs incurred in connection with the Fund on the basis of annual budgets approved by the Assembly. After expiry of the initial two-year period, the compensation arrangements will be reviewed by the Assembly and the EBRD with the intention of agreeing on a fixed fee of about 2% of total contributions. The EBRD’s procurement policies and rules will apply to the use of funds with the general rule that procurement will be limited to the countries of the contributors or the countries of operations of the EBRD. The Fund remains in force for a period of ten years unless terminated earlier by a decision of the Assembly. The Assembly may also extend the Fund for an additional period, if required to complete the objectives of the Fund.

The Rules of the Fund are attached in Annex 1.

The first Assembly of Contributors has been tentatively scheduled for November 2000.

Overall programme conditionalities

The granting and disbursement of assistance under the “Special Programme” will be strictly parallel with a timely process of preparation and eventual implementation of the definitive closure of the INPP. Clear provisions to this end have also been included in the Fund rules stating that financing will be conditional upon the Assembly being satisfied that the recipient country is in compliance with its closure commitment.

2. BUDGET (million Euro)

<table>
<thead>
<tr>
<th>Code</th>
<th>Objective and projects</th>
<th>Total Phare support</th>
<th>Institution building</th>
<th>Investment</th>
</tr>
</thead>
<tbody>
<tr>
<td>LI00.10.01</td>
<td>Ignalina International Decommissioning Support Fund</td>
<td>35.00</td>
<td>35.00</td>
<td>35.00</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>35.00</td>
<td>35.00</td>
<td>35.00</td>
</tr>
</tbody>
</table>

It is noted that € 9 million have already been programmed for the Ignalina International Decommissioning Support Fund from the 1999 Special Programme. This programme initiated the European Communities’ contribution to the INPP decommissioning effort via the said Fund. The respective programme LI 9919 also contained financial assistance of € 1 million to the Lithuanian nuclear safety regulator VATESI. Together with the contribution

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1 A initial and limited amount of operational costs can be covered from the present Communities’ contribution following the establishment of the Fund in order to advance the mobilisation of resources for preparation and initial period of the Fund’s operation. The budget, therefore, will require the prior approval by the Commission and eventually be taken into account when the first budget is presented to the Assembly.
subject to this Financing Proposal, € 45 million of the total intended contribution to Lithuania of € 165 million during the period until 2006 will have been programmed.

In preceding years, PHARE financial assistance has supported the elaboration of a decommissioning study for the INPP and has provided support to VATESI and the Lithuanian Energy Institute, its main technical support organisation.

In the non-nuclear field, PHARE support has been directed towards establishing the National Energy Strategy and towards the reform of the energy sector as a whole, in particular in view of the implementation of the acquis under the Electricity and Gas Directives. Support to address social consequences of the INPP’s in the town and area of Visaginas is subject of socio-economic cohesion measures contained in the national PHARE programme for Lithuania in line with the Lithuanian regional development policy.

3. IMPLEMENTATION

The funds allocated to support activities in Lithuania under this project, will be made available to Lithuania by means of the “Ignalina International Decommissioning Support Fund”, a grant fund which is managed by the EBRD.

The Communities will transfer funds directly to the EBRD.

The management of the Fund will be undertaken by the EBRD within the framework of its Rules. Final decisions on eligibility as well as project selection will be taken by the Assembly of Contributors of the Fund.

The Fund rules ensure that the Commission partakes in the selection of projects, and receives regular progress reports from the Fund’s management through its participation in the governing body of the Fund. The rules also identify roles and responsibilities as well as general conditions related to the disbursement of Phare financial assistance into the Fund. European Commission auditing institutions will be provided sufficient rights to audit the use of the Commission’s contributions to the Fund. Rules on the eligibility of contractors from European Union Member and Partner States are respected.

“Contracting” of the contribution from the Communities to the Fund must be concluded by 31 December 2002. All disbursement to the Fund must be made by 31 December 2003. Payments from the Fund can be made during the period of the Fund being in force.

In preparation of the Donors’ Conference held in Vilnius on 20 June 2000 in support of Lithuania’s efforts to decommission Unit 1 of the INPP the Lithuanian authorities, in co-operation with the Commission and the EBRD, elaborated a preliminary list of decommissioning projects. Project summaries are added as Annex 2. These preliminary project proposals will be further elaborated and submitted to the Fund Manager as mature project proposals. The current list does not prejudice the decisions of the Fund Manager and the Assembly of Contributors of the Ignalina International Decommissioning Support Fund to accept or refuse these proposals for funding under grant agreements to be signed between the Fund Manager and the beneficiary.
With regard to possible projects to be supported from the non-nuclear “window” of the Fund, the Lithuanian authorities drew up first descriptions of the overall demand within the energy sector, on the occasion of the Donors’ Conference. Whilst the major investment needs will be funded through loans and equity investments, some typical grant projects (for instance, pre-loan feasibility studies etc.) might well be identified and submitted to the Fund Manager. A more precise overview of the non-nuclear needs in the energy sector might be determined for the Review Conference tentatively scheduled for mid-2001.

4. MONITORING AND ASSESSMENT

The EBRD will prepare reports and technical documentation, including an Annual Report as required on the operation of the Fund. These reports will provide a comprehensive overview of the implementation of the Fund’s work programme (approved by the Assembly of Contributors) including it’s relation to compliance with closure commitments, the conditionalities set out in the project grant agreements, the administration of specific projects and eventual problems of relevance to the programme.

5. AUDIT AND ASSESSMENT

Internal and external auditors of the EBRD shall audit the financial statements of the Fund. A Contribution Agreement further specifies audit requirements in accordance with the European Commission’s general provisions and in line with the practice established for similar fund arrangements with the EBRD.

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

6. VISIBILITY AND PUBLICITY

The EBRD 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. The Fund rules ensure that the necessary measures are taken to ensure appropriate publicity for the EU for all activities that it finances.

7. SPECIAL CONDITIONS

In the event that agreed commitments are not met for reasons which are within the control of the Government of Lithuania, 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.
ANNEXES

1. Rules of the Ignalina International Decommissioning Support Fund
2. Preliminary project summaries submitted to the Donors’ Conference held in Vilnius on 20 June 2000
3. Article 118 Summary for Official Journal
RULES

of

THE IGNALINA INTERNATIONAL DECOMMISSIONING SUPPORT FUND

Dated: 12 June 2000
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RULES OF THE IGNALINA INTERNATIONAL DECOMMISSIONING SUPPORT FUND

PREAMBLE

WHEREAS in 1999, in pursuit of its policy to accede to the European Union, three Central European countries, namely Lithuania, Slovakia and Bulgaria, undertook firm commitments to close and decommission specified nuclear power plant (NPP) units by certain dates and, as in the case of Bulgaria, confirmed this commitment by entering into a bilateral ‘Understanding’;

WHEREAS these countries, apart from making these specific closure commitments, have adopted or are elaborating or about to amend national energy strategies and draw up respective implementing plans as well as, where necessary, decommissioning laws and decommissioning programmes for the nuclear power plants concerned;

WHEREAS the Governments of Lithuania, Slovakia and Bulgaria are responsible for the implementation of the closure and decommissioning commitments and related programmes;

WHEREAS the public administration and respective specialised agencies are responsible to act in the execution of implementation steps and the operators of the respective nuclear power plants are charged with the execution of the NPP closure and the elaboration of pre-decommissioning and decommissioning projects in line with the countries’ closure commitments;

WHEREAS a number of international donors intend to provide financial assistance to these countries to support the implementation of its closure and decommissioning commitments and have requested the Bank to establish three country-specific Funds (herein called the ‘International Decommissioning Support Fund’ or the ‘Fund’ for each of the respective countries) to be governed by the rules set forth below (herein called the ‘Rules’);

WHEREAS each Fund is designed to pool donors’ contributions and to ensure a harmonised and effective delivery of such international support over several years;

WHEREAS these Funds will be governed by an Assembly of Contributors providing strategic guidance, in a manner compatible with the Rules, supported by an Operating Committee which will exercise routine guidance such as project selection and the monitoring of progress and results of the Funds’ work, and a Fund Manager will manage and administer the Funds and the contracts under the Grant Agreements undergone by the Funds, on behalf of the Contributors;
**WHEREAS** therefore the management of these Funds will be undertaken against a complex background situation of numerous actors with a variety of roles and responsibilities;

**WHEREAS** therefore the Rules of each of these Funds consist of General Provisions (Part A) identical for all three Funds and allowing for synergy measures in the execution of the Funds’ management, and Specific Provisions (Part B) for each of the three countries;

**WHEREAS**, in consideration of the above, the Rules contained in this document refer to the Fund relating to international grant support to Lithuania;

**WHEREAS** the European Bank for Reconstruction and Development (herein called the “Bank” or the “Manager”) has been created by the Agreement Establishing the European Bank for Reconstruction and Development, dated 29 May 1990 (herein called the “Agreement establishing the Bank”) to assist certain members of the Bank which are recipient countries (herein called the “Countries of Operations”);

**WHEREAS** the Bank is empowered under Article 20.1 (viii) of the Agreement establishing the Bank to conclude with public or private entities agreements of co-operation under which the Bank administers funds provided by such entities for purposes consistent with the purpose and functions of the Bank.

**ACCORDINGLY**, the Board of Directors of the Bank has established the Fund and accepted the administration of the Fund by the Bank in accordance with the present Rules.
PART A – GENERAL PROVISIONS

ARTICLE I - THE FUND

Section 1.01. Establishment of the Fund

The Fund is hereby established as of the date on which these Rules are approved by the Board of Directors of the Bank. These Rules shall thereupon enter into force.

Section 1.02. Purpose of the Fund

The purpose of the Fund is to accept and make use of funds provided by Contributors for the provision of technical assistance, public information, consultancy, civil works and engineering services and the acquisition, installation and placing into operation of equipment:

(a) to finance or co-finance, through specific grants, the provision of goods, works and services necessary to support the decommissioning work at the NPP specified in paragraph d) of Part B;

(b) to finance or co-finance, through specific grants, the provision of goods, works and services in the energy sector of the recipient country in support of measures which are consequential to the decision taken by the beneficiary country to close and decommission the relevant NPP units and which would assist the necessary restructuring, upgrading and modernisation of the energy production, transmission and distribution sectors as well as to improve energy efficiency; and

(c) to pay for the costs and expenses arising from or in connection with the carrying out of such activities and incurred in accordance with these Rules.

Section 1.03. Commencement of Operations

The Fund will begin its operations and the first meeting of the Assembly of Contributors will be called by the Manager once the conditions set out in paragraphs (a) and (b) of Part B are fulfilled.
Section 1.04. Application of Rules

The Fund and its resources shall be governed by, and such resources shall be received, administered, used and disposed of in accordance with the Rules.

Section 1.05. Administration of the Fund

The Fund and its resources will be administered by the Manager acting on behalf of the Contributors and in accordance with the provisions of the Rules and other guidelines adopted by the Assembly of Contributors in accordance with the Rules.

ARTICLE II - RESOURCES OF THE FUND

Section 2.01. Resources and Expenditure

The resources of the Fund shall consist of:

(a) amounts accepted by the Manager for inclusion in the Fund pursuant to Sections 2.02 and 2.03;

(b) income derived from investment of the resources of the Fund in accordance with Section 5.01;

Unless otherwise approved by the Assembly of Contributors, commitments for expenditure will only be made on the basis of grants and budgets approved by the Assembly of Contributors or the Operating Committee in accordance with the Rules.

Section 2.02. Contributions

(a) Any member of the Bank and any interested country may contribute funds (a "Contribution") to the Fund. Upon establishment of the Fund, such funds shall be contributed pursuant to an agreement ("Contribution Agreement") between such member of the Bank or country (a "Contributor") and the Manager, and shall specify the amount committed, the currency, the year or years of such Contributions and the manner in which payments thereof shall be made to the Manager. The Contribution Agreement shall, in principle, follow the standard format set out in Annex 1 and may contain such other matters as may be required or permitted by the Rules.

(b) For any increase of existing contributions or any contribution by a new Contributor to the Fund after the commencement of operations according to Section 1.03., the Contribution Agreement shall also be approved by the Assembly of Contributors.
(c) The minimum initial amount of a Contribution Agreement is determined in paragraph (c) of Part B.

(d) By entering into a Contribution Agreement, the Contributor shall be deemed to accept the application of the Rules to the resources contributed under such Contribution Agreement.

(e) Several countries may enter into a single Contribution Agreement. In such case, their respective obligations to pay Contributions shall be several, unless the relevant Contribution Agreement specifies otherwise.

(f) Contributions may not be earmarked for specific projects. However, Contributions may be earmarked for one of the purposes of the Fund specified in Section 1.02.

(g) A Contributor may at any time propose an increase in the amount of its Contribution. Such an increase will be effected by amending the relevant Contribution Agreement or by entering into another Contribution Agreement. The provisions of these Rules relating to Contributions shall apply equally to increased amounts so contributed.

Section 2.03. Payment of Contributions

(a) Each Contribution shall be denominated in Euro or any other freely convertible currency and shall be made available to the Manager in cash or in promissory notes or other obligations issued by the Contributor. Such notes or obligations shall be non-negotiable, non-interest bearing and payable to the Manager at par value upon demand. Calls for payment shall be made as required to meet disbursements for the subsequent six months, or for an alternative period as determined by the Assembly of Contributors as described in Section 4.01.

(b) A Contribution Agreement may provide for the settlement of payment obligations of the Contributor in a currency (as specified in Section 2.03(a)) other than Euro on the basis of the average exchange rate of such currency in terms of Euro as determined by the Manager for the period from 1 November 1999 to 30 April 2000 inclusive, or such other period as may be determined by the Assembly of Contributors.

(c) All payments not made in Euro will be converted upon receipt into Euro.
Section 2.04. Separation of Resources

(a) The resources of the Fund shall be separate from the ordinary capital resources of the Bank and from the Special Funds resources of the Bank as such terms are defined or referred to in the Agreement establishing the Bank.

(b) Under no circumstances shall the ordinary capital resources of the Bank or the Special Funds resources of the Bank be charged with, or used to discharge, losses or liabilities arising out of the operations or other activities for which resources of the Fund were originally used or committed.

ARTICLE III – PRINCIPLES

Section 3.01. General Principles

(a) The activities of the Fund shall be administered by the Manager on behalf of and under the supervision of the Assembly of Contributors and in accordance with the Rules.

(b) The Fund will co-ordinate its activities with bilateral direct financial assistance programmes administered outside this Fund, in particular to support the nuclear regulatory authorities, as well as measures financed by the recipient country from its own resources.

(c) No project will be undertaken without the consent of the recipient country.

(d) Financing under Section 1.02 through specific Grant Agreements will be conditional upon the Assembly of Contributors being satisfied that the recipient country is in compliance with its closure commitments reflected in paragraph (e) of Part B.

Section 3.02. Country Specific Principles

The country specific principles and provisions relating to the activities of the Fund are set out in Part B of the Rules.

ARTICLE IV – GOVERNANCE

Section 4.01. Assembly of Contributors

The Assembly of Contributors shall be the governing body of the Fund. It shall be responsible for the overall policy of the Fund and will supervise its implementation.
(a) In particular, the Assembly of Contributors shall:

(1) determine the principal orientations and strategies of the activities financed or to be financed with the resources of the Fund and generally supervise their implementation by the Manager;

(2) authorise grants financed from the resources of the Fund;

(3) monitor the payment of the committed Contributions to the Fund, having regard to project implementation and disbursements;

(4) review the effectiveness of the activities financed with the resources of the Fund;

(5) approve the annual budget and financial statements of the Fund;

(6) discuss and endorse guidelines to be prepared by the Manager on the basis of existing practises, including:

   (i) guidelines for payment of promissory notes pursuant to Section 2.03(a);

   (ii) guidelines for the management of the liquid assets of the Fund;

   (iii) implementation and monitoring guidelines (Operations Manual, Disbursement Handbook etc.);

(7) monitor disbursements of grants by the Manager;

(8) determine whether there are special circumstances that would make it appropriate to authorise procurement from sources other than those referred to in Section 5.05;

(9) provide guidance to the Manager in the carrying out of its function in accordance with Section 4.03;

(10) review on an annual basis the procurement actions in respect of contracts financed by the Fund, including the distribution of procurement;

(11) approve the work programmes for the activities of the Fund;

(12) ensure that the appropriate visibility is given to the activities financed by the Fund, taking into account the needs of the various Contributors; and
(13) periodically review progress by the recipient country in the implementation of its closure and decommissioning commitments, and approve measures to be undertaken by the Manager under specific grant agreements to address implementation issues, giving due regard to ensuring the conditionality of these agreements with the recipient country’s compliance with its commitments.

(b) Each Contributor shall have the right to be represented in the Assembly of Contributors and to participate in its meeting provided that such Contributor has, at the date of the meeting of the Assembly, met its obligations under its Contribution Agreement.

(c) Each Contributor shall have the right to be represented in the Assembly of Contributors by one representative, who shall serve at the pleasure of such Contributor without remuneration from the Fund. Each representative can be accompanied by advisory staff also without remuneration from the Fund. Participants to the Assembly of Contributors will cover their own costs of participation. An individual may at the same time serve as representative of more than one Contributor in the Assembly of Contributors if such Contributors shall have so agreed and notified the Manager and the Assembly of Contributors in advance.

(d) The Assembly of Contributors shall hold a regular annual meeting at which the financial statements for the previous fiscal year of the Fund shall be submitted for approval. The Assembly of Contributors may also decide to hold other meetings as necessary or expedient. Special meetings of the Assembly may be called by the Chair at any time or shall be called by the Chair if so decided by the Assembly, or at the request of the Manager or Contributors which account for not less than one-third of the aggregate amount of all Contributions to the Fund at the date of such request.

(e) The representative of the largest Contributor as of the date of commencement of operations of the Fund shall be the first Chair. The Chair will hold office until the Assembly of Contributors votes for a succeeding Chair.

(f) Contributors representing not less than one-half of the aggregate amount of all Contributions shall constitute a quorum at meetings of the Assembly of Contributors.

(g) The Chair may invite representatives of governments, other institutions and entities to attend specific agenda items of meetings of the Assembly of Contributors as observers.

(h) The recipient country may be invited to attend the meetings of the Assembly of Contributors as an observer, without remuneration from the Fund.

(i) When not specified otherwise in these Rules, decisions of the Assembly of Contributors shall be adopted by consensus.
(j) If failure by a Contributor to meet its obligations under its Contribution Agreement shall, in the judgement of the Chair, materially interfere with or prejudice the operations of the Fund, the Chair shall call a special meeting of the Assembly of Contributors to consider the taking of appropriate measures.

(k) The meetings of the Assembly of Contributors shall be held at the Manager’s headquarters or in such other place as may be agreed between the Chair and the Manager.

(l) The Manager shall be present at the meetings of the Assembly of Contributors in his capacity as Manager of the Fund in fulfilment of his responsibilities under these Rules.

(m) The Assembly of Contributors will decide on its own Rules of Procedure in line with the present Rules.

Section 4.02. Operating Committee

(a) The Assembly of Contributors may establish an Operating Committee and/or other subsidiary bodies to carry out such functions as the Assembly may determine with respect to the operation and supervision of the Fund. The powers, functions and membership of an Operating Committee or other subsidiary bodies shall be determined by the Assembly of Contributors pursuant to these Rules. In particular, the Operating Committee shall:

(1) authorise the use of the resources of the Fund to support the selected projects through specific grants taking into account the approved work programme and progress in the effective implementation of the closure commitment by the recipient country;

(2) monitor the administration of the Fund by the Manager;

(3) ensure that each project proposal and Grant Agreement will foresee appropriate on-site technical and administrative supervision for its implementation as well as adequate provisions for industrial management to ensure the cost-effective and technically optimal execution of projects;

(4) review and evaluate the progress on and the results of the projects, and the overall effectiveness of the Fund’s activities.

(b) The Operating Committee shall elect its Chair. The representative of the largest Contributor shall be the first Chair.
(c) The Operating Committee will comprise representatives of all Contributors unless there are more than five Contributors in which case the Assembly of Contributors may decide to appoint not more than five representatives of Contributors to the Operating Committee. In appointing members, the Assembly of Contributors shall take due regard of the size of Contributions and other relevant factors. A representative of the recipient country may be invited as an observer to the meetings of the Operating Committee.

(d) The Operating Committee will meet as often as necessary, but as a rule quarterly. Its meetings will be called by the Chair.

(e) The Secretariat of the Operating Committee will be ensured by the Manager.

(f) The members of the Operating Committee will bear their own costs of participation in its activities.

(g) The Operating Committee will adopt its own Rules of Procedure.

(h) The Chair of the Operating Committee will report to the Assembly of Contributors.

Section 4.03. Administrative and Operational Support by the Manager

(a) The Manager shall administer the Fund and the implementation of the approved projects in accordance with these Rules and shall provide, within approved budgets, administrative and operational support to the Fund. In particular, the Manager shall fulfil its role by:

1) submitting in due time, to the Operating Committee members specific project proposals prepared on the basis of the work programmes approved by the Assembly of Contributors and developed in close co-operation and consultation with the recipient country and NPP operator;

2) making available Manager staff and other experts with the skills and competence required to implement the activities of the Fund;

3) preparing, making, disbursing and administering grants, making calls for payment of promissory notes as required to make disbursements, and otherwise operating the Fund in accordance with the provisions of the Rules;

4) liaising, to the extent necessary to fulfil its managerial role, with the Contributors, the Government of the recipient country, concerned authorities and utilities in the recipient country and other public and private entities and reporting thereon to the Assembly of Contributors;

5) preparing annual financial statements of the Fund and a report on such financial statements and on the activities financed with the resources of the Fund during the
period covered by such statements for review and approval by the Assembly of Contributors;

(6) preparing the meetings of the Assembly of Contributors and the Operating Committee and serving as secretariat of such meetings;

(7) drawing up work programmes of activities of the Fund for approval by the Assembly;

(8) submitting to the Assembly of Contributors and the Operating Committee all necessary reports and technical documentation, including an Annual Report. Such reports will provide a comprehensive overview of the implementation of the Fund's programme including its relation to the recipient country’s compliance with its closure commitment and the conditionalities set out in grant agreements or other agreements with the Fund, the administration of specific projects and eventual problems of relevance to the programme;

(9) the Manager will ensure that in its publications (Annual Report, newsletters etc.), in its communications with the recipient country and the media, as well as on the construction sites established for projects implemented with the support of the Fund, appropriate visibility is given to the Fund and its Contributors; due account will be taken of the relative size of contributions to the Fund when developing and implementing the visibility policy of the Fund;

(10) carrying out such other functions as may be necessary for the efficient administration of the Fund, except for functions which pertain to the competence of the Assembly of Contributors and have not been delegated to the Manager.

(b) The Manager may adopt such internal operating procedures, compatible with the Rules, as shall be considered necessary or appropriate for the efficient administration of the Fund.

Section 4.04. Compensation

(a) The Manager shall receive for the first two years after commencement of operations of the Fund full compensation from the resources of the Fund for all costs and expenses incurred by it, including the fees and expenses of consultants engaged by the Manager, in connection with the Fund except for activities compensated pursuant to paragraphs (b) or (c). Compensation shall be on the basis of annual budgets approved by the Assembly of Contributors pursuant to paragraph (a) (5) of Section 4.01.
(b) For the management of pre-investment Technical Co-operation studies and related consultancy services in the commercial non-nuclear area the Manager shall receive a fixed fee of 2% of the total amount of funding allocated for such activities.

(c) For the management of co-financing investment projects in the non-nuclear area jointly undertaken by the Fund and the Bank with its ordinary resources, the Manager shall receive a fixed fee of 1.25% of the total amount allocated by the Fund for such activities.

(d) After expiry of the initial two year period after commencement of operations, the compensation arrangement under (a) above shall be reviewed by the Assembly of Contributors and the Manager on the basis of the experience gained as to the costs incurred, with the intention to agreeing on a fixed fee of about 2% of total Contributions in respect of which no fee pursuant to (b) or (c) above is payable.

(e) The compensation arrangements in this section shall be subject to Section 2.05 and shall under no circumstances entail the use of ordinary capital resources of the Bank to finance or subsidise Fund activities.

ARTICLE V - OPERATION OF THE FUND

Section 5.01. Investment

The Manager may invest any resources of the Fund which are not immediately required for use. Except as otherwise authorised by the Assembly of Contributors, investments shall be made in accordance with investment guidelines prepared by the Manager and approved by the Assembly of Contributors. The income derived by the Fund from such investments shall be added to the resources of the Fund.

Section 5.02. Payment of Manager’s Compensation and Expenses

The compensation due to the Manager pursuant to Section 4.04 shall be charged to the Fund and paid to the Manager quarterly, promptly after the end of the calendar quarter to which it relates.
Section 5.03. Valuation of Currencies

Except as provided in Section 2.03, whenever it shall be necessary for purposes of preparation or presentation of financial statements to determine the value of any currency in terms of another currency or of the unit of account of the Manager, the valuation shall be made by the Manager, using the same principles as the Manager applies for its ordinary operations.

Section 5.04. Accounts and Audit

(a) The Manager shall maintain the accounts of the Fund in Euro in accordance with the same accounting principles which it follows in respect of its own books and accounts.

(b) The financial statements of the Fund shall be audited by internal and external auditors of the Manager in a manner consistent with that applied to the Manager’s ordinary capital resources.

(c) In case Contributors are subject to specific auditing requirements under their respective statutes, their Contributions may be subject to auditing requirements that shall be agreed under the respective Contribution Agreement.

(d) The fiscal year of the Fund shall be the calendar year. The first fiscal year of the Fund shall end on 31 December 2000.

Section 5.05. Procurement

(a) The Bank’s Procurement Policies and Rules shall apply to grants made from the resources of the Fund, except that, subject to paragraph (c) below, procurement shall be limited to goods and services produced in or supplied from the countries of the Contributors or the Countries of Operations of the Bank (see Annex 2).

(b) The Manager will review and report on the balance of procurement of the various Contributors and the capacities of the Countries of Operations. The Manager, with the assistance of the Contributors, will further endeavour to address possible imbalances in the distribution of procurement, provided that such endeavours do not contravene the procurement rules applicable to the Fund.

(c) Upon proposal by the Fund Manager, the Assembly may determine whether there are special circumstances that would make it appropriate to authorise procurement from sources other than those referred to this Section.
ARTICLE VI – TERMINATION

Section 6.01. Termination

(a) The Fund shall remain in force for a period of ten years after the date of commencement of operations. Prior to the end of this period, Contributors shall consult with the Manager about the advisability of extending the operations of the Fund for an additional period, if required to complete the objectives of the Fund as defined in Section 1.02. The Assembly of Contributors may extend the Fund for an additional period, if required to complete the objectives of the Fund.

(b) Notwithstanding paragraph (a) above, the Fund may be terminated at any time by a decision of the Assembly taken with the unanimous consent of Contributors.

(c) This Fund shall terminate automatically upon termination by the Manager of its operations pursuant to Article 41 of the Agreement establishing the Bank.

(d) The Manager may cease to perform the functions conferred upon it pursuant to these Rules at one year’s notice after consultation with the Assembly and pursuant to a decision of the Board of Directors of the Manager. It shall do so if directed pursuant to a resolution of the Assembly of Contributors.

Section 6.02. Disposal of Resources on Termination

Upon termination of the Fund, the following provisions shall apply with respect to the resources of the Fund:

(a) The Manager shall forthwith cease all activities relating to such resources, except those incidental to the orderly realisation, conservation and preservation of such resources and the settlement of the direct or contingent obligations to which they may be subject.
(b) Subject to subsection (c) below, the Manager shall distribute the Total Net Assets of the Fund (total net assets of the Fund as shown on the accounts of the Fund as of the date of termination) to the Contributors in proportion to the amounts each made available to the Fund. Such distribution shall be effected at such times, in such currencies and in such types of assets as the Assembly of Contributors shall deem fair and equitable, preferably in the currency in which the respective Contributions were made. Distribution need not be uniform as to type of asset or as to currency.

(c) No distribution shall be made until all liabilities of the Fund (including payments due to the Manager) shall have been discharged or provided for, and until the Board of Directors of the Bank shall have decided that such distribution should be made. Any distribution to a Contributor shall be subject to prior settlement of all outstanding claims by the Manager against such Contributor in respect of its Contribution.

(d) Until final distribution of the assets of the Fund, all rights and obligations of the Manager and of the Contributors under these Rules and the relevant Contribution Agreement shall continue unimpaired.

ARTICLE VII – AMENDMENTS

Section 7.01. Amendments

These Rules may be amended only pursuant to a unanimous decision of the Assembly of Contributors. Amendments of the Rules shall enter into force upon their approval by the Board of Directors of the Bank.
(a) To fulfil the conditions to commence operations according to Section 1.03., a minimum number of three Contributors must have entered into Contribution Agreements. Notwithstanding this provision, the Fund Manager may receive the contribution of a Contributor and may invest this contribution prior to and in awaiting of the commencement of operations in order to accumulate the Fund’s means under conditions to be specifically laid down in their Contribution Agreements.

(b) To fulfil the conditions to commence operations according to Section 1.03., Contributors must have entered into Contribution Agreements totalling at least Euro 110 million.

(c) The minimum initial amount of a Contribution shall be equal to at least Euro 1.5 million in one or more instalments.

(d) NPP subject to the decommissioning

Closure and decommissioning activities referred to in these Rules are those to be undertaken at the Ignalina Nuclear Power Plant in the Visaginas area of Lithuania, consisting of power Units 1 and 2.

(e) Closure Commitment

The purpose of the Fund to provide grant financial support to activities which will facilitate the closure and decommissioning of the Ignalina Nuclear Power Plant will be pursued with regard to Lithuania’s closure commitment.

This commitment is contained in Resolution No. VII-1348 of the Seimas (the Lithuanian Parliament) of 5 October 1999.

By this Resolution, the Seimas adopted the National Energy Strategy submitted by the Government of the Republic of Lithuania. The closure commitment is contained in this strategy and reads as follows:
‘In line with the Nuclear Safety Account Grant Agreement Unit 1 of the Ignalina NPP will be closed down before the year 2005, taking into consideration substantial long term financial assistance from the European Union, the G7 and other States as well as international financial institutions. The remaining lifetime of Unit 1 shall be used most efficiently and in particular during the implementation of the secondary shut down system at Unit 2. …… Due to the age difference between the Units 1 and 2 the conditions and precise date of the closure of Unit 2 of the Ignalina NPP shall be decided upon in the next National Energy Strategy (2004) when detailed information on the work of Unit 2 is available.’

(f) National Energy Strategy and Action Plan

The purpose of the Fund to provide financial support to measures in the energy sector consequential to this closure decision will be pursued with regard to Lithuania’s current National Energy Strategy as adopted by the said Resolution of the Seimas of 5 October 1999 and the Action Plan to implement this strategy as ordered under paragraph 3 of the said Resolution and elaborated under the auspices of the Ministry of Economy. This Action Plan will also contain a project database.

(g) National entities

In the exercise of their duties, the governing bodies of the Fund and the Fund Manager will need to maintain close and co-operative links with national entities engaged in the implementation of the closure and decommissioning decisions as well as the Action Plan to implement the National Energy Strategy. In particular, the national entities of relevance are the Ministry of Economy, the ‘Commission for the Co-ordination of the Implementation of the Provisions of the National Energy Strategy related to the Ignalina Nuclear Power Plant’, the management of the Ignalina Nuclear Power Plant, the nuclear safety regulator VATESI as well as the Lithuanian electricity utilities.
Dear Sir,

I am writing to acknowledge your communication regarding the establishment of the Ignalina International Decommissioning Support Fund (the "Fund") and the entry into force of the Rules of the Fund as adopted by the Board of Directors of the European Bank for Reconstruction and Development (the "Bank").

1. I am pleased to confirm that [name of country] wishes to make a Contribution to the Fund in accordance with the Rules in the aggregate amount of [   ] Euro/ other freely convertible currency on the basis of domestic laws and regulations and in accordance with annual budgetary appropriations.

2. To the extent it is available by legislative action the Contribution will be paid in cash/in non interest bearing promissory notes in Euro/other freely convertible currency in one or more instalments during the period of calendar year(s) [  ] [  ], or in instalments which allow a faster encashment at the request of the Bank by notice in writing delivered to us at least 60 days before the date on which such payments are due.

3. I confirm that the terms used herein have the meaning attributed to them in the Rules.

Sincerely yours,
B. Form of Reply by President of Bank

[LETTERHEAD OF EUROPEAN BANK]

Dear Sir,

Thank you for your letter of _____________ concerning your contribution to the Ignalina International Decommissioning Support Fund in the aggregate amount of ________ [Euro].

This is to confirm that the European Bank for Reconstruction and Development will be pleased to accept this contribution for inclusion in the Fund pursuant to the Rules governing the Fund.

Sincerely yours,

[President]
ANNEX 2 - LIST OF COUNTRIES ACCORDING TO SECTION 5.05(a)

1. Contributors to the Fund

In case the European Commission enters into a Contribution Agreement, all European Union Member States and all so-called PHARE countries *.

* partially identical with the countries of operation of the Bank

2. Countries of Operation of the Bank

Albania
Armenia
Azerbaijan
Belarus
Bosnia and Herzegovina
Bulgaria
Croatia
Czech Republic
Estonia
Former Yugoslav Republic of Macedonia
Georgia
Hungary
Kazakhstan
Kyrgyzstan
Latvia
Lithuania
Moldova
Poland
Romania
Russian Federation
Slovak Republic
Slovenia
Tajikistan
Turkmenistan
Ukraine
Uzbekistan
Project Summaries

(Version: 31 May 2000)
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Section 1 - Decommissioning Projects
DECOMMISSIONING PROJECTS

Project 1 - Interim Spent Fuel Storage Facilities

1. Sub-sector: Nuclear Energy
2. Beneficiary: Ignalina Nuclear Power Plant, Visaginas
3. Goal: Interim storage of RBMK spent nuclear fuel assemblies
4. Purpose: On-Site facility for the storage of spent nuclear fuel assemblies retrieved from the Unit 1 and Unit 2 fuel discharge ponds, for a period up to 100 years. The facility shall provide adequate containment for any damaged or leaking fuel and decay heat from all assemblies.
5. Background: As part of the preparation for the closure and safe enclosure of the Ignalina NPP, fuel assemblies currently stored at the site require safe interim storage for a period of up to 100 years under adequate containment for fission product decay prior to final disposal. The existing spent fuel storage facility at the INPP site has capacity to store fuel from both Units up to the year 2004. There is at present a total of 6733 spent fuel assemblies that are stored in the reactor pool of Unit 1. Following closure, the fuel will require removal to a suitably designed interim storage facility as part of the preparations for safe enclosure. The facility will allow the safe removal, processing, transfer and storage of the spent fuel assemblies. The facility shall be designed to allow the fuel to be stored for a period of up to 100 years.
6. Project Activities: The design, construction and commissioning of the proposed facility, including all licensing documentation required by VATESI. The construction of the process and storage facility will be phased.
7. Duration and Timing: 10 years; 2001-09.
8. Provisional Cost Estimate: € 70 million
   (These figures are based upon initial estimates only, this value will be revised as part of the due diligence process of the project preparation phase)
9. Funding Type: Grant.
### Project 2 - Long-Lived Waste Management/Storage Facility

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<table>
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<tbody>
<tr>
<td>1.</td>
<td>Sub-sector: Nuclear Energy</td>
</tr>
<tr>
<td>2.</td>
<td>Beneficiary: Ignalina Nuclear Power Plant, Visaginas</td>
</tr>
<tr>
<td>4.</td>
<td>Purpose: Modernisation of the existing waste management facilities for long lived radioactive waste to ensure safe retrieval; sorting, assaying, transfer and immobilisation of long-lived radioactive waste. Modernisation of the existing waste management facilities for long-lived radioactive waste to ensure safe retrieval; sorting, assaying, transfer and immobilisation of long lived radioactive waste.</td>
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<tr>
<td>5.</td>
<td>Background: The current storage facilities for long-lived solid waste do not meet with the requirements of Lithuanian legislation on waste management and relevant IAEA recommendations. Long-lived waste (including fuel support tubes and central support rods) is currently stored in the building for short-lived waste. Decommissioning requires a separate building and specialised containers for the storage of this type of waste for a period of 60 years. The approach will ensure that the environmental impact of these facilities is minimised significantly compared to the present situation.</td>
</tr>
<tr>
<td>6.</td>
<td>Project activities: The design, construction and commissioning of the proposed facility, including all licensing documentation required by VATESI.</td>
</tr>
<tr>
<td>7.</td>
<td>Duration and Timing: 6 years; 2001-06.</td>
</tr>
<tr>
<td>8.</td>
<td>Provisional cost estimate: € 25 million. <em>(These figures are based upon initial estimates only, this value will be revised as part of the due diligence process of the project preparation phase)</em></td>
</tr>
<tr>
<td>9.</td>
<td>Funding: Grant.</td>
</tr>
</tbody>
</table>
1. **Sub-sector:** Nuclear Energy

2. **Beneficiary:** Ignalina Nuclear Power Plant, Visaginas

3. **Goal:** Establishment of a liquid radwaste treatment facility.

4. **Purpose:** Facilities for the retrieval, transfer and immobilisation of predominantly short-lived low level and intermediate level radioactive liquid waste (LILW-SL).

5. **Background:** The existing storage capacity remaining for radioactive liquid wastes at the INPP site is approximately 800m³. The condition of the tanks is not fully known; however, recent engineering assessments have indicated that the tanks are unsuitable for the interim storage of the liquid waste. The liquid wastes currently stored in the tanks will need to be immobilised and the storage tanks emptied before they begin to deteriorate. The potential environmental impact of these facilities must be reduced significantly.

6. **Project activities:** The design, construction and commissioning of the proposed facility including all licensing documentation required by VATESI.

7. **Duration and Timing:** 6 years; 2001-06.

8. **Provisional cost estimate:** € 22.5 million. *(These figures are based upon initial estimates only, this value will be revised as part of the due diligence process of the project preparation phase)*

9. **Funding:** Grant.
DECOMMISSION PROJECTS
Project 4 - Waste Incineration Facility

1. Sub-sector: Nuclear Energy
2. Beneficiary: Ignalina Nuclear Power Plant, Visaginas
4. Purpose: Facilities for the retrieval, transfer and incineration of low and intermediate level combustible wastes currently stored at INPP, the facility will also be used to treat combustible wastes produced during the decommissioning phase.
5. Background: There are currently 12,000m$^3$ of combustible waste stored at the INPP site. It is estimated that by 2005 the volume will have increased to 15,000m$^3$ (filters, personnel protection, clothing & plastics). As part of the preparation for the closure of the INPP an incineration facility will be required to process combustible wastes to reduce the overall volume of short-lived radioactive (LILW-SL) wastes stored at the INPP site, thus reducing the overall risk to the environment.
6. Project activities: The design, construction and commissioning of the proposed facility including all licensing documentation required by VATESI.
7. Duration and Timing: 5 years; 2001-05.
8. Provisional cost estimate: € 8 million.
   (These figures are based upon initial estimates only, this value will be revised as part of the due diligence process of the project preparation phase)
9. Funding: Grant.
**DECOMMISSIONING PROJECTS**

Project 5 - Short-Lived Waste Management/Storage Facility

1. **Sub-sector:** Nuclear Energy
2. **Beneficiary:** Ignalina Nuclear Power Plant, Visaginas
3. **Goal:** Management and storage facilities for short-lived radioactive waste at INPP.
4. **Purpose:** Modernisation of the existing handling system for short-lived, low and intermediate level solid waste stored at INPP, including retrieval, characterisation, packaging and re-storage of stored waste.
5. **Background:** The existing facilities for storing short-lived solid waste at INPP were not designed for long-term storage. In addition, prior to disposal, the waste was never fully characterised in line with international standards for long-term storage. There is a clear requirement to remove the waste from the existing facilities and to sort and re-package it, in order to reduce the potential environmental impact on the surrounding area.
6. **Project activities:** The design, construction and commissioning of the proposed facility including all licensing documentation required by VATESI.
7. **Duration and Timing:** 6 years; 2001-06.
8. **Provisional cost estimate:** € 19.5 million.
   (*These figures are based upon initial estimates only, this value will be revised as part of the due diligence process of the project preparation phase*)
9. **Funding:** Grant.
## DECOMMISSIONING PROJECTS

**Project 6 - Heat and Steam Plant Replacement (Ignalina)**

1. **Sub-sector:** Nuclear Energy
2. **Beneficiary:** Ignalina Nuclear Power Plant, Visaginas
3. **Goal:** Heating Plant for the INPP Site
4. **Purpose:** Ensuring reliable heat supply to the waste treatment facilities at INPP.
5. **Background:** At present the INPP facilities and Visaginas town are supplied with heat and steam from the district heating facility at INPP. A back-up system, dating from 1979, supplies heat and steam when the district heating system is under repair or in case of outages of Units 1 and 2. The existing back-up system does no longer meet with applicable technical and safety standards. A breakdown of the back-up system might result in the interruption of the supply to INPP of heat and steam necessary for a number of processes, including waste management. Reconstruction of the existing boiler houses is not an economically viable option, nor recommendable, for safety reasons, as it would mean the temporary closing of the back-up system.
6. **Project activities:** The design, construction and commissioning of the proposed facility including all licensing documentation required by VATESI.
7. **Duration and Timing:** 4 years; 2002-04.
8. **Provisional Cost Estimate:** € 26 million.
   
   *(These figures are based upon initial estimates only, this value will be revised as part of the due diligence process of the project preparation phase)*
9. **Funding:** Grant.
### DECOMMISSIONING PROJECTS

#### Project 7 - Decommissioning Unit

1. **Sub-sector:** Nuclear Energy

2. **Beneficiary:** Ignalina Nuclear Power Plant, Visaginas

3. **Goal:** INPP Engineering and Project Management Unit

4. **Purpose:** Provision of Engineering and Project Management assistance to INPP for the decommissioning process.

5. **Background:** The on-site Engineering Project Management Unit (PMU) will adopt an integrated approach to project management, engineering design, planning, procurement, safety and licensing activities at the INPP site. The PMU will assist the INPP management in the implementation of projects to support the preparation for INPP closure up to the safe enclosure period, including the development of an integrated decommissioning and waste management strategy.

6. **Project activities:** Overall Engineering and Project Management assistance to INPP for the decommissioning process; preparation of licensing, safety and environmental impact documentation; development of the Decommissioning and Waste Management strategy for INPP; and procurement and contract management for the pre-decommissioning facilities.

7. **Duration and Timing:** 10 years; 2001-10.

8. **Provisional Cost Estimate:** € 27 million. *(These figures are based upon initial estimates only, this value will be revised as part of the due diligence process of the project preparation phase)*

9. **Funding:** Grant.
### Project 8 - Energy Sector: Preparation & Co-financing

1. **Sub-sector:** All Energy Sectors
2. **Beneficiary:**
3. **Goal:** Preparation and facilitation of the decommissioning of Unit 1 of INPP
4. **Purpose:** Providing for preparatory technical assistance for the formulation of viable projects in the electricity and gas sub-sectors, including co-financing of selected electricity sub-sector projects.
5. **Background:** The National Energy Strategy and the corresponding Action Plan identified a number of strategically and commercially important projects in the electricity, district heating, renewable energy resources and gas sub-sectors. Many of these projects require further preparation, including detailed engineering and cost-benefit analysis. In some cases, projects may be marginally viable, requiring some grant-based co-financing.
6. **Project activities:** Feasibility studies, including cost-benefit analysis; Detailed engineering; Preparation of tender documentation; and Co-financing to increase financial viability.
7. **Duration and Timing:** 6 years; 2000-05.
8. **Budget:** € 36 million.
9. **Funding:** Grant.
The European Commission has adopted the Special Programme for Lithuania in the framework of the Phare programme. The European Community will contribute € 35 million from budget line B7-030 to this programme, which must be implemented by 31 December 2003.

The main components of this programme are as follows:

**Project LI 00XX.01: Contribution to the “Ignalina International Decommissioning Support Fund”**

The Fund - managed by the European Bank for Reconstruction and Development (EBRD) – will provide finance or co-finance, through specific grants for decommissioning activities concerning the Ignalina Nuclear Power Plant and measures which would assist the necessary restructuring, upgrading and modernisation of the energy production, transmission and distribution sectors and improve energy efficiency.

**Contracting Authorities**

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One Exchange Square,  
London EC2A 2JN, United Kingdom  
Tel. +44 20 7338 6000  
Fax. +44 20 7338 6100

Further information about this programme can be obtained from the Contracting Authority (as above) and the Phare Internet site at: http://europa.eu.int/comm/enlargement/pas/phare/index.htm.