



DIRECTORATE-GENERAL FOR INTERNAL POLICIES

POLICY DEPARTMENT **D**
BUDGETARY AFFAIRS

Budgets

Budgetary Control



Delegation to Lithuania
10-12 July 2012

NOTE



DIRECTORATE GENERAL FOR INTERNAL POLICIES
POLICY DEPARTMENT D: BUDGETARY AFFAIRS

Delegation to Lithuania

10-12 July

BACKGROUND NOTE
CONT DELEGATION TO LITHUANIA
10-12 JULY 2012

Abstract

This document aims to provide background information to the Committee on Budgetary Control Delegation to Lithuania, due to take place on 10-12 July 2012. The factual information below deals with various subjects related to Lithuania as regards basic data, political structure overview, economy overview, industry sectors, EU funds, Nuclear Power Plants and State Agencies'.

28/06/2012

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This document was requested by the European Parliament's Committee on Budgetary Control.

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1. BACKGROUND INFORMATION ON LITHUANIA

1.1. BASIC DATA ON LITHUANIA

General Topographic Map



Source: Economist Intelligence Unit Report March 2012

Total land area:	65,300 sq km including 35% arable, 12% permanent crops, 7% permanent pastures, 31% forest and woodland
Population:	3.24 million (January 1st 2011)
Capital:	Vilnius
Main cities	Vilnius Kaunas Klaipeda Šiauliai Panevėžys Alytus Marijampolė
Languages:	Lithuanian is a member of the Baltic group of languages (along with Lettish and the now extinct Old Prussian) and is the first language of over 80% of the population; there are sizeable minorities of native Russian and Polish speakers

Religion:	Roman Catholic 79%, Russian Orthodox 4.1%, Protestant (including Lutheran and Evangelical Christian Baptist) 1.9%, other or unspecified 5.5%, none 9.5%
Currency:	The national currency, the litas (plural litai; LTL), which is divided into 100 centas, replaced the transitional talonas (coupon) in June 1993. Average exchange rates in 2011: LTL 2.48 : US\$ 1; LTL3.45 : € 1
Time	two hours ahead of GMT
Natural resources:	Limestone, clay, quartz sand, gypsum sand, dolomite, gravel, oil deposits, iron ore and granite

1.2. POLITICAL STRUCTURE OVERVIEW

Official name	Republic of Lithuania
Form of state:	Democratic parliamentary
Legal system:	Based on the Constitution adopted on 25 October 1992 amended on 13 July 2004
National legislature:	Unicameral Parliament or Seimas . It has 141 members that are elected for a four-year term. 71 members are elected by popular vote and 70 members elected by proportional representation
Electoral system:	Universal suffrage over the age of 18 years
National elections:	A parliamentary election was held in Lithuania in two stages on 12 and 26 October 2008 . Next parliamentary election will be on October 2012 . A presidential election was held on 17 May 2009 . Next election due in May 2014 .
Head of state:	Dalia Grybauskaitė , elected on May 17, 2009, standing as an independent candidate and becoming the first woman President in the country's history. Ms Dalia Grybauskaitė became the first Lithuanian EU Commissioner from 2004 to 2009 for the Financial Programming and the Budget within the José Manuel Barroso-led Commission.
National government:	The current government is a centre-right one , formed between the Homeland Union - Lithuanian Christian Democrats, the Liberal and Centre Union, and the Liberal Movement under the leadership of the Homeland Union's Andrius Kubilius .
Main political parties:	Homeland Union - Lithuanian Christian Democrats (TS-LKD) - Group of the European People's Party (PPE) in the European Parliament (4 Members) Social Democratic Party of Lithuania (LSDP) - Group of the Progressive Alliance of Socialists and Democrats (S&D) in the European Parliament (3 Members) Order and Justice (TT) - Europe of Freedom and Democracy Group (EFD) in the European Parliament (2 Members) Liberal and Centre Union (LiCS) - Group of Alliance of Liberals and Democrats for Europe (ALDE) in the European Parliament Liberal Movement (LRLS), formally the Liberals' Movement of the

	<p>Republic of Lithuania - Group of Alliance of Liberals and Democrats for Europe (ALDE) in the European Parliament (1 Member)</p> <p>Labour Party (DP) - Group of Alliance of Liberals and Democrats for Europe (ALDE) in the European Parliament (1 Member)</p> <p>Christian Party (KP)</p> <p>Electoral Action of Poles in Lithuania (AWPL or LLRA) - European Conservatives and Reformists Group in the European Parliament (1 Member)</p> <p>Lithuanian Peasant Popular Union (LVLS)</p>																												
Seimas Composition	<p>Homeland Union - Lithuanian Christian Democrats (TS-LKD) - 46 Members</p> <p>Social Democratic Party of Lithuania (LSDP) - 24 Members</p> <p>Order and Justice Political Group (TT) - 17 Members</p> <p>Liberal and Centre Union (LiCS) - 13 Members</p> <p>Liberal Movement (LRLS) - 12 Members</p> <p>Labour Party (DP) - 10 Members</p> <p>Christian Party (KP) - 8 Members</p> <p>Non-affiliated members - 11 Members</p>																												
Prime Minister:	Andrius Kubilius (Homeland Union - Lithuanian Christian Democrats)																												
Seimas speaker:	Irena Degutienė																												
Key ministers:	<table border="0"> <tr> <td>Agriculture</td> <td>Kazimieras Starkevičius (TS-LKD)</td> </tr> <tr> <td>Culture</td> <td>Arūnas Gelūnas (Independent)</td> </tr> <tr> <td>Economy</td> <td>Rimantas Žylius (Independent)</td> </tr> <tr> <td>Education and Science</td> <td>Gintaras Steponavičius (LRLS)</td> </tr> <tr> <td>Energy</td> <td>Arvydas Sekmokas (Independent)</td> </tr> <tr> <td>Environment</td> <td>Gediminas Kazlauskas (Independent)</td> </tr> <tr> <td>Finance</td> <td>Ingrida Šimonytė (Independent)</td> </tr> <tr> <td>Foreign Affairs</td> <td>Audronius Ažubalis (TS-LKD)</td> </tr> <tr> <td>Health</td> <td>Raimondas Šukys (LiCS)</td> </tr> <tr> <td>Interior</td> <td>Raimundas Palaitis (LiCS)</td> </tr> <tr> <td>Justice</td> <td>Remigijus Šimašius (LRLS)</td> </tr> <tr> <td>Defense</td> <td>Rasa Juknevičienė (TS-LKD)</td> </tr> <tr> <td>Social Security and Labour</td> <td>Donatas Jankauskas (TS-LKD)</td> </tr> <tr> <td>Transport and Communications</td> <td>Eligijus Masiulis (LRLS)</td> </tr> </table>	Agriculture	Kazimieras Starkevičius (TS-LKD)	Culture	Arūnas Gelūnas (Independent)	Economy	Rimantas Žylius (Independent)	Education and Science	Gintaras Steponavičius (LRLS)	Energy	Arvydas Sekmokas (Independent)	Environment	Gediminas Kazlauskas (Independent)	Finance	Ingrida Šimonytė (Independent)	Foreign Affairs	Audronius Ažubalis (TS-LKD)	Health	Raimondas Šukys (LiCS)	Interior	Raimundas Palaitis (LiCS)	Justice	Remigijus Šimašius (LRLS)	Defense	Rasa Juknevičienė (TS-LKD)	Social Security and Labour	Donatas Jankauskas (TS-LKD)	Transport and Communications	Eligijus Masiulis (LRLS)
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Transport and Communications	Eligijus Masiulis (LRLS)																												
Administrative Division	10 counties , subdivided into 60 municipalities																												

1.3. ECONOMY OVERVIEW

	2007	2008	2009	2010	2011	2012 ¹	2013 ²
Real GDP growth (%)	9.8	2.9	-14.8	1.4	5.8	1.8	2.5
Unemployment (av; %)	4.3	5.8	13.7	17.8	15.4	15.0	14.9
Inflation (av; %)	5.7	10.9	4.5	1.3	4.1	2.7	2.8
Current account balance (% of GDP)	-14.56	-13.34	4.67	1.46	-0.33	-0.97	-1.41
Government balance (% of GDP)	-1.0	-3.3	-9.5	-7.1	-5.0 ³	-4.0	-3.5
Public Debt (% of GDP)	16.9	15.6	29.6	38.7	36.3 ⁴	38.1	34.5
Export of goods and services (% of real change)	3.0	11.6	-12.7	17.4	13.7 ⁵	3.0	3.5
Import of goods and services (% of real change)	10.7	10.3	-28.4	17.9	15.1 ⁶	3.4	4.0

Source: Economist Intelligence Unit Report March 2012

1.4. MAIN INDUSTRIES SECTORS

Major industries:	agriculture, industry and services
GDP composition by sector (2011 est.) :	agriculture 3.6%, industry 30%, services 60%
Agriculture products:	wheat, wood, barley, potatoes, sugar beets, wine and meat
Industry:	electronics, chemical products, machine tools, metal processing, construction material, household appliances, food processing and light industry (including textile), clothing and furniture, oil refineries and shipyard
Exports products:	Mineral products in the lead, transport, electric equipment, biotechnology, plastics and laser technology
Export partners:	Russia, Germany, Estonia, France, Latvia and The Netherlands
Imports products:	Mineral fuels and oil, vehicles, electrical and electronic equipment and plastics
Import partners:	Russia, Latvia, Germany, Poland, Estonia and The Netherlands

¹ EIU Report March 2012 forecast

² EIU Report March 2012 forecast

³ EIU Report March 2012 estimates

⁴ EIU Report March 2012 estimates

⁵ EIU Report March 2012 estimates

⁶ EIU Report March 2012 estimates

Services

This sector contributes to 60% of the GDP, and the most important sectors are the information technology and communications.

There has been a rapid development of the ICT infrastructure (13 of the largest 20 ICT companies in the Baltic region are based in Lithuania), and the government has invested in the development of research and development centres.

Lithuania has developed a network of 5 R&D valleys specializing in laser, nanotechnologies, semiconductors physics, electronics, engineering, biotech, energy, environment, ICT and agriculture. The valleys are based in the capital Vilnius, in Kaunas and in the port city Klaipeda.

Telecommunications in Lithuania have been regulated and privatised since 2002. The use of internet and broadband has rapidly increased in recent years and 60% of households have access to the internet.

Agriculture

Agriculture contributes around 3.6% to the GDP.

Arable farming is the main form of agricultural activity in Lithuania. It accounts for 3 million hectares of the total 3.5 million hectares of agricultural land. Cereals, grain, fodder and rape seed are the most commonly grown agricultural products.

Forests cover 30% of the country and in recent years forests have been sold off to the private sector in the hope of establishing a competitive forestry sector.

Industry

As a share of GDP, the industrial sector represents 30% and employs 30% of the active population. The Lithuanian industry is diverse and covers the following sectors: biotechnology, laser technology, furniture, machinery and electronic equipment.

The biotechnology industry of Lithuania is one of the most sophisticated industries in Central and Eastern Europe. 15 research institutions carry out chemical and biochemical research for pharmaceutical purposes. 16 institutions (including five major universities) train biotechnology and business specialists in cooperation with both domestic and international biotechnology companies. The production of bio fuel has been developing in the last decades. Annually Lithuania produces an excess of biomass that can be converted into bio fuel.

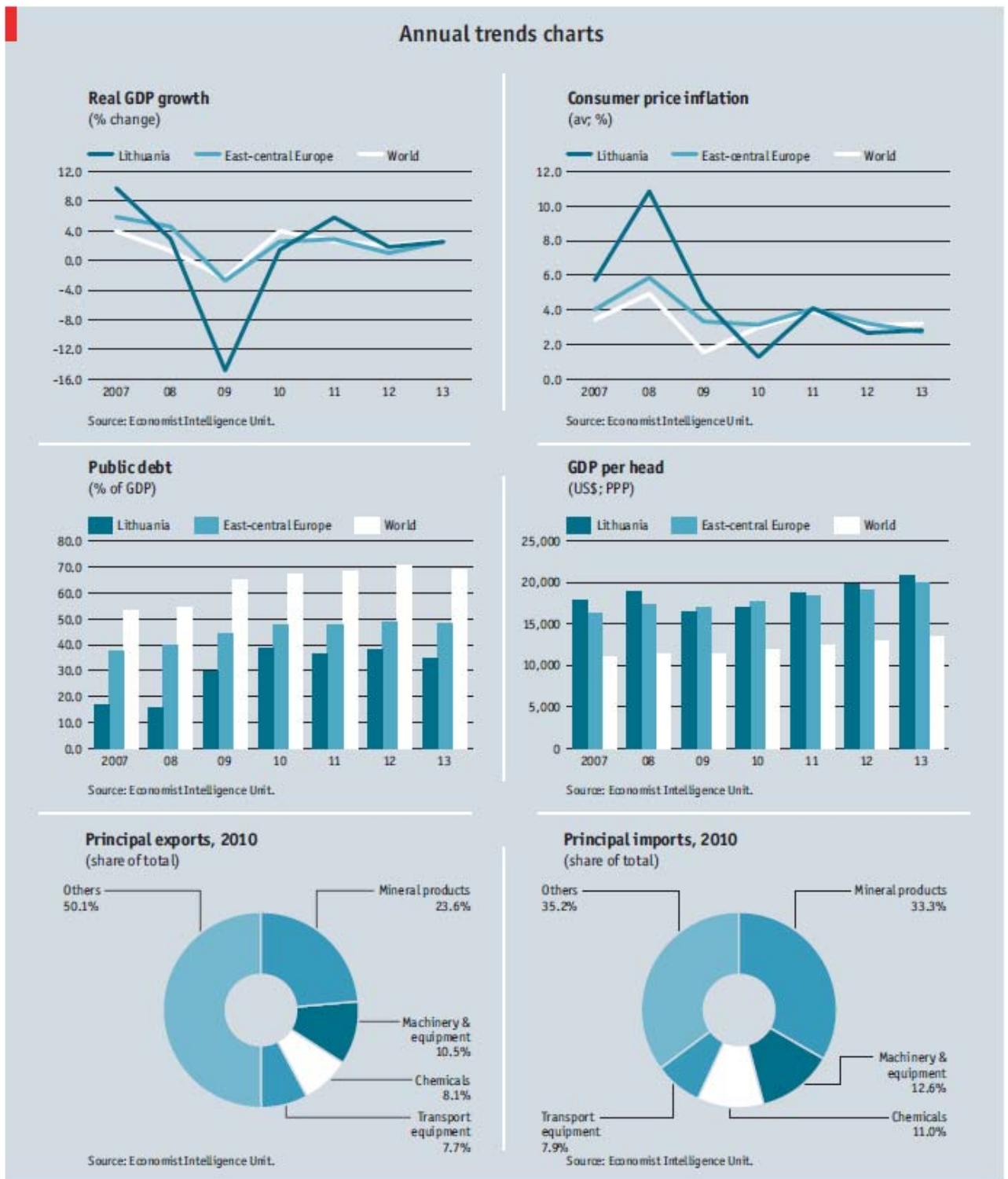
There are 11 science, research and development centres dedicated to research in the laser technology industry. In Lithuania, laser technology has grown at a rate of 20% per year. Lithuania is the world leader in terms of ultra fast parametric light generator production and has 80% of the world's market share for high energy lasers.

The furniture has grown over the years due to its abundance of natural resources, competitive prices and location (which allow a quick delivery to foreign customers).

The metal processing and manufacturing of electronic equipment contributes 4.9% of GDP and 64% of production is exported. This industry has grown due to the flexible labour force, and investment in research and development.

Lithuania actively seeks investment in its growing automotive industry, which has become focused on the manufacturing of electronic components. Small and medium-sized companies dominate the automotive industry and these companies have had to adapt to the competitive industry and have become one of the most efficient industries in Lithuania. Many major automotive companies such as BMW, Mercedes-Benz, Renault, Volkswagen and Volvo have already drawn upon Lithuania's specialised workforce, particularly utilising their high knowledge of electronics.

Main economic trends



Source: Economist Intelligence Unit Report March 2012

2. EU FUNDS

2.1. COHESION POLICY

Lithuania will receive 6.8 € billion from EU Structural Funds for the 2007-2013 period.

Lithuania has **4 programmes**: "Development of Human Resources" and "Technical Assistance" supported by the **European Social Fund (ESF)** and "Economic Growth" and "Cohesion Promotion" supported by the **European Regional Development Fund (ERDF)** and the **Cohesion Fund (CF)**.

Table 1 - Financial allocation per Programmes and fund

OPERATIONAL PROGRAMMES	FUND	COMMUNITY AMOUNT IN €
Development of Human Resources	ESF	935 018 009
Technical Assistance	ESF	93 288 718
Economic Growth	ERDF + CF	3 098 853 525
	ERDF	1 966 562 132
	CF	1 132 291 393
Cohesion Promotion	ERDF + CF	2 648 332 571
	ERDF	1 475 388 221
	CF	1 172 944 350
TOTAL	6 775 492 823	
Total ESF	1 028 306 727	
Total ERDF	3 441 950 353	
Total CF	2 305 235 743	

Source: European Commission - DG Regio - Cohesion Policy 2007-2013

The main priorities of the Cohesion Policy for the 2007-2013 period are **transport infrastructure and accessibility** with 1.57 € billion of funds. Lithuania plans to invest nearly 2.4 € billion of funds **on cleaning up the environment, promoting sustainable growth and combating climate change** (1.1 € billion target the effects of climate change and 437 € million to promote the use of renewable energy and improve energy efficiency). **R&D** will be supported with 1.48 € billion. 516 €million will be invested in **support of business** and 240 € million will be spent on developing and improving **information and communication technologies (ICT) infrastructure and services**.

As regards to the operational programme "**Cohesion Promotion**"⁷, one of the priority axis is: **environment and sustainable development**. The objective is to **improve the environment, with focus on improving the energy efficiency** and the **expected impact** is to renovate/construct water supply and waste water systems in 220 communities; to reach 100% of deposition of waste in landfills (meeting EU requirements) and to upgrade 200 public buildings in terms of energy saving. The **priorities of this axis** are: renovating and developing water supply and waste water treatment systems; creating modern waste management

⁷ European Commission - Regional Policy - Lithuania - Operational programme "Promotion of Cohesion"

systems; improving air quality and increasing the efficiency of energy generation and consumption as well as the use of renewable energy resources.

2.2. EUROPEAN INVESTMENT BANK (EIB)

Between 2006 and 2010, the European Investment Bank (EIB) lent **1.3 € billion** for projects in Lithuania. 42% of the funding was for **infrastructure**, 23% for **transport** and 17% for **health and education**. In the transport sector, the EIB financed the purchase of modern diesel-powered freight locomotives, which replaced older, less energy-efficient ones.

3. NUCLEAR POWER PLANTS

3.1. DECOMMISSIONING NUCLEAR FACILITIES

All power plants have a life span of about **30 years**, newer plants are designed for a 40 to 60 year operating life.

At the end of the life span of any power plant, it needs to be **decommissioned, decontaminated and demolished** so that the site is made available for other uses. For **nuclear plants**, the term decommissioning includes all the **progressive dismantling of the plant and all clean-up of radioactive contamination**.

The International Atomic Energy Agency (IAEA) has defined **3 options** for decommissioning, the definitions of which have been internationally adopted:

Immediate Dismantling	<p>Allows for the facility to be removed from regulatory control relatively soon after shutdown or termination of regulated activities.</p> <p>The final dismantling or decontamination activities begin within a few months or years, depending on the facility.</p> <p>Following removal from regulatory control, the site is then available for re-use</p>
Safe Enclosure	<p>Postpones the final removal of controls for a longer period, usually in the order of 40 to 60 years.</p> <p>The facility is placed into a safe storage configuration until the eventual dismantling and decontamination activities occur.</p>
Entombment	<p>Entails placing the facility into a condition that will allow the remaining on-site radioactive material to remain on-site without the requirement of ever removing it totally.</p> <p>This option usually involves reducing the size of the area where the radioactive material is located and then encasing the facility in a long-lived structure such as concrete, that will last for a period of time to ensure the remaining radioactivity is no longer of concern</p>

Source: <http://www.world-nuclear.org/info/inf19.html>

3.2. IGNALINA NUCLEAR POWER PLANT

Ignalina Nuclear Power Plant (INPP) is the only nuclear installation in Lithuania. INPP is located in the north-eastern part of Lithuania (Visaginas), near the borders with the Republic of Latvia and the Republic of Belarus. INPP is equipped with two RBMK⁸-1500 reactors (soviet design plant). Compared to the Chernobyl NPP reactors RBMK-1000, the Ignalina RBMK-1500 reactors are more powerful. The units are light-water and graphite-moderated types. Construction started in 1978 and reactors came on line in 1983 and 1987, with a 30 year design life. Four units were originally planned to be built on INPP site, but the construction of the third unit was suspended in 1988 and the construction of the fourth unit had never started.

As a condition of entry into the European Union, Lithuania agreed in 1999 to close existing units of the station. The project includes decommissioning of Unit 1 and Unit 2 and auxiliary facilities. The process is divided into 2 phases. The first phase started in 2004 and continues until 2013. The second phase is scheduled for 2014-2029.

3.3. IGNALINA NUCLEAR POWER PLANT DECOMMISSIONING

Following the IAEA options for decommissioning (described on point 3.1), the Lithuanian Government has chosen the **immediate dismantling strategy** for Ignalina.

A Final Decommissioning Plan (FDP) has been approved in 2005 by the Ministry of Economy of Lithuania and an amended version was foreseen for 2010⁹.

The FDP is a technical document which details:

- the strategy for facility dismantling;
- an estimate of the decommissioning costs and schedule;
- an outline of the decommissioning methods and techniques;
- a quantification of waste produced by the decommissioning;
- a conceptual assessment of decommissioning safety and environmental impact assessment programme;
- plans for preparatory works, stages and facility designs.

The FDP should cover the whole INPP decommissioning period (two Units, auxiliary equipment, interim spent fuel and radioactive waste storage facilities).

The European Parliament noted with concern that a detailed decommissioning plan has not been finalised yet. The European Parliament asked to the European Commission to provide a detailed long-term financial planning of the decommissioning projects and describe the scope of the EU financing required to accomplish this plan¹⁰.

⁸ Reaktor Bolshoy Moschnosti Kanalniy (High Power Channel-type Reactor)

⁹ European Commission - Commission Staff Working Paper "Nuclear Decommissioning Assistance Programme data" (COM (2011) 432 final)

¹⁰ European Parliament resolution of 5 April 2011 on the efficiency and effectiveness of EU funding in the area of decommissioning nuclear power plants in the new Member States (2010/2104(INI) - P7-TA(2011)0123)

3.4. FINANCIAL ASSISTANCE FOR THE DECOMMISSIONING OF IGNALINA NUCLEAR PLANT

In the context of the negotiations for accession to the European Union, Lithuania committed itself to close the INPP. Recognising the exceptional social, economic and financial burden of this commitment, the European Union decided to provide a financial contribution to Lithuania.

For the **1999-2013 period**, the total EU funding for the Decommissioning of Ignalina amounts **1.367 € million**.

The European assistance is designed to support Lithuania efforts in the decommissioning of the nuclear power plants as well as to support measures in the energy sector to mitigate the economical consequences of the early closure, such as¹¹:

- the nuclear safety in the nuclear facilities;
- the establishment and upgrade of the waste management infrastructure required to start decommissioning activities;
- measures to support the nuclear safety authorities in safe assessment and licensing of decommissioning projects;
- the environmental upgrading of energy infrastructure and modernisation of conventional energy production capacity as a replacement for the lost nuclear energy production capacity in line with the legislation of the European Union;
- the enhancement of security of supply and energy efficiency;
- measures to support plant personnel in maintaining a high level of operational safety in the periods prior to the closure and during the decommissioning of the reactor units.

To assist Lithuania, the European Community set up the **Ignalina International Decommissioning Support Fund (IISDF)** at the **European Bank for Reconstruction and Development (EBRD)**. The IISDF became operational in 2001 on the basis of a Framework Agreement signed between the Republic of Lithuania and the EBRD. In addition, since 2004, part of the financial assistance to Lithuania has also been made available as a direct support to the country in order to implement provisions of Art. 2.4¹² of the Accession Protocol through a National Agency: the **Central Project Management Agency (CPMA)**.

¹¹ European Commission - Commission Staff Working Paper - Impact Assessment - Accompanying document to the Proposal for a Council Regulation on Union support for the nuclear decommissioning assistance programmes in Bulgaria, Lithuania and Slovakia

¹² "The Ignalina Programme shall include measures to support plant personnel in maintaining a high level of operational safety at the Ignalina Nuclear Power Plant in the periods prior to the closure and during the decommissioning of the said reactor units"
Source:<http://www.europarl.europa.eu/sides/getDoc.do?type=REPORT&mode=XML&reference=A7-2011-54&language=EN>

Table 2 - EU funds for decommissioning of Ignalina - 1999-2013 period

DATE	ASSISTANCE PROVIDED UNDER	EU AMOUNT	MANAGED BY
From 1999 to 2003 Pre-accession Period	PHARE Programme	210 € million	EBRD
From 2004 to 2006 Accession Period "Programmed Instrument Mechanism"	PROTOCOL 4 of the Act to the Accession Treaty	320 € million	EBRD CPMA
From 2007 to 2013 Post-accession Period	Council Regulation (EC) 1990/2006	837 € million	EBRD CPMA
Total		1.367 € million	

Source: European Court of Auditors - EU Financial Assistance for the Decommissioning of Nuclear Plants in Bulgaria, Lithuania and Slovakia: Achievements and Future Challenges (p.12 and p.30)

The **EBRD** manages the public funds allocated to the programmes for decommissioning and monitoring the financial management of these programmes. The EBRD carries out the budget tasks entrusted to it by the European Commission in line with the requirements of the Financial Regulation¹³.

Information about **CPMA** responsibilities is detailed on point 4.4.

By 2013, the available funding (all sources) for the decommissioning of INPP will be approximately **1.450 € million**.

Table 3 - Ignalina financial programme

	IISDF € MILLION	CPMA € MILLION	NOT YET ALLOCATED € MILLION
Bilateral Donors ¹⁴	33,0		
EU Contribution	663,9	331,6	371,5
Interests Generated	51,9	1,0	
TOTAL	748,8	332,6	371,5
		1452,9	

Source: European Court of Auditors - EU Financial Assistance for the Decommissioning of Nuclear Plants in Bulgaria, Lithuania and Slovakia: Achievements and Future Challenges (p.30)

¹³ European Commission - Commission Staff Working Paper "Nuclear Decommissioning Assistance Programme data" (COM (2011) 432 final)

¹⁴ Belgium, Denmark, Germany, Ireland, Greece, Spain, France, Luxembourg, the Netherlands, Austria, Poland, Finland, Sweden, the United Kingdom, Norway and Switzerland

The European Parliament noted that a high share of the funds was used for energy projects and not for the aim of the financial assistance, namely NPP decommissioning¹⁵.

The purpose of the IISDF is to finance projects supporting the closure and decommissioning of INPP and measures in the sector of energy.

As regards to the **748,8 € million of the IISDF**¹⁶: **6,1 € million** have been allocated to **EBRD operational costs**, **410,7 € million** were allocated to **decommissioning projects**, **273,8 € million** were allocated to **energy projects** and **58,2 € million** have not been allocated yet.

Decommissioning projects includes engineering, licensing documentation and tools for dismantlement and decontamination. But important projects prepared under the IISDF (particularly the dismantlement) were cancelled or transferred to CPMA by INPP's management decision in 2010¹⁷.

Concerning **energy projects**, the following projects¹⁸ have been financed by IISDF:

- Studies for least-cost development of the Lithuanian electricity and gas sectors;
- New flue gas desulphurisation facilities (completed in 2009) enabled Elektrenai to operate 600MW of its capacity with heavy fuel oil and gas in compliance with EU emission requirements;
- A new state of the art 455 MW Combined Cycle Gas Turbine (CCGT) power plant Unit at the Elektrenai site. The new CCGT unit will result in a major increase in generation efficiency, plant reliability and availability, and a significant decrease in environmental pollution;
- Support to LITGRID AB in the development of the power connection between Lithuania and Poland.

An overview of Grant agreements, contracts and disbursements via the IISDF is presented on the Annex A¹⁹.

Concerning the **331.6 € million of CPMA funds**²⁰: **1,5 € million** have been allocated to **CPMA operational costs**, **135,3 € million** were allocated to **decommissioning projects**, **36,1 € million** were allocated to **energy projects** and **157,7 € million** have not been allocated yet.

The European Parliament asked to the European Commission to study ways of altering the EU's methods of financing decommissioning operations and simplifying the rules on management of the funds in such a way that they do not affect the safety and security of the decommissioning operations.²¹

¹⁵ European Parliament resolution of 5 April 2011 on the efficiency and effectiveness of EU funding in the area of decommissioning nuclear power plants in the new Member States (2010/2104(INI) - P7-TA(2011)0123

¹⁶ European Court of Auditors - EU Financial Assistance for the Decommissioning of Nuclear Plants in Bulgaria, Lithuania and Slovakia: Achievements and Future Challenges (p.30)

¹⁷ Information provided by the EBRD

¹⁸ Information provided by the EBRD

¹⁹ Document provided by the EBRD - March 2012

²⁰ European Court of Auditors - EU Financial Assistance for the Decommissioning of Nuclear Plants in Bulgaria, Lithuania and Slovakia: Achievements and Future Challenges (p.30)

²¹ European Parliament resolution of 5 April 2011 on the efficiency and effectiveness of EU funding in the area of decommissioning nuclear power plants in the new Member States (2010/2104(INI) - P7-TA(2011)0123

As regards to future activities to be financed from EU allocated amounts within the 2007-2013 period, Members of the European Parliament feel further issues need clarifying, including whether there is still a need for further amounts to be allocated for energy projects or whether it is necessary to focus on the decommissioning projects²².

3.5. DECOMMISSIONING PROJECTS

The 3 stages of INPP decommissioning are:

Initial Stage	The nuclear plant is suspended permanently. It's cleaned and decontaminated using available equipment. Spent nuclear fuel and accumulated radioactive waste is transferred to interim storage . Low-radioactivity units can be removed.
Dismantling	This phase should start after the first stage immediately. Radioactive equipment and inner layer of radioactive buildings are removed during the dismantling. This is the most difficult phase from the technical point of view.
Demolition of the Buildings	Buildings are to be demolished or left for further use. They are to be demolished in the same way as other industrial facilities except that thorough checks are to be conducted for the trace amounts of radioactivity in the debris.

Source: <http://www.iae.lt/en/activity/decommissioning/>

The following list²³ presents important projects that have been funded by the EU:

- Safe maintenance of unit 1 and unit 2;
- VATESI (Lithuanian nuclear regulator) support;
- Provision of consultant support to INPP;
- Interim spent fuel store (B1);
- Solid waste management and storage facility (B2/B3/B4);
- Free release measurement facility;
- Detailed decommissioning plans for specific building;
- Preparation of a decommissioning database and planning tool;
- Primary circuit decontamination;
- Landfill facility and buffer storage;
- Radiological characterisation.

Large infrastructural projects such as B1 project and B2/B3/B4 project are implemented via IISDF. Projects related to safe maintenance of reactor units in shutdown condition and implementation of decommissioning projects are implemented via CPMA.

Current and completed projects are described on Annex B.

²² European Parliament resolution of 5 April 2011 on the efficiency and effectiveness of EU funding in the area of decommissioning nuclear power plants in the new Member States (2010/2104(INI) - P7-TA(2011)0123

²³ European Commission - Commission Staff Working Paper "Nuclear Decommissioning Assistance Programme data" (COM (2011) 432 final)

3.5.1. Interim Spent Fuel Storage Facility (ISFSF) - B1 project

The **objective** is to build a new dry type **Interim Spent Fuel Storage Facility (ISFSF)** for the spent nuclear fuel, unloaded from the Unit 1 and Unit 2; and to design, construct and install all the necessary equipment to pack the spent nuclear fuel into special containers, to seal them and to transport them from the storage pools to the ISFSF²⁴.

The contractor of this project is NUKEM-GNS Consortium. An initial contract was signed in 2005 and an amendment to the contract has been signed in 2009. The scope of the Contractors' tasks includes the design, preparation of licensing documentation, manufacturing and delivery of equipment, construction, installation, testing and commissioning of the ISFSF²⁵.

B1 project is significantly delayed (4 years²⁶). Reasons²⁷ of this delay are:

- Inaccurate fuel characterization data relevant for the design of the spent fuel casks;
- Protracted licensing approval processes in Lithuania for the technical design and safety case;
- Difficulties with the main contractor of which the owner was changed several times;
- Insufficient commitment and deficiencies in project management on both, the contractor and owner side, in the early phase of the project.

3.5.2. Solid Waste Management and Storage Facilities (SWMSF) - B2/B3/B4 project

The **objective** is to build a new INPP **Solid Waste Management and Storage Facilities (SWMSF)**. The project includes two independent components to be implemented simultaneously: B2 (New Solid Waste Retrieval Facilities Design and Construction) and B3/B4 (New Solid Waste Management and Storage Facilities Design and Construction)²⁸.

The contractor of this project is NUKEM Technologies. In 2005, a contract was signed between INPP and NUKEM for design, construction and commissioning of the new SWMSF²⁹.

B2 project is 44 months delayed; B3/B4 project is 34 months delayed³⁰.

Reasons³¹ of these delays are:

- Both parties entered into the contractual arrangement, although changes in contract scope and technical requirements were only known by both parties before contract signature;

²⁴ Ignalina Nuclear Power Plant site - http://www.iae.lt/static/failai/b1_and_b234.pdf

²⁵ Information provided by NUKEM-GNS consortium

²⁶ European Commission - Commission Staff Working Paper "Nuclear Decommissioning Assistance Programme data" (COM (2011) 432 final)

²⁷ European Commission - Commission Staff Working Paper "Nuclear Decommissioning Assistance Programme data" (COM (2011) 432 final)

²⁸ Ignalina Nuclear Power Plant site - http://www.iae.lt/static/failai/b1_and_b234.pdf

²⁹ Information provided by NUKEM

³⁰ European Court of Auditors - EU Financial Assistance for the Decommissioning of Nuclear Plants in Bulgaria, Lithuania and Slovakia: Achievements and Future Challenges

³¹ European Commission - Commission Staff Working Paper "Nuclear Decommissioning Assistance Programme data" (COM (2011) 432 final)

- Contractor submissions of technical design and safety case was late and to an unacceptable quality from the owners point of view;
- Contractor under-assessment of technical approval procedures in LT;
- Protracted national approval system, involving numerous different parties;
- Delay in settlement of contractual disputes: Project Management Unit (PMU) requested by EBRD fund rules to support INPP on commercial level was not proactively involved.

3.6. DECOMMISSIONING FUNDING SHORTFALL

As a result of delays on the implementation of the projects and with the rise of project prices, additional costs have arisen.

The total financing need for INPP decommissioning (latest cost estimation) is estimated to **2 930 € million (risks included)**.

The table below shows the funding shortfall for INPP.

Table 4 - Decommissioning Funding shortfall

LATEST COST ESTIMATE (MILLION EURO)	AVAILABLE FUNDING ALL SOURCES BY 2013 (MILLION EURO)	FUNDING SHORTFALL (MILLION EURO)
2 930	1 450	1 480

Source: European Court of Auditors - EU Financial Assistance for the Decommissioning of Nuclear Plants in Bulgaria, Lithuania and Slovakia: Achievements and Future Challenges (p.19)

For the 2014-2020 period, a Regulation has been proposed by the European Commission. This regulation establishes the Ignalina Programme laying down rules for the implementation of the Union's financial support for measures connected with the decommissioning of the INPP (units 1 and 2).

The amount proposed for Ignalina Programme is **229 € million (current prices)**, for the period 2014 to 2017, This amount is in line with the European Commission proposal for the next multi-annual financial framework for the period 2014-2020: "A Budget for Europe 2020"³².

The general objective of this Programme is to reach an irreversible state within the decommissioning process, keeping the highest level of safety.

³² European Commission - Proposal for a Council Regulation on Union Support for the Nuclear Decommissioning Assistance Programme in Bulgaria, Lithuania and Slovakia.

The proposed regulation established ex ante conditionalities³³ that Lithuania shall fulfil by 1 January 2014:

- Compliance with the Euratom Treaty's acquis in the area of nuclear safety, in particular regarding the transposition into national law of the Council Directive 2009/71/Euratom on nuclear safety and the Council Directive 2011/70/Euratom on the management of spent fuel and radioactive waste;
- Establish in a national framework a financing plan identifying the full costs and the envisaged funding sources required for the safe completion of decommissioning of the nuclear reactor units, including management of spent fuel and radioactive waste, concerned by this Regulation;
- Submit to the Commission a revised detailed decommissioning plan broken down to the level of decommissioning activities, schedule and corresponding cost structure based on an internationally recognized standard for decommissioning cost estimation.

Lithuania shall provide the European Commission with the necessary information about fulfilment of the above mentioned ex ante conditionalities, at the latest by the time of the budgetary commitment in 2014.

3.7. DECOMMISSIONING EXPERIENCE ON GREIFSWALD NUCLEAR POWER STATION

Greifswald Nuclear Power Station (GNPS) is situated in the Land of Mecklenburg-Western Pomerania in the North Eastern part of Germany and was the largest nuclear power station in East Germany. GNPS was initially composed by 8 units (the construction of units 6, 7 and 8 was stopped in 1990, and the unit 5 was only in trial operation) equipped with WWER 440/V-230 reactors, the first generation of soviet design plant.

Decommissioning of Greifswald nuclear power station (since 1995) is the world's largest project of nuclear plants. The socio-economic benefits of using local industry and labour in the region were an important factor in choosing immediate dismantling. The Energiewerke Nord GmbH (EWN) is the company who's in charge of decommissioning and dismantling the GNPS. All the reactors (units 1 to 5) had been **shut down in 1990**.

After choosing immediate dismantling, strategies to get licenses were developed as well as the technical concepts for decommissioning, dismantling and disposal of the left material. The objective is to realize everything by own personnel.

EWN is changing the Greifswald site into an important centre of energy and technology in Mecklenburg-Western Pomerania.

According to EWN, the decommissioning activities will be finished in 2013/2014³⁴. And the overall budget (according to EWN in June 2011) is **3.2 billion Euros**³⁵.

³³ Council of the European Union - Proposal for a Council Regulation on Union support for the nuclear decommissioning assistance programmes in Lithuania - 2011/0363 (NLE) - 10771/1/12 - Rev 1

³⁴ OECD/NEA workshop on Radiological Characterisation for Decommissioning Studsvik, April 2012 - EWN - <http://www.studsvik.com/Documents/OECD%20seminar%202012/25.pdf>

³⁵ The Greifswald decommissioning project - Energiewerke Nord GmbH - June 2011 (http://www.iaea.org/OurWork/ST/NE/NEFW/WTS-Networks/IDN/idnfiles/CuttingTechniqueWkp-Germany2011/EWN_Project_Overview__06__2011.pdf)

3.8. IGNALINA NUCLEAR POWER PLANT VS GREIFSWALD NUCLEAR POWER STATION

Some comparisons are made between Ignalina Nuclear Power Plant and Greifswald Nuclear Power Station. For both power plants the immediate dismantling option has been chosen.

	IGNALINA NUCLEAR POWER PLANT	GREIFSWALD NUCLEAR POWER STATION
Reactors Type	RMBK (Reaktor Moschnosti Kanalniy) Bolshoy Light-water and graphite-moderated type	KGR WWER (Water-cooled water-moderated power reactor) Russian pressurized water reactor
Designer	Soviet designer	Soviet designer
Number of reactors	2 reactors	5 reactors (1 reactor on trial operation)
Capacity	1500 MW each reactor	440 MW each reactor
Construction start	1977 / 1978	1973
Shut down	2004 /2009	1990
Decommissioning strategy	Immediate	Immediate
Decommissioning final date	2029	2013/2014

3.9. VISAGINAS NUCLEAR POWER PLANT

The closure of Ignalina Nuclear Power Plant slashed the volume of electricity produced in the Baltic States. Energy resources used in Lithuania are mostly imported (which is imported from a single country: Russia). Lithuania and the Baltic States are not connected to the European electricity grid, making them more vulnerable.

The new nuclear power plant in Visaginas is a regional project between Lithuania, Latvia, and Estonia.

Visaginas NPP project is a part of the Baltic Energy Market Interconnection Plan (BEMIP) and aims to develop a unified energy market in the Baltic Sea Region. The BEMIP plan involves electric power interconnections with Poland, Sweden and Finland.

4. STATE AGENCIES'

4.1. NATIONAL AUDIT OFFICE OF LITHUANIA (NAOL)³⁶

The National Audit Office of Lithuania (NAOL) is the Supreme Public Audit Institution, accountable to the Seimas (Parliament) of the Republic of Lithuania. Its main function is to supervise the lawfulness and effectiveness of the management and use of the State property and the implementation of the State budget.

The NAOL carries out financial and performance audits. The methodologies of financial and performance audits are also used to perform State Budget revenue audit. In addition, the

³⁶ http://www.vkontrole.lt/en/about_tasks.shtml

Parliament of the Republic of Lithuania has entitled the NAOL **to audit the European Union financial assistance** allocated to the Republic of Lithuania.

The NAOL carries audits of:

- State budget implementation;
- use of State funds;
- management, use and disposal of the State property;
- implementation of the budget of the State Social Insurance Fund;
- implementation of the budget of the Compulsory Health Insurance Fund;
- use by respective fund management institutions and beneficiaries of funds of the European Union allocated to the Republic of Lithuania and implementation of programmes in which Lithuania participates;
- use of State budget funds allocated to municipal budgets.

4.2. RADIOACTIVE WASTE MANAGEMENT AGENCY (RATA)³⁷

The Radioactive Waste Management Agency (RATA) was founded in 2001. RATA was established to implement the management and disposal of radioactive waste generated by INPP during the decommissioning process.

The main functions of RATA are to manage and dispose all the radioactive waste transferred to the Agency, assuring nuclear radiation protection; and to be the operator of storage facilities and repositories assigned to the Agency.

Management of radioactive waste is directly related with the nuclear and radiation safety. So, RATA's activity shall be licensed by the regulatory bodies, namely State Nuclear Power Safety Inspectorate (VATESI) and Radiation Protection Centre.

4.3. STATE NUCLEAR POWER SAFETY INSPECTORATE (VATESI)³⁸

The State Nuclear Power Safety Inspectorate (VATESI) was established in 1991. VATESI is the regulatory and supervisory institution of nuclear safety, which sets safety requirements, control whether they are complied with, issues licences and permits, performs safety assessments of nuclear facilities and conducts inspections and verifications.

VATESI mission is to perform the state regulation and supervision of safety at nuclear facilities in order to protect the public and the environment against harmful effects of nuclear and radiation events and accidents.

³⁷ Republic of Lithuania law on the management of radioactive waste - May, 20 - 1999 amended on 26 October 2004 - http://www3.lrs.lt/pls/inter3/dokpaieska.showdoc_l?p_id=248129

³⁸ <http://www.vatesi.lt/index.php?id=3&L=1>

4.4. CENTRAL PROJECT MANAGEMENT AGENCY (CPMA)³⁹

The Central Project management Agency (CPMA) was established in 2003 by merging two organisations: the Central Financing and Contracting Unit (CFCU) and the Housing and Urban Development Fund (HUDF). The CFCU was responsible for the implementation of projects financed by EU PHARE/ ISPA programmes in the role of the Contracting Authority and HUDF was implementing programmes financed by International Financing Institutions (IFIs) such as financed from World Bank, EIB, EBRD.

The CPMA manages EU Funds under the indirect centralised management mode of budget implementation, which involves the delegation of selected tasks by the European Commission to this national agency. Delegation is subject to application of standards for accounting, audit, internal control and procurement procedures which offers guarantees equivalent to internationally accepted standards (Articles 53a, 54 to 57 of Regulation N^o1605/2002)⁴⁰.

The CPMA is the contracting authority and ensures the implementation of investments and management of project preparation, selection, appraisal, procurement, contracting and control in full accordance with EU legislation and national Lithuanian law⁴¹.

³⁹ <http://www.cpva.lt/agency/about/>

⁴⁰ European Court of Auditors - EU Financial Assistance for the Decommissioning of Nuclear Plants in Bulgaria, Lithuania and Slovakia: Achievements and Future Challenges

⁴¹ European Commission - Commission Staff Working Paper "Nuclear Decommissioning Assistance Programme data" (COM (2011) 432 final)

GRANT AGREEMENTS						CONTRACTS							
No.	Title	Amount in Euro	Grant Recipient	Approval Date (last amendment)	Signing Date (Original Grant)	Project Code and Description	Contractor	Signing Date	Contract Value in Euro (includes paid contract amounts)	Current Disbursed Value in Euro	Status of Project	Mode of Procurement	
001	Project Management Unit - Phase 1, 2001 - 2004	13,746,203.07	State Enterprise Ignalina Nuclear Power Plant	05-Apr-01	05-Apr-01	N/A	PMU Phase 1, including A1 Final Decommissioning Plan (FDP) and Decommissioning Project documentation, DASR and DEIAR (DP(0))	Consortium of National Nuclear Corporation Limited (UK), Tractebel Engineering S.A.(Belgium) and Vattenfall Power Consultant AB (Sweden)	10-Dec-01	13,627,751.13	13,627,751.13	Completed	Competitive
							Legal assistance to INPP for preparation of PMU Phase 1 contract	Masons Solicitors (UK)	22-Jun-01	75,618.97	75,618.97	Completed	Direct Selection
							Legal assistance to INPP for preparation of PMU contract amendment No. 3 for 2005	Pinsent Masons Solicitors (UK)	13-Dec-04	42,832.97	42,832.97	Completed	Direct Selection
								Unallocated	n/a	-	-	n/a	
002C	Ignalina NPP Decommissioning Support Investment Packages	241,354,804.00	State Enterprise Ignalina Nuclear Power Plant	12-Dec-08	19-Jun-02	B5	Steam boiler station (SBS)	SNC-Lavalin Megadex Sp. z.o.o. (Poland)	02-Jul-03	6,700,629.50	6,700,629.50	Completed	Open
						B5	Heat only boiler station (HOBS)	SNC-Lavalin Megadex Sp. z.o.o. (Poland)	02-Jul-03	19,892,012.49	19,892,012.49	Completed	Open
						B5	Steam and hot water pipeline renovation	PPS Pipeline Systems UAB (Lithuania)	27-Oct-03	10,322,122.18	10,322,122.18	Completed	Open
						B5	Renovation of remaining heat substations	UAB Kasgarija	17-May-07	1,372,527.64	1,372,527.64	Completed	Open
						B1	Interim storage for INPP's spent fuel	Consortium GNS-NUKEM GmbH (Joint Venture Partnership comprising of GNS Gesellschaft für Nuklear-Service GmbH and NUKEM GmbH (both German))	12-Jan-05	193,492,261.97	125,532,239.79	Implementation	Open
							Surveillance of quality assurance in manufacturing of CONSTOR RBMK 1500 M2 casks	TUV Rheinland Industrie Service GmbH	22-Oct-07	58,000.00	42,623.73	Implementation	Direct Selection
							Appointment of Adjudicator RE: B1 Contract with Nukem	Mr. Peter H J Chapman	21-Dec-07	2,167.84	2,167.84	Implementation	Direct Selection
							for the delivery of Fuel Storage Casks, Auxiliary Equipment and Software for Ignalina Nuclear Power Plant	GNB GESELLSCHAFT FUER NUKLEAR-BEHALTER mbH	24-Nov-08	4,763,500.00	4,763,500.00	Completed	Direct Selection
						B6	Documentation archive system	Consortium of UAB "IBM Lietuva" (Lithuania), Oy International Business Machines Ab (Finland), UAB "Sintagma sistemas" (Lithuania)	21-Jan-04	1,904,727.65	1,904,727.65	Completed	Open
	Unallocated	n/a	2,846,854.73	-	n/a								

GRANT AGREEMENTS						CONTRACTS							
No.	Title	Amount in Euro	Grant Recipient	Approval Date (last amendment)	Signing Date (Original Grant)	Project Code and Description	Contractor	Signing Date	Contract Value in Euro (includes paid contract amounts)	Current Disbursed Value in Euro	Status of Project	Mode of Procurement	
003A	Ignalina NPP Decommissioning Support Investment Package - Solid Waste Management and Storage Facility	126,000,000.00	State Enterprise Ignalina Nuclear Power Plant	14-Jul-05	20-May-03	B2/3/4	Solid waste management and storage facilities	RWE NUKEM GmbH (German)	30-Nov-05	124,033,295.16	65,110,686.42	Implementation	Open
							Appointment of Adjudicator Re: B234 Contract with Nukem	Mr. Peter H J Chapman	01-Dec-08	9,778.13	9,778.13	Implementation	Direct Selection
								Unallocated	n/a	1,956,926.71	-	n/a	
004	Gas Pipeline from Pabrade to Visaginas and Ignalina NPP	11,934,950.00	Lietuvos Dujos AB	03-Dec-03	11-Dec-03	C1	Purchase of coated steel pipes for the gas-main Pabrade-INPP/Visaginas	Röhrenwerk Gebr. Fuchs GmbH (Germany)	26-Apr-04	2,064,410.00	2,064,410.00	Completed	Open
						C2	Construction works for the gas-main Pabrade-INPP/Visaginas	PPS Pipeline Systems GmbH (Germany) with Lithuanian subcontractors	10-Sep-04	9,870,540.00	9,870,540.00	Completed	Open
								Unallocated	n/a	-	-	n/a	
005E	Lithuanian Power Plant Environmental and Related Technical Upgrading	257,500,000.00	AB Lietuvos Elektrine	12-Sep-11	11-Nov-05	C3	Flue gas desulphurisation and dust collection plants, Part 1	ALSTOM Power Ltd. (Sweden)	15-Nov-05	87,500,000.00	87,500,000.00	Completed	Open
						C4	Project Management Unit	Consortium of ENPRIMA Ltd. (Finland) and Ernst & Young Baltic UAB (Lithuania)	29-Mar-06	5,000,000.00	5,000,000.00	Completed	Competitive
						C5	Combined Cycle Gas Turbine Unit	Iberdrola Ingeniera y Construccion S.A. Unipersonal	23-Apr-09	165,000,000.00	156,306,949.75	Implementation	Open
								Unallocated	n/a	-	-	n/a	
006	Ignalina Nuclear Power Plant Decommissioning Project Management Unit Phase 2 - 2005	4,843,259.76	State Enterprise Ignalina Nuclear Power Plant	10-Dec-04	20-Dec-04	N/A	INPP DPMU Phase 2 - 2005 (Services, equipment, consumables and operating costs and special technical and legal services) – Amendment to existing phase 1 contract	Consortium of National Nuclear Corporation Limited (UK), Tractebel Engineering S.A. (Belgium) and Vattenfall Power Consultant AB (Sweden)	10-Dec-01	4,828,596.43	4,828,596.43	Completed	Competitive*
							Legal assistance to INPP for preparation of PMU contract amendment No. 3 for 2005	Pinsent Masons Solicitors (UK)	08-Dec-05	14,663.33	14,663.33	Completed	Direct Selection
								Unallocated	n/a	-	-	n/a	

GRANT AGREEMENTS						CONTRACTS							
No.	Title	Amount in Euro	Grant Recipient	Approval Date (last amendment)	Signing Date (Original Grant)	Project Code and Description	Contractor	Signing Date	Contract Value in Euro (includes paid contract amounts)	Current Disbursed Value in Euro	Status of Project	Mode of Procurement	
007D	Ignalina Nuclear Power Plant Investment Packages - Part 3	43,375,953.00	State Enterprise Ignalina Nuclear Power Plant	14-Dec-10	25-Nov-05	B9/0	Pilot decommissioning project for engineering, planning and licensing of dismantling and decontamination activities at INPP Unit building 117/1	VT Nuclear Services Limited	23-Aug-07	1,937,869.31	1,937,869.31	Completed	Competitive
						B10	Free release measurement systems and facility	Joint Venture Consortium consisting of VF, a.s. and ENVINET a.s.	11-Dec-06	4,085,478.00	4,085,478.00	Completed	Open
							Relocation of INPP Physical Protection Perimeter Section	UAB 'Fima'	13-Aug-07	914,805.91	914,805.91	Completed	Single
						B11	Tools and equipment for radiological characterisation	ENVINET a.s. (Czech Republic)	05-Jun-06	829,010.00	829,010.00	Completed	Open
						B16	Installation of shunt (compensating) reactor of 180 Mvar at INPP's substation Ast-330 Kv	Joint Venture Partnership consisting of: UAB Ekobana (leader), UAB Siemens and UAB Kauno Energetikos Remontas	17-Oct-06	10,234,148.78	10,234,148.78	Completed	Open
						B9/1	Decommissioning project for engineering, planning and licensing of dismantling and decontamination activities at Unit 1 Turbine Hall G1	Joint Venture Consortium consisting of : United Kingdom Atomic Energy Authority (leader), Grontmij Limited, UK, Ernst & Young Baltic UAB and SWECO BKG LSPI UAB	22-Nov-07	7,205,275.52	5,775,067.93	Implementation	Competitive
						B9/2	Decommissioning project for engineering, planning and licensing of dismantling and decontamination activities at Unit 2 Building V1	Joint Venture Partnership consisting of : VT Nuclear Services Limited (leader) and Nukem Technologies GmbH	14-Jan-09	3,012,168.55	1,771,323.78	Implementation	Competitive
						B9/5	Decommissioning project for engineering, planning and licensing of dismantling and decontamination activities at INPP boiler house building 119	Joint Venture Partnership consisting of : United Kingdom Atomic Energy Authority (leader), VNIPIET, The Lithuanian Institute of Physics, UAB "IEEC", SWECO BKG LSPI UAB, Ernst and Young Baltic UAB and Doosan Babcock	05-May-09	1,697,331.54	1,495,268.15	Implementation	Competitive
						B9/4	INPP Unit 1 and 2 reactor dismantling and decontamination feasibility study						Tendering (cancelled by INPP)

GRANT AGREEMENTS						CONTRACTS							
No.	Title	Amount in Euro	Grant Recipient	Approval Date (last amendment)	Signing Date (Original Grant)	Project Code and Description	Contractor	Signing Date	Contract Value in Euro (includes paid contract amounts)	Current Disbursed Value in Euro	Status of Project	Mode of Procurement	
						B14	Tools for dismantling INPP Unit 1 building G1		-	-	Tendering (cancelled by INPP)	Open	
						B15	Tools for decontamination at INPP Unit 1 building G1		-	-	Tendering (cancelled by INPP)	Open	
						B25/1	Near surface repository for low and intermediate level short lived radioactive waste (Design)	JVP led by AREVA TA (including ANDRA, Lithuanian Energy Institute, Specialus Montazas and Pramprojektas)	23-Oct-09	10,492,319.00	3,151,154.52	Implementation	Competitive
						B13	Tools for dismantling and decontamination of Unit 1 Building 117/1 - LOT 1	JVP consisting of: JSC Sepcialus montazas - NTP and JSC Vilniaus kranai	01-Dec-09	76,531.00	76,531.00	Completed	Open
						B13	Tools for dismantling and decontamination of Unit 1 Building 117/1 - LOT 2	Caverion GmbH	01-Dec-09	243,080.00	243,080.00	Completed	Open
						B13	Tools for dismantling and decontamination of Unit 1 Building 117/1 - LOT 3	JSC SPECIALUS MONTAZAS - NTP	01-Dec-09	209,998.00	209,998.00	Completed	Open
							Unallocated	n/a	2,437,937.39	-	n/a		
008	Ignalina Nuclear Power Plant Decommissioning Service: Consultancy services - Phase 2 - 2006	4,518,000.88	State Enterprise Ignalina Nuclear Power Plant	21-Nov-05	09-Dec-05	N/A	INPP-DS Phase 2 - 2006 (Services, equipment, consumables and operating costs and special technical and legal services) - Amendment to existing phase 1 contract	Consortium of National Nuclear Corporation Limited (UK), Tractebel Engineering S.A.(Belgium) and Vattenfall Power Consultant AB (Sweden)	10-Dec-01	4,518,000.88	4,518,000.88	Completed	Competitive*
							Unallocated	n/a	-	-	n/a		
009	Ignalina Nuclear Power Plant Decommissioning Service: Consultancy services - Phase 2 - 2007	4,353,052.12	State Enterprise Ignalina Nuclear Power Plant	01-Dec-06	06-Dec-06	N/A	INPP-DS Phase 2 - 2007 (Services, equipment, consumables and operating costs and special technical and legal services) - Amendment to existing phase 1 contract	Consortium of National Nuclear Corporation Limited (UK), Tractebel Engineering S.A.(Belgium) and Vattenfall Power Consultant AB (Sweden)	10-Dec-01	4,252,483.34	4,252,483.34	Completed	Competitive*
							Special Legal Assistance relating to B1 Project	WRAGGE & CO LLP	09-Aug-07	76,738.44	76,738.44	Completed	Direct Selection
							Special Technical Programme assistance relating to B1 Project	EC Harris LLP	09-Oct-07	23,830.34	23,830.34	Completed	Direct Selection
							Unallocated	n/a	-	-	n/a		

GRANT AGREEMENTS						CONTRACTS							
No.	Title	Amount in Euro	Grant Recipient	Approval Date (last amendment)	Signing Date (Original Grant)	Project Code and Description	Contractor	Signing Date	Contract Value in Euro (includes paid contract amounts)	Current Disbursed Value in Euro	Status of Project	Mode of Procurement	
010	Ignalina Nuclear Power Plant Decommissioning Services - Consulting Services - Phase 3 - 2008	5,300,000.00	State Enterprise Ignalina Nuclear Power Plant	18-Dec-07	19-Dec-07	N/A	INPP - DS Phase 3 - 2008 (Services, equipment, consumables and operating costs)	Consortium of National Nuclear Corporation Limited (UK), Belgatom S.A. (Belgium) and SwedPower International AB (Sweden)	30-May-08	4,407,505.44	4,407,505.44	Completed	Competitive*
							Legal Services	WRAGGE & CO LLP	09-Aug-07	124,545.36	124,545.36	Completed	Direct Selection*
							Quantity Surveyor Services	EC Harris LLP	28-Dec-08	124,595.95	124,595.95	Completed	Selection from a shortlist
								Unallocated	n/a	643,353.25	-	n/a	
011A	Consultancy Services for the Initial Phase - Parts 1 & 2 of the Project Power Interconnection between Lithuania and Poland (the LitPol Link Project)	2,000,000.00	Lietuvos Energija AB	15-Apr-11	01-Oct-08	N/A	Procurement Consultant	Mrs. Szajner	25-May-09	39,440.00	32,362.02	Implementation	Direct Selection
							Territorial planning and EIA for 400 kv (Consultancy Services)	Sweco International AB in association with Sweco Lietuva UAB	22-Oct-09	503,169.00	393,146.46	Implementation	Competitive
							Feasibility Study Alytus substation (Consultancy Services)	Sweco International AB in association with Sweco Lietuva UAB	03-Nov-09	441,000.00	441,000.00	Completed	Competitive
							Technical and commercial consultancy services to assist LitPol Link's PMU re procurement of contracts re design of Alytus substations	Gunpow AB	15-Jul-11	60,000.00	21,585.62	Implementation	Direct Selection
							Legal support in LitPol Link procurement activities.	LAWIN, Lideika, Petrauskas, Valiunas	19-Jul-11	105,558.00	10,558.00	Implementation	Competitive
							LitPol Link Project - Consultancy Services for Technical Design and Construction Permit for reconstruction and extension of 380 kV switchyard of Alytus 330/110/10 kV substation	URS Polska Sp. z.o.o in consortium with UAB Energetikos projektai and URS Scott Wilson Ltd, filialas	21-Feb-12	369,103.95	-	Implementation	Selection from a shortlist*
								Unallocated	n/a	481,729.05	-	n/a	
012	Ignalina Nuclear Power Plant Decommissioning Services - Consulting Services - Phase 3 - 2009	5,300,000.00	State Enterprise Ignalina Nuclear Power Plant	29-Dec-08	12-Dec-08	N/A	INPP - DS Phase 3 - 2009 (Services, equipment, consumables and operating costs)	Consortium of National Nuclear Corporation Limited (UK), Tractebel Engineering S.A.(Belgium) and Vattenfall Power Consultant AB (Sweden)	11-Jul-09	4,237,268.42	4,237,268.42	Completed	Competitive*
							Legal Services	WRAGGE & CO LLP	09-Aug-07	27,360.13	27,360.13	Completed	Direct Selection*
							Quantity Surveyor Services	EC Harris LLP	28-Dec-08	65,363.00	65,363.00	Completed	Selection from a shortlist*
								Unallocated	n/a	970,008.45	-	n/a	
013	Ignalina Nuclear Power Plant Decommissioning Services - Consultancy Services - Phase 3 - 2010	4,600,000.00	State Enterprise Ignalina Nuclear Power Plant	20-Nov-09	04-Dec-09	N/A	INPP - DS Phase 3 - 2010 (Services, equipment, consumables and operating costs)	Consortium of National Nuclear Corporation Limited (UK), Tractebel Engineering S.A.(Belgium) and Vattenfall Power Consultant AB (Sweden)	10-Nov-10	3,732,170.92	3,732,170.92	Completed	Competitive*
							Quantity Surveyor Services	EC Harris LLP	28-Dec-08	10,442.33	10,442.33	Completed	Direct Selection*
							Legal Services	WRAGGE & CO LLP	09-Aug-07	22,775.78	22,775.78	Completed	Selection from a shortlist*
								Unallocated	n/a	834,610.97	-	n/a	

GRANT AGREEMENTS						CONTRACTS								
No.	Title	Amount in Euro	Grant Recipient	Approval Date (last amendment)	Signing Date (Original Grant)	Project Code and Description	Contractor	Signing Date	Contract Value in Euro (includes paid contract amounts)	Current Disbursed Value in Euro	Status of Project	Mode of Procurement		
014	Ignalina Nuclear Power Plant Decommissioning Services - Consultancy Services - Phase 3 - 2011	2,800,000.00	State Enterprise Ignalina Nuclear Power Plant	02-Dec-10	14-Dec-10	N/A	INPP - DS Phase 3 - 2011 (Services, equipment, consumables and operating costs)	Consortium of National Nuclear Corporation Limited (UK), Tractebel Engineering S.A.(Belgium) and Vattenfall Power Consultant AB (Sweden)	11-Nov-11	2,517,103.65	540,159.70	Implementation	Competitive*	
							Consultancy Services Support to INPP Contractor claim on decommissioning project B1 (Legal Support)	WRAGGE & CO LLP	24-Mar-11	21,217.09	-	Implementation	Selection from a shortlist*	
								Unallocated	n/a	261,679.26	-	n/a		
TOTAL of signed GRANTS		727,626,222.83					TOTAL SIGNED CONTRACTS			714,693,123.02	568,770,005.46			* = extension of existing contract
							TOTAL UNALLOCATED			12,933,099.81				
							TOTAL SIGNED CONTRACTS AND UNALLOCATED			727,626,222.83				

GRANT AGREEMENTS FOR ASSEMBLY APPROVAL

GRANT AGREEMENTS						CONTRACTS							
No.	Title	Amount in Euro	Grant Recipient	Approval or Signing Date (last amendment)	Signing Date (Original Grant)	Project Code and Description	Contractor	Signing Date	Contract Value in Euro (includes paid contract amounts)	Current Disbursed Value in Euro	Status of Project	Mode of Procurement	
015	Ignalina Nuclear Power Plant: Consultancy services in 2012 as an integral part of Phase 4 (2011 -2013)	2,500,000.00				Consultancy Services							
						Equipment including consumables and operating costs							
						Special Technical and/or Legal Services							
TOTAL of GRANTS to be Approved		2,500,000.00					Unallocated	n/a	2,500,000.00		n/a		
							TOTAL UNALLOCATED			2,500,000.00			
GRAND TOTAL		730,126,222.83											

ANNEX B - DECOMMISSIONING PROJECTS

CURRENT PROJECTS

PROJECT CODE	PROJECT NAME	THE VALUE OF CONTRACT (LT)	IMPLEMENTATION PERIOD/ DELAY
B1	Interim Spent Fuel Storage Facility (ISFSF)	667 548 303, 80	Start: 2005-01-12 Delay: 44 months.
B2/3/4	Solid Waste Management and Storage Facilities (SWMSF)	428 262 161, 23	Start: 2005-11-30 Delay: B2 -54 months, B3/4 - 47 months.
B9/1	INPP Unit 1 Turbine Hall Equipment Decontamination and Dismantling Project Development	25 790 020, 00	Start: 2007-11-22 Equipment dismantling works have been started
B9/2	INPP Building V1 Equipment Dismantling and Decontamination Design Development	11 639 389, 00	Start: 2009-01-14 The project is delayed
B9/5	INPP Boiler House Equipment Dismantling and Decontamination Design Development (119 building)	6 797 000, 00	Start: 2009-05-05 Equipment dismantling works have been started
B12	Equipment and Consumables for In-line Decontamination at Unit 1	5 140 500, 00	Start: 2010-01-12
B19	Landfill Facility for Short-lived Very Low Level Waste	21 354 637, 50	Start: 2007-12-29 Delay: 24 months.
B25/1	Near Surface Repository for Low and Intermediate Level Short-lived Radioactive Waste (Design)	35 911 050, 00	Start: 2009-10-23 Delay: 4 months.
UP01 (B9/4)	INPP Unit 1 and 2 Reactor Dismantling and Decontamination Feasibility Study	-	Start: 2010-08-23

Source: <http://www.iae.lt/en/en/activity/decommissioning-projects/current-projects/>

COMPLETED PROJECTS

PROJECT CODE	PROJECT NAME	THE VALUE OF CONTRACT (LT)	IMPLEMENTATION PERIOD ACCORDING TO THE PROJECT/FACTUAL
B5	Reliable Heat and Steam Source for Ignalina NPP and Visaginas		
B5/1	Steam Boiler Station (SBS)	23 135 933, 54	Start: 2003-07-03 Completion: 2004-11-26 / 2005-09-01
B5/2	Heat Only Boiler Station (HOBS)	68 683 140, 76	Start: 2003-07-02 Completion: 2004-12-21 / 2005-12-13
B5/3	Rehabilitation of Pipeline from HOBS to INPP	14 787 906, 28	Start: 2003-11-27 Completion: 2004-10 / 2005-11
B5/4	Internal Installations inside INPP	20 852 313, 73	Start: 2003-11-27 Completion: 2004-10 / 2005-11
B5/5	Modernization of INPP District Heating Distribution System	4 739 063, 44	Start: 2007-06-19 Completion: 2009-01-15 / 2010-10-25
B6	Modernization of the Existing Technical Documentation Archive		
B6/1	Archive Building	5 213 226, 50	Start: 2003-08-29 Completion: 2004-07-15 / 2005-08-25
B6/2	Archive System	6 576 644, 84	Start: 2004-01-21 Completion: 2005-01-20 / 2005-09-06
B8	Afterburning of Unit 1 Nuclear Fuel in Unit 2 Reactor		Start: 2006-12 Completion: 2009-12
B9/0	INPP Building 117/1 Equipment Decontamination and Dismantling Project	6 153 947, 85	Start: 2007-08-23 Completion: 2011-10-28
B9/12	Update of U2DP0 / DSAR for INPP Unit 2 Final Shutdown and Defuelling Phase	3 691 500, 00	Agreement with LEI: Start: 2008-12-18 Completion: 2010-01-14/2010-09-14 Agreement with EWN: Start 2009-06-03 Completion: 2010-04-02
B10/1	Relocation of Ignalina NPP Physical Protection Perimeter Section	3 158 641, 85	Start: 2007-08-30 Completion: 2009-04 / 2009-03

B10	Free Release Measurement Facility (FRMF)	14 106 338, 44	Start: 2006-12-11 Completion: 2002-04-28/2010-08-16
B11	Supply and Installation of Tools and Equipment for Radiological Characterisation of INPP	2 862 405, 73	Start: 2006-06-05 Completion: 2006-09 / 2006-10
B16	Controlled Shunt Reactor at INPP 330 kV Switchyard	35 336 468, 91	Start: 2006-10-17 Completion: 2008-05 / 2008-05
B17	Decommissioning Management System and Database	12 024 945, 72	Start: 2007-05 Completion: 2008-10
B32	Update of Final Decommissioning Plan	-	Performed by INPP staff Start: 2009-04 Completion: 2010-10

Source: <http://www.iae.lt/en/activity/decommissioning-projects/completed-projects/>

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