

COUNCIL DECISION**of 25 June 2001****implementing Joint Action 1999/878/CFSP with a view to contributing to the European Union Cooperation Programme for Non-proliferation and Disarmament in the Russian Federation**

(2001/493/CFSP)

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on European Union, and in particular Article 23(2) thereof,

Having regard to Council Joint Action 1999/878/CFSP of 17 December 1999 establishing a European Union Cooperation Programme for Non-proliferation and Disarmament in the Russian Federation⁽¹⁾, and in particular Article 2(2) thereof,

Whereas:

- (1) This Decision is intended to implement Joint Action 1999/878/CFSP by making a financial contribution to projects under the European Union Cooperation Programme for Non-proliferation and Disarmament in the Russian Federation.
- (2) The Commission has agreed to be entrusted with the task of supervising the proper implementation of these projects.
- (3) The Union wishes to continue its support to the Russian Federation in her pursuit of a safe and environmentally sound dismantlement or reconversion of infrastructure, equipment and scientific capabilities linked to weapons of mass destruction,

HAS DECIDED AS FOLLOWS:

Article 1

In accordance with Article 2(2) of the Joint Action 1999/878/CFSP the following projects shall be included on the European Union Cooperation Programme for Non-Proliferation and Disarmament in the Russian Federation:

- support to the Russian Nuclear Safety Authority for developing the regulatory basis and documents for the disposition of weapons grade plutonium;
- support for studies and experimental studies for mixed oxides fuel (MOX) demonstration and licensing;
- a cooperative feasibility study for immobilisation of Russian waste containing weapons grade plutonium;

— support to the Russian Ammunition Agency to fulfil the Russian Federation's responsibilities under the Chemical Weapons Convention (CWC);

— support for infrastructure-building related to the destruction of nerve gases stored at the Shchuch'ye site.

A full description of the above activities is set out in Annexes I, II, III, IV and V respectively.

Article 2

1. The financial reference amount for the purposes referred to in Article 1 shall be EUR 6 080 000.
2. The management of the expenditure financed by the amount specified in paragraph 1 shall be subject to the procedures and rules of the Community applying to budget matters.

Article 3

The Commission shall report on the implementation of this Decision in accordance with the provisions of Article 3(1) of the Joint Action 1999/878/CFSP.

Article 4

1. This Decision shall take effect on the date of its adoption. It shall expire on the date of expiry of the Joint Action 1999/878/CFSP.
2. This Decision shall be reviewed within 12 months from the date of its adoption.

Article 5

This Decision shall be published in the Official Journal.

Done at Luxembourg, 25 June 2001.

*For the Council**The President*

A. LINDH

⁽¹⁾ OJ L 331, 23.12.1999, p. 11.

ANNEX I

SUPPORT TO THE RUSSIAN NUCLEAR SAFETY AUTHORITY (GOSATOMNADZOR) FOR DEVELOPING THE REGULATORY BASIS AND DOCUMENTS FOR THE DISPOSITION OF WEAPONS GRADE PLUTONIUM**1. Description***1.1. Background*

Under the US-Russia Intergovernmental Agreement of September 2000, each side will dispose 34 tonnes of weapons grade plutonium.

In the Russian Federation, it is the role of the independent Russian Nuclear Safety Authority to set these requirements, and to verify that they are met, before the license can be issued to allow the start of the activities. The independent Safety Authority is Gosatomnadzor (GAN) and its technical advisor the Scientific and Technical Centre (STC).

Under the Joint Action 1999/878/CFSP, EUR 500 000 were already earmarked to support the start of the development, by the GAN/STC, of first priority documents needed for the activities of plutonium disposition to take place. It was agreed that the project would be implemented under the French-German-Russian Agreement of 1998 and implemented by the CEA (Commissariat à l'Énergie Atomique), who would pass contracts with the GAN and experienced selected EU regulator(s) for drafting and reviewing the regulatory documents of concern.

In January 2001, during a meeting in Moscow, the list of 'level 3 documents' required for the plutonium disposition mission was presented by the GAN/STC and discussed. The 'level 3 documents' are federal regulations; they are complemented by 'level 4 safety guides' when needed. As a result of the Moscow meeting an updated list of regulatory documents required was provided by GAN. This list was further discussed in a meeting in Paris in March 2001 between the EU and the US, since each side had decided to contribute financially to support the GAN in its task.

The documents to be produced will specifically be drafted in the framework of the weapons grade plutonium (WGP) disposition mission. The outcome of the Moscow and Paris meetings constitutes the basis and justification for this continuation project, proposed here under the 2001 budget of the Joint Action 1999/878/CFSP.

1.2. Scope of activities to be performed under the project

Pursuant to pre-project consultations with the Russian and the US side, the EU will finance the drafting by GAN/STC of 12 to 16 necessary regulatory documents. The drafting by GAN/STC of remaining documents will be financed either by the United States Department of Energy (USDOE) or by the Russian Federation, with no overlap between the partners' efforts. The EU will also finance the review of documents by selected EU Regulator(s).

2. Objective

Overall objective

To develop a regulatory base for the safe disposition of WGP disposition in the Russian Federation.

Project purpose

To establish the regulatory documents by the GAN defining the safety requirements and serving as a basis to support the licensing process of the installations and activities which are specifically foreseen for the plutonium disposition mission.

Project results

The quantifiable outcome of the project is the regulatory documents produced by GAN/STC, commented by the selected EU Regulator(s). The final payment to GAN/STC will occur only when the documents are formally approved by GAN.

3. Duration

The first contract with GAN/STC for the first documents (under the existing budget commitments) is expected to be signed in July 2001.

The Financing Agreement between the European Commission and the Implementing Agency for the implementation of this project is expected to be signed in the second half of 2001. The follow-up contracts between the Implementing Agency and the GAN/STC and the EU regulators under the 2001 budget are expected to be signed at the end of 2001.

The expected duration for the full drafting, review and implementation work is two years. The project shall terminate by the expiry date of the Joint Action 1999/878/CFSP on 4 June 2003.

The evaluation of the work is proposed six months after the contract with GAN/SEC has been signed.

4. Beneficiary

The GAN is the beneficiary of the project. The technical work is envisaged to be completed by its technical advisory staff under direct contract with the EU Implementing Agency. The GAN will have to endorse the work before the final payment will be made. The GAN will nominate from its organisation a high ranking official contact person for the project (not financed by the project), having sufficient capacity and explicit responsibility for ensuring an efficient cooperation with the implementing agency. This would facilitate access to information required for the successful implementation of the project.

5. Entity to be charged with the material and financial execution

Because this project is a continuation and an extension of the project financed under the EU 1999 and 2000 budgets, the same implementation scheme is proposed:

- financial Agreement between the European Commission and the French Ministry of Foreign Affairs;
- delegation of the material and financial execution from the French Ministry of Foreign Affairs to the CEA as Implementing Agency;
- direct contracts with the GAN/STC staff for the work to be performed by the Russian side and direct contracts with the selected experienced EU Regulator(s) for the review work.

6. Third party contributor

As mentioned, the USDOE will finance a part of the drafting effort of the regulatory documents by GAN/STC; 10 to 12 documents will be financed by the USDOE.

A very close coordination has been established between the US and EU sides on this specific topic, which will prevent duplication and ensure full complementarity. Similar approaches will be followed in contracting the work to GAN/STC.

7. Required means

Based on the US evaluation, the person-power required by GAN for the drafting of one document is on average of the order of eight person-months, including first draft and inclusion of comments. In addition there will be some secretarial and management overhead costs. This figure is only an estimate and depends on the scope of each and every document.

The EU will finance 12 to 16 documents, or more if deemed appropriate.

The EU would also finance the review of 38 documents by the selected EU Regulator(s). The review would take two person-weeks on an average basis.

The documents produced by GAN/STC will be in Russian. Translations will be needed into English.

Some meetings and corresponding travel costs might also be necessary in order to clarify specific points.

8. Financial reference amount to cover the costs of the project

Budget: EUR 1 300 000

This amount should cover the completion of the work of drafting, reviewing and bringing into force the 38 regulations, proposed by GAN, assuming the US and Russian financing is forthcoming as expected.

Detailed terms of reference will be negotiated with the different contractors involved.

ANNEX II

**SUPPORT FOR STUDIES AND EXPERIMENTAL STUDIES FOR MIXED OXIDES FUEL (MOX)
DEMONSTRATION AND LICENSING****1. Description****1.1. Background**

Under the US-Russian Intergovernmental Agreement of September 2000, each side will dispose 34 tonnes of weapons grade plutonium (WGP). The Russian Federation has declared its intention to implement its commitments by transforming the WGP into the form of MOX fuel for reactors. Before this can happen, a certain number of studies and experiments have to take place to demonstrate the feasibility and serve as the basis for the licensing process.

The overall programme for MOX demonstration was elaborated by the Bochvar Institute and approved by the Minatom on 16 October 2000, and accepted by the Safety Authority Gosatomnadzor (GAN), Mr Dmitriev on the 18 October 2000. The cost of this programme was estimated by the Russian side at USD 33 000 000.

It is proposed that the EU continue to concentrate on two required studies and experiments:

The first of these involves the testing of three LTAs (lead test fuel assemblies) in a Russian VVER reactor (Balakovo). As it concentrates on the fuel aspects up to three LTAs, this study is also referred to as the '3 LTAs programme'.

The second EU study is dedicated to the reactor aspects, including the studies and experiments required to validate the calculation codes used for safety studies.

Both these programmes are critical for the timely implementation of the WGP disposition mission and necessary steps in the safety and licensing process of the use of MOX fuel in Russian reactors.

Under the EU Joint Action 1999/878/CFSP, EUR 1 300 000 has been allocated to the launch of the above programmes.

- EUR 1 000 000 was allocated for the financing of the design and construction of the experimental facility needed to perform the tests to validate the calculation codes to be used to demonstrate the safety of using of MOX in VVERs. The decision to go ahead with this part of the project was nevertheless depending on the demonstration, through a small feasibility study, of the need to build such a facility;
- EUR 300 000 was allocated for the financing of the very first steps of the MOX fuel demonstration programme developed by the Bochvar, with an option for more steps for an additional EUR 1 000 000, should the experimental facility mentioned above appeared not to be required at this early stage of the experimental programme.

The present project proposes to continue the financing of further steps of the MOX demonstration programme developed by Bochvar, approved by Minatom and accepted by GAN. The implementation will follow one of two possible tracks, depending on whether it is decided that a critical facility should be built in order to carry out the necessary experiments.

The safe, secure and technologically sound implementation of the Russian pledges regarding the disposition of WGP is a priority issue under the Joint Action. This project is justified as being necessary in this perspective. The project should start without delay to respect the destruction schedules mentioned in the US-Russian Agreement of September 2000.

The Council will be informed in due course whether the project can be carried out as foreseen in point 2.2 in the terms of reference of the Joint Action 1999/878/CFSP or whether the alternative strategy, outlined in Annex II to the contract between the European Commission and the French Implementing Agency is selected on the basis of a feasibility study.

1.2. Scope of activities to be performed under the project

- (a) In case the critical facility for code validation is needed and will use the EUR 1 000 000 of the 1999 and 2000 budgets, EUR 300 000 from the 2000 budget will be used for the three first steps out of the '3 LTA programme'. The present project of EUR 1 500 000 will then complement the financing of further steps of the '3 LTA programme'.

Identified steps in the '3 LTA programme' covers:

- technical specifications for the fuel assemblies, and the drafting of the technical documentation for the draft design of the MOX ampoules and the short rods;
 - technical documentation for the preliminary design of the MOX ampoules, technical documentation for the preliminary design of the short rods;
 - definition of acceptance criteria for normal/abnormal/accidental transients analysis;
 - development of irradiation programme in test reactors MIR/BIGR;
 - development of Post Irradiation Experiments programme;
 - technical Specification for the VVER 1000 pilot rod fabrication;
 - identification of reactor facilities and plant modifications for loading the pilot fuel assemblies;
 - fabrication of MOX fuel ampoules and short rods for their irradiation in the MIR and BIGR reactors;
 - modernisation of the equipment and modification of the analytical control procedure.
- (b) In the case where the critical facility for code validation will not be built at this stage, EUR 1 300 000 of the 1999 and 2000 budgets will be entirely reserved for the MOX fuel demonstration programme and will finance several steps in the '3 LTA programme'.

The present project will then finance additional activities:

- preparation of the MOX fuel pellets fabrication line;
- modernisation and preparation of a processing line for fabrication of ampoules and short rods;
- development of technical specifications and designing of a facility for fabrication of pilot fuel rods for the 3 LTAs;
- preparation of documents to get the licenses;
- development of tech specs for VVER1000 pellet and rod fabrication area;
- development of tech spec for the equipment;
- design of the equipment and the fabrication area.

2. Objectives

Overall objective

To have further developed, building on the results of the component 2 of the plutonium disposition project, the capacity for plutonium destruction in Russian reactors.

Project purpose

To have produced studies and experiments to demonstrate the feasibility of plutonium disposition in the form of MOX fuel for reactors, preparing for the placing of three Lead Test Assemblies in a VVER reactor in Balakovo.

The present project has selected a number of specific priority steps out of the '3 LTA programme', taking into account the time frame of the present Joint Action 1999/878/CFSP (to end on 4 June 2003).

Project results

Outputs (e.g. reports, installed equipment) of different activities are described in point 1.2.

3. Duration

The activities have been selected out of the '3 LTA programme' so as to make it possible to implement them before the 4 June 2003 expiry date for the Joint Action 1999/878/CFSP. Assuming the Financial Agreement between the European Commission and the Implementing Agency is signed in the second half of 2001, the planned duration for the project implementation is 18 months.

An intermediary review will take place six months after placing the first implementation contract, in order to evaluate the effectiveness and take corrective measures if required.

4. Beneficiary

Minatom of the Russian Federation is the beneficiary of this project. Minatom will nominate from its organisation a high ranking official contact person for the project (not financed by the project), having sufficient capacity and explicit responsibility for ensuring an efficient cooperation with the implementing agency. This will in particular ease access to information required for the successful implementation of the project.

5. **Entity to be charged with material and financial execution**

This project is a continuation and an extension of the project financed under the 1999 and 2000 EU budgets. The same implementation scheme is proposed:

- financial Agreement between the European Commission and the French Ministry of Foreign Affairs.
- delegation of the material and financial execution from the Ministry of Foreign Affairs to the CEA as Implementing Agency.
- contracts placed by the CEA following the rules described in the Financial Agreement for the 1999 and 2000 budgets. In case of call for tender the European Commission rules will be followed.

6. **Third party contributor**

The CEA will be responsible to ensure full coherence and avoid duplication with activities financed under the French-German-Russian trilateral and the US-Russian bilateral programmes.

7. **Required means**

The details in terms of required person-power and equipment costs would only be provided after a thorough review of the Russian figures by the Implementing Agency. The figures used at this stage were estimated by the Russian side.

8. **Financial reference amount to cover the costs of the action**

Based on the Russian figures provided in the '3 LTAs programme' the project, regardless of whether a critical facility is deemed appropriate, is estimated at EUR 1 500 000. These funding amounts are complementing the EUR 1 300 000 already committed under the 1999 and 2000 budgets.

ANNEX III

COOPERATIVE FEASIBILITY STUDY FOR IMMOBILISATION OF RUSSIAN WASTE CONTAINING WEAPONS GRADE PLUTONIUM**1. Description****1.1. Background**

The US-Russian Intergovernmental Agreement of September 2000 had brought to the forefront the great challenges posed by the existence of large supplies of weapons grade plutonium (WGP), and how to dispose of these. The United States is planning to use a mixture of the MOX method and immobilisation to handle its share of 34 metric tonnes of WGP. The Russian Federation has stated its intention of using the MOX method to handle the first 34 tonnes to be submitted under the US-Russian Agreement. It is clear that the technology will play an important part within the framework of the Agreement. The Russian Federation is interested in researching the best possible uses for the immobilisation technology, different technological options and ways and means of making disposition irreversible. Some cooperation is ongoing between Russian and German scientists.

The European Commission Joint Action Team hosted a preparatory project development meeting in Brussels on 19 April 2001 that was attended by experts from Germany (GRS), Belgium (Belgonucléaire and Ondraf), United Kingdom (UKAEA), Sweden (FOI) and France (CEA). After an introduction by the Commission, the German representative gave an overview of the initial discussions, which have taken place between German and Russian experts, and provided a preliminary proposal for a possible project, based on these bilateral talks. It was noted that two sources of Russian waste containing WGP were most likely to be subject to immobilisation, namely, (1) sludge and (2) waste produced in the production of MOX fuel respectively.

Sludge: According to Russian sources, 15 tonnes of waste/sludge containing up to 1,2 tonnes of WGP, uranium and other material are stored in the Russian Federation. The EU could work to determine more precisely the content and form of this waste, as a basis for developing a disposition strategy.

In this context, the EU could carry out a multi-attribute study determining the best option on the basis of weighting parameters such as the environmental impact, the proliferation risk and the cost.

MOX waste: In the process of converting the WGP from metallic to oxide form and in the process to fabricate the MOX fuel, some wastes will be produced which will contain traces of WGP. This waste could also be immobilised.

Justification

The disposition of WGP in the Russian Federation is a priority for the EU under the Joint Action, and it is carrying out a series of studies and experimental studies in this field. Immobilisation will likely play a part in the future mix of technologies for plutonium disposition, notably in the context of sludge and MOX waste and the EU has a clear interest in carrying out a project in this field.

1.2. Scope of activities to be performed under the project

A project meeting between the EU expert group and the Russians to determine the focus and in particular what type of waste should be the main target of the immobilisation study.

In case of sludge:

Characterisation of the plutonium containing sludge (specification of plutonium and uranium content and isotopic composition, content of fission products, range of activity and radiation level, physical and chemical composition etc.); Characterisation of the vessels/containers (location of the storage sites, type and number of the storage vessels/containers, design characteristics, systems foreseen for sludge removal and tank cleaning, needed shielding, etc.); Feedback regarding experience with the storage (potential contamination due to leaks or mishandling, other safety related occurrences, specific technical features, etc.); Development of an approach for a strategy on how to handle this waste (establishment of model — multi-attribute or other — to be able to judge pros and cons of different handling methods and to select the best one).

In case of MOX waste:

Exchange of information and preliminary design of methods and techniques to handle the conversion and MOX fabrication process wastes containing traces of WGP.

2. Objectives**Overall objective**

The Russian Federation has increased capacity for proliferation-resistant immobilisation of WGP, through a first cooperative project involving EU and Russian experts.

Project purpose

The Russian Federation has the capacity to use immobilisation methods and techniques for proliferation-resistant disposition of plutonium, in line with safety and environmental standards comparable to those used in Europe.

Project results

A document effectively used by the Russian Federation, containing a strategy to handle plutonium containing wastes.

3. **Duration**

One year.

4. **Beneficiary**

Minatom of Russia will be the beneficiary of the project. Minatom will nominate from its organisation a high ranking official contact person for the project (not financed by the project), having sufficient capacity and explicit responsibility for ensuring an efficient cooperation with the implementing agency. This will in particular ease the access to the information required for the successful implementation of the project.

5. **Entity to be charged with the material and financial execution**

Through a bilateral Agreement between Germany and the Russian Federation (to be confirmed).

The members of the EU expert group on immobilisation are expected to play the role of either a contractor or, collectively, as a project steering group.

6. **Third party contributor**

Some studies have already been performed in the field of immobilisation between the US and Russian experts. These studies will be analysed at the start of the project.

The International Atomic Energy Agency (IAEA) Contact Expert Group on Waste Sites has collected a lot of information on the radioactive wastes in the Russian Federation. Contact will also be taken.

In the case of MOX waste, complementarity will be ensured with the projects ongoing under the French-German-Russian Agreement and concerning the development and design of technologies related to the conversion and MOX fabrication facilities.

7. **Required means**

Financing of meetings

EU contractor: six person-months

Russian actors: two person-years

8. **Financial reference amount to cover the cost of the action**

Budget: EUR 400 000.

ANNEX IV

SUPPORT TO THE RUSSIAN AMMUNITION AGENCY (RAA) TO FULFIL THE RUSSIAN FEDERATION'S RESPONSIBILITIES UNDER THE CHEMICAL WEAPONS CONVENTION (CWC)**1. Description***1.1. Background*

In October 2000, the Russian Ammunition Agency (RAA) took over the responsibility for chemical weapons destruction from the Ministry of Defence. The Chemical Weapons Convention (CWC) calls for the total destruction of the 40 000 tonnes of chemical weapons agents stored in the Russian Federation before 2007, with a possible extension for five years up to 2012. The financial costs for this have been estimated at some USD 6 billion.

Until now only the plant in Gorny is under construction. Realistic start-up time is at the end of 2002. In Shchuch'ye, design is under way, but the construction of the destruction facility has not yet started. The US funding for Shchuch'ye was frozen by the US Congress in 1999, pending different conditions to be met, including ensuring the successful outcome of the overall exercise, which includes improving management capabilities at the responsible Russian agency and increasing co-financing by the Russian Federation and other states.

European support so far has been limited compared with the US announced figures. It seems nevertheless that there is a new impetus from the European side, but still limited compared to the overall financial needs mentioned above. For the year 2001, the Russian Federation has committed USD 100 000 000, which is six times more than in the previous years and more than what the US Congress has set as a condition for deciding to overturn their decision to freeze the funds to Shchuch'ye. On the Russian side a State Committee on chemical weapons destruction has been created under the leadership of Mr Kirienko to facilitate the coordination of organisations at local level. It will support the RAA in its implementation responsibility.

The RAA comes into the picture at a very difficult time, when the deadlines of the CWC are not met and when the international community is rethinking its financial support. It will have to be able to build both a global and detailed view of programmes and projects, based on a realistic and credible technical and financial approach. It will have to, with the help of the newly created State Committee, coordinate the Russian organisations involved at federal, regional and local level. It will also have to inform and communicate with the international community to foster possible further more extensive financial contributions, without which the implementation of the CWC in the Russian Federation will seriously be put in jeopardy.

1.2. Scope of activities to be performed under the project.

To provide technical assistance to the RAA in order to help reinforce its capabilities in two domains:

(i) Interaction with external contributors

- coordination of the different assistance projects provided by the international community;
- translation of Russian priorities and plans for chemical weapons destruction into projects and programme documents as a basis for technical cooperation with the international community, using modern project management tools for:
 - objective-oriented programming and planning
 - realistic cost evaluation and budgeting
 - programme and projects management.

(ii) Communication with local actors

- provision of assistance in ways and means of communicating with the public opinion in the regions of concern, in collaboration with regional and local authorities.

The assistance will be provided in the form of consulting support in the domains indicated above. This will include a training phase mainly focused on practical work on real programmes and projects. After the training phase, agreed priority task assignments will be given to selected staff members of the RAA. Support will be provided by the consultant for the realisation of the tasks. The selected tasks will be directly related to the priorities of the Russian programme. One of the tasks will be the preparation of a document by the RAA, presenting the global complete planning and costing of all the activities to be performed in the Russian Federation for the implementation of the CWC requirements. This document will constitute a justified common base for the further contacts between the RAA and the international community.

The need for appropriate tools to improve the RAA's capabilities of programming, planning, costing and budgeting, communicating in the specific domain of chemical weapons destruction will be evaluated by the consulting firm. Priority elements of these tools will be purchased and delivered.

2. Objectives

Overall objective

The RAA will have assumed its responsibilities for chemical weapons destruction, in line with Russia's commitments and obligations as a party to the CWC. Thereby the project will have strengthened the management of the destruction process in the Russian Federation.

The project does not reduce or replace the exclusive responsibility of the Russian Federation for CWC implementation, but reinforces the Russian Federation's own capabilities to fulfil her responsibilities.

The project will help to ensure the effectiveness of present and future European assistance projects in this field, increase European visibility and increase the understanding between the Russian Federation and the EU regarding Russian modes of operation in the chemical weapons destruction sector. The project therefore perfectly complements ongoing EU projects on the sites of chemical agent destruction and meets the objectives of the Joint Action 1999/878/CFSP.

Project purpose

The RAA shall increase its capacity of interaction with external contributors and communication with local actors.

Project results

1. Document presenting a complete global planning and costs of implementation of the Russian Federation's obligation according to the CWC, with regard to the destruction of chemical weapons.
2. The RAA and its staff are able to use effectively its programming, planning, costing and budgeting tools.

3. Duration

The estimated duration of the project is one year.

The project is expected to start during the first quarter of 2002. The project shall terminate by the expiry date of the Joint Action 1999/878/CFSP (June 2003).

An analysis of the effectiveness of the implementation will be performed six months after the beginning of the project. This will lead to a decision whether to continue or to redefine the project.

4. Beneficiary

The RAA is the beneficiary of this project. Its staff will be directly involved in the implementation of the project. The RAA will nominate from its organisation a high ranking official contact person for the project (not financed by the project), having sufficient capacity and explicit responsibility for ensuring an efficient cooperation with the implementing agency. Access to information and facilities required for the successful outcome of the project will be ensured.

5. Entity to be charged with material and financial execution

The project will be implemented under the umbrella of a Financial Agreement between the European Commission and the Swedish Ministry of Foreign Affairs (to be confirmed). If needed, the Swedish Ministry of Foreign Affairs may delegate, under its responsibility, the implementation to a Swedish Implementing Agency who will then be responsible for the operational and financial execution. The work will be contracted to an expert EU contractor. The EU contractor must combine an expertise in analysis, organisation and management of complex industrial projects in the Russian Federation, specific technical knowledge of the chemical sector. The EU contractor must be able to communicate in the Russian language with its counterparts. The EU contractor will be selected on the basis of a call for tender following European Commission rules and procedures for public procurement. The EU contractor will subcontract a part of the work to local Russian experts on the basis of an agreed work scope (tasks assignments mentioned before) and plan for the project (time schedule with clear indications of deliveries to trigger payments). The local experts may be from the RAA.

6. Required means

A budget of 12 months for the EU technical assistance.

On the Russian side, the equivalent of three persons should be occupied full time on this project and financed by the EU consultant (subcontract).

Computer hardware and software required to perform the tasks will be defined, purchased and extensively used during the project. The material will be left at the RAA at the end of the project.

Some other justified priority tools might be purchased according to the availability of budget.

7. Financial reference amounts to cover the costs of the action

Estimated budget:

- EUR 500 000 for the person-power (EU contractor and sub-contracts).
 - EUR 200 000 for the equipment/tools.
-

ANNEX V

SUPPORT FOR INFRASTRUCTURE-BUILDING RELATED TO THE DESTRUCTION OF NERVE GASES AT THE SHCHUCH'YE SITE**1. Description****1.1. Background**

In October 2000, the Russian Ammunition Agency took over the responsibility for chemical weapons destruction from the Ministry of Defence. The Chemical Weapons Convention (CWC) calls for the total destruction of the 40 000 tonnes of chemical weapons agents stored in the Russian Federation before 2007, with a possible extension for five years up to 2012. The financial costs for this have been estimated at some USD 6 billion. Up to now only the plant in Gornyy has been under construction. Realistic start-up time is at the end of 2002. In Shchuch'ye, design is under way, but the construction of the destruction facility has not yet started. The US funding in Shchuch'ye has been frozen by the US Congress in 1999, pending different conditions to be met, including ensuring the successful outcome of the overall exercise, which includes improving management capabilities at the responsible Russian agency and increasing and co-financing by the Russian Federation and other states.

European support so far has been limited compared with the US announced figures. It seems nevertheless that there is a new impetus from the European side, but still limited compared to the overall financial needs mentioned above. For the year 2001, the Russian Federation has committed USD 100 000 000, which is six times more than in the previous years and more than what the US Congress has set as a condition for deciding to overturn their decision to freeze the funds to Shchuch'ye. Within the EU, Germany and the Netherlands nationally, as well as the EU, are active at Gornyy. Italy has started a project in Shchuch'ye, and the UK and Sweden, as well as the EU have declared their willingness to launch project on that site, not least in order to ensure visibility and to augment the impact of the US-Russian efforts. The EU will launch a project for the critical industrial infrastructure necessary for the chemical weapons destruction in Shchuch'ye, complementing the activities financed by other international actors.

State of play in Shchuch'ye

The United States have been active in the Shchuch'ye site for many years and are finalising the design of the plant for the destruction process of nerve agents (USD 229 000 000 contributed so far). Later in the spring the US will start the construction work (piling, foundation etc.) at the site. In cooperation with the Russian authorities, the US have listed necessary infrastructure projects (e.g. transportation, gas, electricity, water) that are needed for the destruction plant.

So far a number of countries have supported or will support the Shchuch'ye site with different industrial infrastructure projects needed for the destruction plant:

- Canada (to complement the US funding regarding design studies for a road — USD 100 000)
- Italy (part of a gas pipeline — USD 7 700 000)
- the UK (electricity/water supply or railway — around USD 12 000 000 over three years)
- Sweden (not yet decided, maybe a dedicated telecommunication system — announced USD 1 000 000)
- Denmark (USD 120 000)
- Norway (to supplement the US funding — USD 1 000 000)

The EU project will help build critical industrial infrastructure necessary to enable chemical weapons destruction at Shchuch'ye.

Justification

There are several compelling arguments why the EU should expand its activities in chemical weapons destruction to also include the Shchuch'ye site:

The Gornyy site contains old chemical blister agents (lewisite) stored in bulk. This is an important site since this will be the first site where actual destruction can be initiated. However, it is of utmost importance that the more modern chemical nerve agents stored in projectiles are also destroyed since they are more relevant with regard to a risk of proliferation. The EU has a clear interest in making sure that this will happen and visibly in the context of destruction of modern chemical weapons. It would be wrong for the EU to only concentrate on outdated and less weapons-ready substances.

The Russian Federation clearly assigns the highest priority to the construction of destruction plants at the chemical weapons storage sites at Gorny and Shchuch'ye. Gorny will serve as a pilot case for destruction of old lewisite supplies, to be followed by destruction at the larger, Kambarka site. Accordingly, international support is being focussed on — and in some cases redirected to — these two sites in order to correspond to the priorities set by the Russian Federation in order to meet international commitments and obligations.

Furthermore, the United States is deeply involved financially and technically in Shchuch'ye. However, the US is not in a position to push implementation of necessary infrastructure projects, since their funding is strictly for projects within the Industrial Area for the Destruction Facility ('inside the fence') and therefore cannot be used for industrial infrastructure projects needed to allow the destruction facility to operate. If US support can be supplemented by the EU support, there are obvious synergies. Furthermore, the EU should also be visible in connection with nerve gas destruction.

1.2. *Scope of activities to be performed under the project*

The EU would make a contribution towards the completion of a necessary infrastructure project in order to enable operation of a nerve agents destruction facility at Shchuch'ye. This could be a road, supply of electricity or water, a railway or a pipeline.

- A 4-kilometre road to the destruction site would be built as a stand-alone project by the EU. The cost estimate for such a road amounts to USD 2 450 000. The Russian Federation and Italy have indicated that the cost might be reduced. Design of the road exists and can be performed by local firms.
- Through the UK-Russia project the EU would contribute to the supply of electricity and/or water, or to a railroad to transport the agents from the storage site to the destruction plant.
- Through the Italy-Russia project the EU would finance a substantial part of the gas pipeline, the rest of which is to be financed by Italy and the Russian Federation.

As of today, the situation in terms of agreements with the Russian Federation are as follows:

- Italy has concluded an implementation framework agreement by delegating full implementation to the Russian Ministry of Defence.
- An agreement is in development between the UK and the Russian Ammunition Agency, but might take some time before conclusion.

2. **Objectives**

Overall objective

The Russian Federation has obtained increased capacity to destroy chemical weapons. The project also ensures a visible presence for the EU, alongside some of its Member States, on the Shchuch'ye site. As a result of implementing this project, the EU will be the sole entity active on both Gorny and Shchuch'ye and plays a prominent role in the chemical weapons field, also its specific project in support of the Russian Ammunition Agency.

Project purpose

To have constructed a critical infrastructure support component of a plant designed for the destruction of modern chemical agents.

Results of the project

Construction of the access road, delivery/installation/test of electrical or water supply or railroad equipment/construction of a part of the gas pipeline.

3. **Duration**

Expecting a start of the project in the first half of 2002, the duration is maximum 18 months, with an end no later than the 4 June 2003, on the date of expiry of the Joint Action 1999/878/CFSP.

4. **Beneficiary**

The RAA is the beneficiary of this project. The RAA will nominate from its organisation a high ranking official contact person for the project (not financed by the project), having sufficient capacity and explicit responsibility for ensuring an efficient cooperation with the implementing agency. That will facilitate access to information necessary for the successful execution of the project.

5. **Entity to be charged with material and financial execution**

The preferred way is for the European Commission to sign a Financial Agreement with a Member State having an existing (or under development) bilateral Agreement with the Russian Federation for the implementation of an infrastructure project at Shchuch'ye.

The Member State nominates an Implementing Agency to manage the material and financial execution of the project, following the European Commission rules and procedures, as appropriate.

Work would be mostly performed by the Russian contractors. If needed, the technical supervision of the work could be delegated to an EU contractor. Equipment could be purchased in the EU or in the Russian Federation.

6. **Third party contributors/participants**

The project will be implemented under the umbrella of a Financial Agreement between the European Commission and the Foreign and Commonwealth Office (FCO) of the United Kingdom (to be confirmed). If needed, the FCO of the United Kingdom may delegate, under its responsibility, the implementation to a UK Implementing Agency who will then be responsible for the operational and financial execution. The work will be contracted to an expert EU contractor.

7. **Required means**

To be further determined subject to the selected project.

8. **Financial reference amounts to cover the costs of the project**

Budget: EUR 2 000 000 (full financing of the road, partial financing of the electricity/water; railroad/gas pipe projects).
