



Experience and Lessons Learnt by donors Implementing Projects in Russia (Regulatory and Licensing)

Crown Agents
and
FGUP Atomflot

for the UK Government Department of Energy and
Climate Change



Contents

- Projects considered
- Regulations and licensing
- Key factors to successful implementation
- How we dealt with hurdles



Experience and Lessons Learnt (Regulatory and Licensing)

- Project experience
 1. Spent Nuclear Fuel Store and Supply of Casks
 2. Physical Protection of the Atomflot Site

These are Global Threat Reduction Programme Project funded under the UK Global Partnership programme



Project 1- SNF Store at Atomflot

- 3500 SNF fuel assemblies of Zirconium Uranium
- Dry storage for 50 years
- SNF moved from Lotta FTB



- Supply of 50 TUK 120 casks

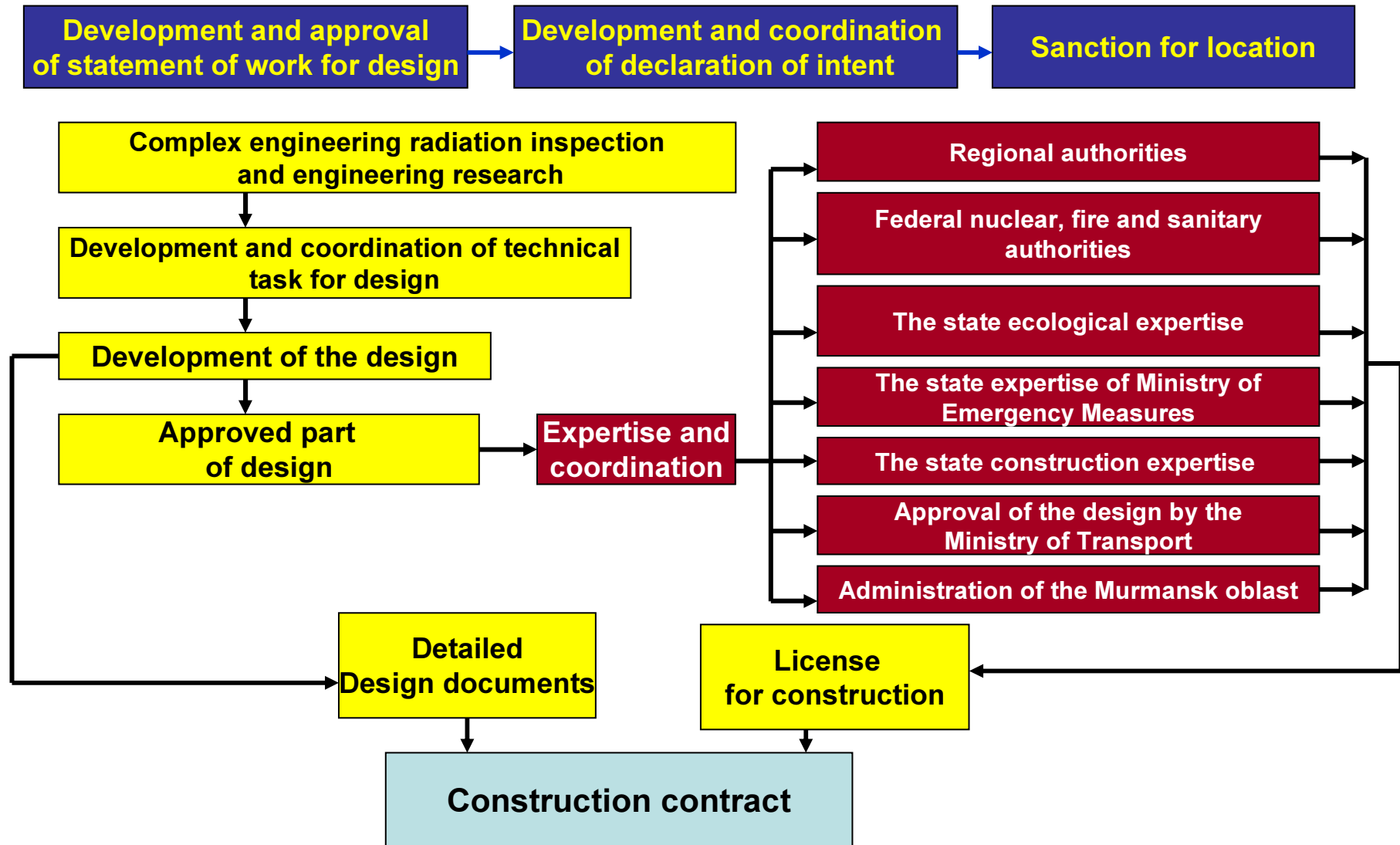
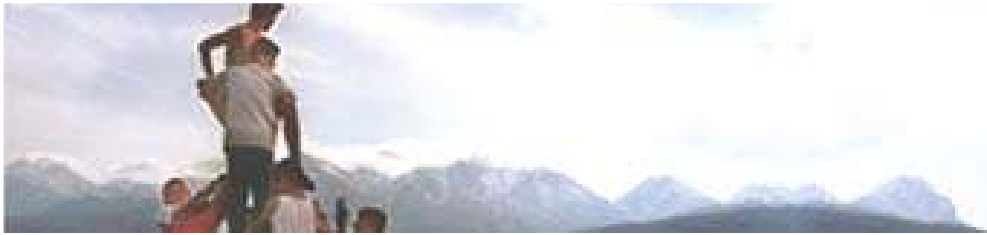


Project 2 - Physical Protection of the Atomflot Site

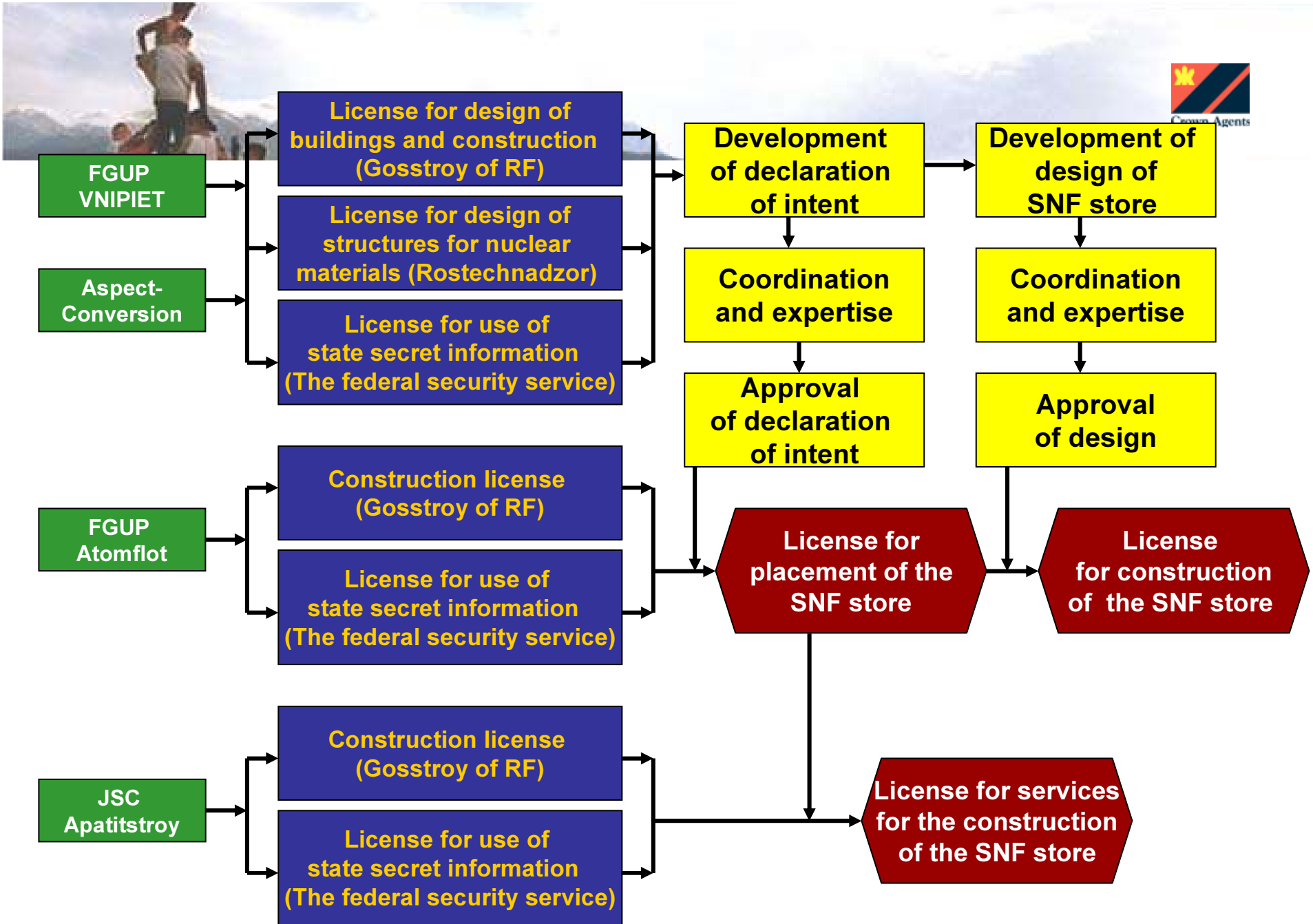
- Supply and installation of Central Alarm Station



- Construction of a Local Zone around nuclear facilities



Design and approvals coordination process



Licensing process for the project



Regulations and Licensing

- Complicated - considerable expertise required
 - List of regulations lengthy and process is complicated
- Very difficult for non-Russians to understand all of the regulations and licensing arrangements
- Even Russian expert bodies find difficulty determining exact requirements
- Nuclear project tend to be protracted - Changes to the laws and regulations during the planning and implementation-
 - An improvement
 - Poorly dissemination
 - Particular changes have considerable knock on effect.
- Important to:
 - Determine the responsibilities of each regulator - end user usually knows best
 - Be aware of changes in regulations -



Key factors to Successful Implementation

- Planning and Programming - Project management
- Contract Structure
- Beneficiary Interest
- Technological Solutions
- Procurement Strategy
- Dissemination of Information
- Public Expert Review
- Funds from Single Source
- Easy Access to Site



Successful implementation - Planning and Programming

- Defining and delegation of responsibility
- Roles of each stakeholder
- Project Management structure
- Management of contract
- Build in safeguards to ensure compliance is met



Successful Implementation - Contract Structure

- DECC Model contract
- Determines roles and responsibility for each stakeholder
- Allocate responsibility for each task
 - Such as completing compliance to regulations
- Milestone payments agreed - only paid on completion to beneficiary
- Risk lies within the country/beneficiary
- Gives authorisation to review main technical solutions
- Cascade to sub-contracts



Successful Implementation - Beneficiary interest

- End user should be Beneficiary
- If that is not possible then good management structure between stakeholders
- Make agreements to cover responsibilities and duties
- Meet with stakeholders regularly



Successful implementation - Technological solutions

- Technological solution Russian
- Foreign technology not always acceptable in Russia
- May not be able to license foreign technology
- Review main technical Solutions
- Additional advantages
 - Cost
 - Usually constructed by Russian Staff
 - Local staff familiar with design
 - Local staff familiar with processes
 - Spare parts availability
 - Translation not required



Successful Implementation - Procurement Strategy

- Selection of contractor
- Selection of designer
- Preliminary meetings with all stakeholders
- Meet with previous customers
- Visits to sites of previous similar work
- Consider turn key contract



Successful Implementation - Dissemination of Information

- Information not available
- Availability of design documents
- Work as a team



Successful implementation - Public expert review

- By Bellona - independent environmental body
- Carried out in public -raises public awareness
- Not only alerted the public to the project - alerted the regulators
- Met all the regulatory requirements
- No objections



Successful implementation - Funds from Single source

- Simpler to deal with single donor
- Differing Donor Requirements
- Donor Philosophy
- Sharing of information not allowed by Russian Federation
- Splitting large projects



Successful implementation - Easy Access to Sites

- Closer monitoring and working as a team
- Able to discuss problems at site
- Viewing a problem is better than talking about it
- Solution is easier to discuss and identify on site

Particularly true of regulatory and licensing issues



Dealing with Regulatory and Licensing Hurdles

- Non-compliance with regulations - minor - resolved
- Tax exemption certification - Russian bureaucracy
- Changes in Regulations
- Changes in regulatory bodies
 - Rostekhnadzor
- Changes to
- Working committee
- State committee

