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DIRECTORATE-GENERAL FOR ENERGY

DIRECTORATE D - Nuclear Energy
D.1 - Legal questions & EURATOM coordination, International relations – nuclear
Head of Unit

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By e-mail only

Ms Iryna Holovko
National Campaigner for Ukraine
iryna@bankwatch.org

Subject: Ukraine NPP Safety Upgrade Programme

Dear Ms Holovko,

Thank you for your letter of 20 January, on the subject of the safety upgrade programme of the Ukrainian nuclear power plants, and I take note of your comments and questions raised.

The first four specific questions raised in your letter can be addressed in summarising the current state-of-play with respect to the loan request:

Ukraine has submitted a formal request to the EC to finance with a Euratom loan the safety upgrade of all their 15 operating nuclear power reactors to reach internationally recognized nuclear safety standards. The EBRD has received a similar request to co-finance the same project. A Euratom loan to Ukraine could be granted under the Council Decision 94/179/Euratom of 21-3-1994, to finance projects aiming to improve the safety level of nuclear power stations which are in service or under construction in some non-member countries.

The preparation of a Euratom loan requires a thorough evaluation of, inter alia, the nuclear safety, environmental, economic and financial aspects. In relation to the latter two aspects, the European Investment Bank (EIB) is currently in the process of preparing a recommendation to the Commission on the economic and financial aspects of the project. A decision, involving all relevant Commission services, on the proposed loan will be taken only after receipt of the EIB recommendation and following consultation with the relevant committee of Member States' experts on nuclear safety and environmental impact. It would not be appropriate at this current stage to make more specific comments on the quality and scope of the information being assessed.

The Commission maintains close contact with the EBRD with a view to ensuring the closest possible mutual cooperation. In this respect it is to be noted that the EBRD has funded the Environmental Assessment which will form part of the documentation provided to the abovementioned Member State committee. The EBRD is considering a sovereign guaranteed loan of up to EUR 300 million and Euratom is considering a loan of similar size.

Concerning your questions on waste management, Ukraine is a major beneficiary under the Instrument for Nuclear Safety Cooperation (INSC), and even without taking into account the Chernobyl related projects, a major part of the financing for Ukraine has been allocated to radioactive waste and spent nuclear fuel management projects, aimed at strengthening the capacity of Ukrainian actors (including Energoatom) to responsibly manage radioactive waste.

Finally, referring to our meeting in Luxembourg on the 17 February, please find enclosed for your information the Fifth Joint EU-Ukraine Report on the implementation of the EU-Ukraine Memorandum of Understanding on Energy Cooperation during 2010. This report provides summary information on the EC-IAEA-Ukraine joint evaluation of the nuclear safety of Ukrainian nuclear power plants, finalised in 2010.

I hope this information is useful and clarifies the situation.

Yours sincerely,



Massimo GARRIBBA

Cc: Mr Januszewski (DG ENV)
Ms Santoni, Mssrs Villalonga, Clarke (DG ECFIN)
Mssrs Mele, Mota (DG DEVCO)
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