Dear Honourable Member,

Thank you, and the co-signatories, for your letter of 1 July 2015, regarding the Complex (consolidated) safety upgrade program of nuclear power plants in Ukraine ("CCSUP") and the Ukrainian life time extension (LTE/LTO) program for South Ukrainian 2 and Zaporozhe 1.

In order to support the CCSUP, the European Bank for Reconstruction and Development (EBRD) and Euratom have signed loan contracts amounting to EUR 300m each with the Ukrainian electricity utility "Energoatom". The CCSUP includes several safety upgrade measures and the EBRD and Euratom loans represent 40% of the EUR 1.5bn program. It is important to note that the financing of EBRD and Euratom does not aim to support the lifetime extension of nuclear power plant units but is directed at improving nuclear safety and promoting the highest level of safety standards.

The decision to grant the loan was based on specific assessments carried out by the European Investment Bank (EIB), the EBRD, external consultants, European Nuclear Safety Regulators Group (ENSREG) and the Member States' experts (opinion expressed during the Instrument for Nuclear Safety Cooperation management committee). The conclusions of the technical experts and the regulators was that the further completion and consequent implementation of the CCSUP will bring the Ukrainian nuclear units in compliance with the internationally recognised safety level. Independent external experts\(^1\) were contracted by the EBRD to produce an ecological assessment report of the CCSUP.

\(^1\) Pöyry (Finland, France, Switzerland & Germany), UCEWP and AESCAR (Ukraine)

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With regard to the Ukrainian obligations under the Espoo and the Aarhus Conventions, compliance with these conventions is a pre-condition for disbursing the loan and is enshrined in the Environmental and Social Action Plan (ESAP)\(^2\) which is part of the documentation underpinning the CCSUP. Based on the evidence received so far, the Commission authorised the first disbursements under the Euratom loan to Energoatom in the amount of up to EUR 100m. The EBRD and Euratom loans are exclusively meant to cover safety upgrades measures which are necessary irrespective of any potential subsequent and differentiated decision regarding lifetime extension projects. The Commission is monitoring developments with regard to compliance with the Espoo and the Aarhus Conventions. Further disbursements would be authorised subject to continuous satisfactory evidence of compliance.

The Commission is of the opinion that any decision by Ukraine to extend the life-span of any of its nuclear power plants will require assessments under the conventions mentioned above whether or not it involves any physical works.

Yours faithfully.

\[^2\] http://www.energoatom.kiev.ua/en/actvts/integratcd_securi_y_program/. Action 10 requires "for any major Energoatom's project, that could have a significant trans boundary impacts, work with authorities to ensure there are proper government to government consultations in compliance with Espoo Convention and keep accurate records of all notifications, consultation and information disclosure. Ensure that international requirements and international Law is maintained in accordance with the international agreements, in particular Espoo and Aarhus Convention".