

To: Janez Potočnik, European Commissioner for Environment

To: Štefan Füle, European Commissioner for Enlargement and Neighbourhood Policy

Bulgaria:

Centre for Environmental Information and Education (CEIE)

For the Earth!

Czech Republic:

Centrum pro dopravu a energetiku

Hnutí Duha

Estonia:

Estonian Green Movement-FoE

Georgia:

Green Alternative

Hungary:

Nature Protection Club of Eotvos Lorand University (ETK)

Lithuania:

Atgaja

Macedonia:

Eko-vest

Poland:

Polish Green Network (PGN)

Russia:

Sakhalin Environment Watch

Slovakia:

Friends of the Earth - Center for Environmental Public Advocacy (FoE-CEPA)

Ukraine:

National Ecological Centre of Ukraine (NECU)

CEE Bankwatch Network's mission is to prevent environmentally and socially harmful impacts of international development finance, and to promote alternative solutions and public participation.

20 June 2013

Dear Commissioner Füle,
Dear Commissioner Potočnik

EURATOM loan to Ukraine nuclear power plant safety upgrade programme must be stopped

In March 2013 it was officially acknowledged that Ukraine is in non-compliance with the UNECE Convention on Environmental Impact Assessment in a Transboundary Context (Espoo Convention) in relation to the extension of lifetime operations of two nuclear reactors at the Rivne NPP¹. Upgrades to these units are to be financed from a EURATOM loan to Ukraine nuclear power plant safety upgrade programme that is now at the approval stage by at the European Commission. Compliance with international obligations, including Espoo Convention, is a condition for granting the loan. Therefore, we urge the European Commission to freeze the loan approval and disbursement proceedings until Ukraine resolves the current non-compliance with its international obligations.

The EUR 300 million loan for the Ukraine nuclear power plant safety upgrade programme is to finance modernizations to all Ukrainian operating nuclear units, including those whose design lifetime has ended or is about to end. It has been clearly pointed out by environmental groups that the agenda of the Ukrainian Government is a life-time extension of the nuclear units and the EURATOM loan in question clearly contributes to and enables such an agenda.

The Implementation Committee under the Espoo Convention concluded at its 27th session in March 2013 that "Ukraine had not applied the Convention in relation to the planned extension of the NPPs and that extension of the life-time of NPPs, even in absence of any works, was to be considered as a major change to an activity and consequently subject to the provision of the Convention²".

The two nuclear units at the Rivne NPP that are being addressed in the Espoo Convention decision are included into safety upgrade programme that is being proposed for EURATOM financing. Their life-time extensions were granted in 2010 without preparing an environmental impact assessment (EIA) and with no information provided to potentially affected neighbouring states. It has been officially ruled by the competent body to be a

¹ Reactors # 1 and 2 at Rivne nuclear power plant;

² Letter by Espoo Implementation Committee to the Ministry of Environmental Protection of Ukraine from March 25th, 2013; <http://www.ecoclubrivne.org/files/Espoo13.pdf>

case of non-compliance with Ukraine's international obligations. Moreover, the process of decision-making on the possibility of a lifetime extension of another expired unit – South Ukrainian Unit 1 – is close to completion and again without an EIA having been prepared or consulted.

Therefore, we urge the European Commission to use its financial and political leverage to ensure restoration of the right of European citizens to be informed and consulted about the potentially dangerous extension of the nuclear programme in Ukraine. We believe that the European Commission should freeze further loan approval and disbursement proceedings until Ukraine resolves the current non-compliance issues to the satisfaction of the Espoo Implementation Committee.

Yours sincerely,

Mark Fodor,
Executive Director, CEE Bankwatch Network

A handwritten signature in blue ink, appearing to read 'M Fodor', is positioned below the typed name and title.