

CEE Bankwatch Network

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Bulgaria:

Centre for Environmental Information
and Education (CEIE)

Za Zemiata, For the Earth

Croatia:

Green Action

Czech Republic:

Centrum pro dopravu a energetiku
(CDE)

Hnutí DUHA

Estonia:

Estonian Green Movement-FoE

Georgia:

Green Alternative

Hungary:

National Society of Conservationists -
Friends of the Earth Hungary (MTVSZ)

Latvia:

Latvian Green Movement

Lithuania:

Atgaja

Macedonia:

Eko-svest

Poland:

Polish Green Network (PGN)

Russia:

Sakhalin Environmental Watch

Serbia:

Center for Ecology and Sustainable
Development (CEKOR)

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.

TO: Mr Riccardo Puliti

Managing Director, Energy and Natural Resources

Mr Alistair Clark, Corporate Director

Environment and Sustainability Department

European Bank for Reconstruction and Development

One Exchange Square

London EC2A 2JN

United Kingdom

18 August, 2015

Subject: Position of the European Commission and of the European Bank for Reconstruction and Development on application of Espoo and Aarhus Conventions by Ukraine within its nuclear life-time extension program

Dear Mr Clark,

Dear Mr Piliti,

I am writing on behalf of CEE Bankwatch Network with respect to the nuclear life-time extension program in Ukraine and the Ukraine Nuclear Safety Upgrade Program of the EBRD that is financing the safety upgrade measures necessary for the life-time extension preparatory process.

On July 3rd this year, CEE Bankwatch Network received a letter from DG ECFIN (see attached) clearly stating the position of the European Commission with respect to the applicability of the Espoo and Aarhus conventions to all life-time extension activities in Ukraine: „The Commission is of opinion that any decision by Ukraine to extend the life-span of any of its nuclear power plants will require assessment under conventions mentioned above [Espoo and Aarhus] whether or not it involves any physical works.”

The European Commission is both a party of the Espoo Convention and a key stakeholder in the European Bank for Reconstruction and Development. The statement of the European Commission builds on the Rivne Decision¹ of the Espoo Convention's Implementation Committee and clarifies that, in the view of the European Commission, the same international obligations are to be applied to all nuclear reactors under the life-time extension program in Ukraine for which the EBRD and Euratom are funding the necessary safety upgrade measures.

The position of the European Commission is also fully in line with the position of the EBRD and it has been several times stated in the EBRD's letters to our organization that operations of companies funded by the Bank should comply with all international treaties and other legal obligations.

However it is not the case with Energoatom in Ukraine, which keeps ignoring its international obligations, as outlined in the Espoo Convention, in the processes of assessing the life-time extension of its nuclear reactors. Ukraine has not taken any steps for complying with the decision and recommendations of the Espoo Implementation

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Committee and the 6th Meeting of Parties to the Convention from June 2014. For example, no EIA documentation, compatible with the Espoo Convention requirements, was prepared and released for public scrutiny in March 2015 during the public consultations regarding lifetime extension of South Ukraine's Unit 2². Please note that according to Espoo Implementation Committee findings on Rivne NPP case "the environmental part of the periodic safety review is not comparable to EIA documentation including the elements set out in appendix II"³.

Evidently, the environmental assessment conducted by Energoatom in Ukraine does not meet the requirements set by international law and therefore should not be considered sufficient by the European Commission and the EBRD.

In a view of described incompliance of your client Energoatom and Ukraine with their international obligations, we would like to inquire on steps the bank is planning to take regarding the EBRD loan for Ukraine nuclear power plant safety upgrade program:

- Has the first loan tranche of the EBRD loan been disbursed to Ukraine already? If so, when?

- Which steps taken by Ukraine to comply with the Espoo and Aarhus Conventions were considered by the EBRD as sufficient to allow the disbursement of the first payment?

- Which steps the bank is requesting from Energoatom so that it becomes in compliance with the Espoo and Aarhus Conventions in the process of preparing nuclear units for operations in the period beyond projected? Are these steps a pre-condition for the first payment disbursement and if not, why?

We strongly encourage the EBRD to **demand from Energoatom to prepare good quality EIA and to start preparations for transboundary EIA processes** involving the public in neighbouring EU countries for all nuclear units subject to life-time extension procedure prior to further proceeding with the loan.

Furthermore, we would like to take the opportunity and ask for a meeting this upcoming autumn (October or November) in London with the Environment and Social Department in order to discuss the related position of the EBRD as well as specific measures the EBRD deems appropriate under given circumstances.

Sincerely,



Iryna Holovko

National Campaigner for Ukraine

² List of available materials included periodic safety review (PSR) report and a report of expected radiological impacts from beyond design operation: <http://www.sunpp.mk.ua/uk/ltoe/2680>

³ http://www.unece.org/fileadmin/DAM/env/documents/2014/EIA/IC/ece.mp.eia.ic.2014.2.as_resubmitted.pdf paragraph 62., page 22