Efficiency and effectiveness of EU funding in the area of decommissioning nuclear power plants in the new Member States

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The European Parliament adopted a resolution on the efficiency and effectiveness of EU funding in the area of decommissioning nuclear power plants in the new Member States.

The resolution recalls that the three EU candidate countries, Lithuania, Slovakia and Bulgaria, operated old nuclear power plants (NPPs) which were agreed to be closed, and the accession negotiations led to early fixed closure dates for the units in the three NPPs concerned.

Lithuania, Slovakia and Bulgaria have fulfilled their accession treaty commitments to close the respective units in the three NPPs in a timely manner: (a) Ignalina NPP Unit 1 was shut down on 31 December 2004 and Unit 2 on 31 December 2009; (b) Bohunice V1 NPP Unit 1 was shut down on 31 December 2006 and Unit 2 on 31 December 2008; (c) Kozloduy NPP Units 1 and 2 were shut down on 31 December 2002 and Units 3 and 4 on 31 December 2006.

Financial assistance: the EU recognised that the early shut-down and subsequent decommissioning of these units in the three NPPs represented a significant financial and economical burden which could not be fully covered by the Member States concerned, and therefore the Treaties of Accession, as well as subsequent Council Regulations for the implementation of these Treaties, provided for financial assistance to the respective Member States. Community assistance shall support these three Member States in coping with the financial and economical burden caused by early fixed closure dates, and to cover the cost of many important decommissioning activities, invest in energy projects with the aim of reducing energy dependency and help to mitigate the social impact of the decommissioning of the power plants.

Total financial assistance from the EU to the three Member States until the end of 2013 comes to **EUR 2 847.78 million**. Whilst differences among the NPPs exist, especially as regards fuel storage, in principle the programmes share the same technology. However, that there are considerable differences in the allocated amounts: Ignalina (2 units) EUR 1 367 million; Bohunice (2 units): EUR 613 million; and Kozloduy (4 units) EUR 867.78 million. The resolution notes that in all three cases the **costs for decommissioning of the power plants have exceeded the planned EU assistance**, and are also likely to exceed the initial estimates. A high share of the funds was used for energy projects and not for the main aim of the financial assistance, namely NPP decommissioning, and the decommissioning itself is still in its initial stage.

Finalise plans: stressing the importance of the issue of safety, Parliament notes with concern that the detailed decommissioning plans of the three decommissioning programmes in question have not yet been finalised. It urges the relevant national bodies to finalise the plans. The Commission is asked to **provide a detailed long-term financial planning of the decommissioning projects** and describe the scope of the EU financing required to accomplish these plans. It is also asked to study ways of altering the EU's methods of financing decommissioning operations in view of the strategies employed in the Member States, and simplifying the rules on management of the funds in such a way that they do not affect the safety and security of the decommissioning operations.

Ensure follow-up and clarify future financing: noting the completed audits and evaluations, Members consider that, taking into account the large amounts of money involved, the novelty regarding the

utilisation of funds, the unknown factors which emerged throughout the process, and the numerous subsequent alterations, adaptations and allocation of additional amounts, the **number and scope of the audits performed appear to be insufficient.** Parliament regrets the lack of annual reports from the Commission to the European Parliament on the use of financial resources earmarked for the decommissioning of nuclear power plants, and it calls on the Commission to report annually to the Parliament on the improvements in use of the funds and on the likelihood that the accumulated funds for the decommissioning of these specific units in the three NPPs will be absorbed over the next three years.

The ECA audit which is still continuing should clarify certain issues such as whether the funds were used for the purposes for which they were intended, whether there are activities where OLAF is involved, and whether proper coordination among the three existing programmes occurred. As regards **future activities** to be financed from EU allocated amounts within the 2007-2013 period, Members feel further issues need clarifying, including whether there is still a need for further amounts to be allocated for energy projects or whether it is necessary to focus on the decommissioning projects.

Enhance the coordination of programmes: the resolution stresses that enhanced coordination between the three programmes is needed. It calls on the Commission to set up a Coordination Team, which should be in charge of supervising the elaboration of a final plan with a clear timetable and supervising the use of money allocated so far. The Commission is also called upon to explore possible ways of **harmonising approaches to the funding of decommissioning** in the EU in order to ensure timely accumulation of the necessary financial resources without compromising the safety and security of the decommissioning process.

Ignalina NPP: the resolution notes with concern that key waste infrastructure management projects (spent fuel storage and waste repository project) have experienced serious delays that incurred additional costs with respect to original estimates. It calls on the Commission to report on the results of the reassessment of the project timeline. Furthermore, a large part of the funds was allocated to energy projects, considerable financing is still required for decommissioning and national funds are not sufficient to cover this. Parliament calls for appropriate measures to be taken in this respect, particularly by the Member State.

Bohunice NPP: some decommissioning projects, such as the reconstruction of the area's physical protection system, the historical waste treatment project and construction of the interim storage of RAW at the Bohunice site, have experienced significant delays in their implementation, and Parliament urges the Commission and the Slovakian side to take steps to prevent the delays and to avoid jeopardising the scheduled progress of decommissioning work.

Kozloduy NPP: Members note with concern a rather high share of energy projects in the distribution of allocated public funds, and they call on the Commission to monitor the implementation of the remaining energy projects. They also call for an increase in the proportion of 'Decommissioning and Waste' projects in the remaining period of the Kozloduy programme.