Special report 16/2011 (2011 discharge): EU financial assistance for the decommissioning of nuclear plants in Bulgaria, Lithuania and Slovakia: achievements and future challenges

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PURPOSE: to present the ECA special report 16/2011 on EU financial assistance for the decommissioning of nuclear plants in Bulgaria, Lithuania and Slovakia.

CONTENT: in order to increase nuclear safety, Bulgaria, Lithuania and Slovakia committed themselves within their EU accession negotiations to the early closure and subsequent decommissioning of eight non-upgradeable nuclear reactors.

Recognizing the exceptional social, economic and financial burden of their commitments, the EU provided financial assistance to the three country-programmes (EUR 2 850 million overall for the 1999-2013 period).

This special report deals with the implementation of the decommissioning programmes from 1999 up to the end of 2010. The audit examined whether EU funded actions have been designed in accord with identified needs and carried out as planned, and whether the governance arrangements have been adequate.

Court's conclusions: the Court found that while Bulgaria, Lithuania and Slovakia have closed the reactors in line with their commitment, and important milestones have been achieved in decommissioning, the main process is still ahead and its finalisation faces a significant funding shortfall (around EUR 2.5 billion).

The Court notes the following:

- the identification of decommissioning activities is still in progress;
- major infrastructure projects face delays and cost-overruns;
- cost estimates are not complete in the absence of key information on radioactive waste and/or the facilities and technologies required for their treatment;
- a broad variety of activities to mitigate the consequences of the nuclear reactors' early closure has been financed but the degree of mitigation achieved is not known;
- there is no comprehensive needs-assessment, prioritization and setting of specific objectives. Responsibilities are diffused. The Commission's supervision focuses on the budgetary execution and project implementation rather than on the achievement of the programme objectives as a whole.

Court's recommendations: the Court recommends that the Commission should establish a detailed needs-assessment showing the progress of the programmes, the activities still to be performed and an overall financing plan identifying the funding sources. Before further spending takes place, t**he Commission should analyse the resources available and the expected benefits**. This should lead in turn to objectives being aligned with the resources and to performance indicators which can subsequently be monitored and reported on as necessary.

Further financial assistance after 2013 should be based on an evaluation of its EU added value, identifying the specific activities to be financed taking account of other funding facilities, such as Structural Funds.