



EUROPEAN COMMISSION
IMPACT ASSESSMENT BOARD

Brussels,
D(2010)

Opinion

Title **DG ENER – Impact assessment on a Euratom Council Regulation on Union support for the nuclear decommissioning assistance programmes in Bulgaria, Lithuania, and Slovakia.**

(draft version of 21 September 2011)

(A) Context

The Accession Treaties for Lithuania, Slovakia and Bulgaria envisaged EU financial assistance for early closure and decommissioning of first generation Soviet design nuclear reactors. Under the Protocols to these Accession Treaties, the European Union expressed its willingness to support the three Member States in decommissioning and to alleviate the consequences of early closure through EU financial assistance. Funding under Council Regulations 1990/2006, 549/2007 and 647/2010 up to 2013 has complemented these efforts. The total financial assistance from the European Union to the three Member States until the end of 2013 foresees €2 847.8 million (€1 367 million for Lithuania, €613 million for Slovakia and €867.8 million for Bulgaria). This financial assistance has been made available either in the form of contributions to three International Decommissioning Support Funds managed by the European Bank for Reconstruction and Development (EBRD) or, in the case of Lithuania, through a national route. With the expiry of the current funding programme in 2013, the Commission is now assessing the need for continued financial assistance for the three concerned Member States for the period 2014-2020 and its EU added value. The support will be dedicated to decommissioning activities until the end of 2020.

The IAB has focused on the policy choices not yet fixed in the MFF June package

(B) Overall assessment

The report should be significantly strengthened in several important respects. First, the report should offer a clearer explanation of the context for the proposal, highlighting the progress in decommissioning so far and identifying the remaining challenges to be met. The report should provide a clearer and more concise problem definition, focusing upon the remaining deliverables and issues raised by the mid-term evaluations and preliminary findings of the Court of Auditors. Second, the report should better rationalise the choice of policy options, and should strengthen the intervention logic by linking the options more clearly to the specific objectives and key stages in the decommissioning process. Third, the report should elaborate on the foreseen impacts of the options, quantifying them when significant. Fourth, the report should be clearer in identifying the relevant progress indicators, and in linking them to specific objectives, with a clearer time horizon.

Unless considerable improvements are made to address the recommendations above, the IA report cannot be considered to provide the evidence base to support decision-making that is normally expected from impact assessments.

(C) Main recommendations for improvements

(1) Clarify the context for the proposed actions and provide a clearer problem definition. The report should provide a clearer overview of the context of the actions, indicating in the body of the text and in non-technical terms how far decommissioning has advanced in the three Member States and what steps remain to be taken. Against this, the report should then present a clearer assessment of the funding needs for achieving the key decommissioning milestones as indicated in Annex 1. The problem definition should be reworked based upon a clear identification of the remaining deliverables, problems experienced in the current funding programme such as the delivery mechanisms and absorption rates, and based on the issues raised by the various mid term evaluations and preliminary findings of the Court of Auditors. If fund management issues have been of concern in the current delivery mechanisms, and if contributions from third countries/ other donors have been weak, this should be clearly stated, and the contributions indicated. It should be made clearer that EU intervention is meant as a solidarity measure, and that nuclear safety remains a national competence.

(2) Explain more clearly the choice of policy options. The range of options should be expanded upon by presenting the delivery mechanisms as subsections of option three. The report should consider mechanisms making the full implementation of the options conditional on various actions at national level (levies on electricity, commitments not to reopen the reactors) to ensure maximum effectiveness. The form of any conditionality imposed should be clearly explained, and set against a timeline for deliverables at national level. The report should also better explain the rationale behind the choice or dismissal of options, by attributing stakeholder comments more visibly in relation to the proposed actions. Finally, there should be a much clearer explanation for the budget allocation under option three for each of the Member States, and a clear estimation of how much the proposed funding can be realistically expected to contribute to the decommissioning process, in the context of the remaining problem and scale of the funding gap at national level. There should be a clear assessment of where remaining funding at national level could be found (for example based on accumulated funds and on electricity levies). Any potential impacts arising from new funding sources, such as electricity levies, should be fully assessed in their own right, and the experiences of Member States that went through a similar process could usefully be brought in. The report should demonstrate how far the policy options will contribute towards the specific objectives.

(3) Strengthen the impact analysis. The report should deepen the analysis of the impacts, expressing them in quantitative terms where possible. In particular, it should address wider economic and social issues and identify more clearly how employment levels within different professional groups and the relevant regions are affected. Impacts regarding the health and safety of workers should be addressed explicitly when discussing possible nuclear safety risks and their consequences. The administrative burden associated with the monitoring and evaluation requirements should be specified and quantified if significant. The report should also attempt to quantify the impacts foreseen on the electricity prices and describe the resulting macro- and micro-economic consequences.

(4) Provide a more operational evaluation and monitoring arrangement. The report should provide a more operational evaluation and monitoring arrangement by further explaining the focus, timing and progress indicators that will be used. The timing of the evaluation should be aligned with the decision-making needs of the programming cycle, and the progress indicators should be more clearly linked to the specific objectives.

Some more technical comments have been transmitted directly to the author DG and are expected to be incorporated in the final version of the impact assessment report.

(D) Procedure and presentation

The report should further explain the meaning of terms such as 'irreversible closure' and those used in Annex 1, and provide a clearer explanation of how each stage in the decommissioning process feeds into another. Issues related to the health and safety of workers should be addressed under social impacts.

(E) IAB scrutiny process

Reference number	ENER/2011/050
External expertise used	No
Date of Board Meeting	19 October 2011