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EXECUTIVE SUMMARY OF THE IMPACT ASSESSMENT

Accompanying the document

COUNCIL REGULATION

establishing an Instrument for Nuclear Safety Cooperation

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The Chernobyl accident in 1986 and the Fukushima-Daiichi accident in 2011 highlighted the global importance of nuclear safety. In order to fulfil the objective of the Euratom Treaty to create the conditions of safety necessary to eliminate hazards to the life and health of the public, the European Atomic Energy Community (the 'Community') should be able to support nuclear safety in third countries.

There is also a particular need for the Community to continue its efforts in support of the application of effective safeguards of nuclear material in third countries, building on its own safeguard activities within the European Union.

The above objectives were supported in the past by the TACIS and PHARE nuclear safety programmes and, since 2007, by the INSC in 'third countries' and the Instrument for Pre-Accession Assistance (IPA) for the countries engaged in the process of accession to the EU.

1. PROBLEM DEFINITION

The promotion and enforcement of the highest standards of nuclear safety and radiation protection within the boundaries of the EU may not be sufficient to suitably protect the general public and the environment. Recent history has clearly confirmed that the consequences of a nuclear accident on public health, social life, the environment and economy may extend their impact well beyond national borders and, potentially, worldwide. Therefore action with third countries, particularly those in the EU Neighbourhood, needs to be envisaged with the overall objective of promoting a high level of nuclear safety and radiation protection worldwide. In parallel, action is also required to help ensure effective nuclear safeguards in third countries.

Review of lessons learnt and evolution of the international situation

The root causes of the major nuclear accidents have been mainly lack of nuclear safety culture, design safety (safety aspects of the plant design) and operational safety. The EU nuclear safety cooperation programmes provided for assistance/cooperation with the operators of nuclear installations, to improve the situation on the ground, and with the nuclear regulators to ensure that they had the required technical capability and independence to enforce adherence to appropriate nuclear safety standards. Cooperation with nuclear regulators should remain at the centre of the nuclear safety cooperation. In specific situations, the possibility for cooperation with nuclear operators should also be maintained for the performance and results of the comprehensive and transparent risk and safety assessments ('stress tests'), developed in the EU after the Fukushima-Daiichi accident.

Cooperation on spent fuel and radioactive waste management and disposal as well as on the restoration of former nuclear sites to an environmentally safe situation, for which international cooperation is required, have been an important part of the programme and should be among the instrument's priorities in the future.

The promotion of international cooperation, notably through the IAEA will remain essential to ensure coordination of activities by the different actors and the best use of resources.

2. ANALYSIS OF SUBSIDIARITY

With 27 Member States acting within common policies and strategies, the EU alone has the critical weight to respond to global challenges, while the action of Member States can be limited and fragmented, with projects which are often too small to make a sustainable difference in the field. This critical mass also puts the EU in a better position to conduct policy dialogue with partner governments. This is reflected, for example in the strong position of the EU in discussions and negotiations with the G8 and the European Bank for Reconstruction and Development (EBRD), which manages large nuclear safety funds on behalf of international donors. Furthermore, the EU is a natural coordinator and can influence almost all fields of international relations, which individual Member States, in general, cannot do alone.

3. OBJECTIVES OF EU INITIATIVE

The current INSC provides for the promotion of a high level of nuclear safety and radiation protection, as well as the implementation of effective nuclear safeguards in third countries.

It is proposed that the general objective and scope of the new instrument be identical to the current INSC: *The Community shall finance measures to support the promotion of a high level of nuclear safety, radiation protection and the application of efficient and effective safeguards of nuclear material in third countries.* This will be pursued through the following specific objectives:

- Support the promotion and implementation of the highest standards of nuclear safety and radiation protection in nuclear installations and radiological practices in third countries.
- Support the development and implementation of responsible strategies concerning the disposal of spent fuel, waste management, decommissioning of installations and restoration of former nuclear sites.
- Support the promotion and implementation of effective frameworks and methodologies for the improvement of nuclear safeguards worldwide.

However, the priorities and the criteria for the EU actions will be redefined in more specific terms in the context of the new instrument.

4. POLICY OPTIONS

The impact assessment reviews four options: i) no further EU action (no Nuclear Safety Instrument); ii) 'no change' (cooperation with third countries would continue in the framework of the existing INSC Regulation); iii) amend the INSC Regulation and iv) a new Instrument, which could include the current INSC scope plus part of the scope of the existing Instrument for Stability (IFS).

The amended regulation was the option assessed in greater detail. It could provide for taking into account the evolution of the international situation on nuclear safety and incorporating the lessons learnt, and would also allow clarification of the criteria for cooperation and the priorities. The geographic scope could be revised to cover all 'third countries' (non EU

Member States) which satisfy the criteria for cooperation, including countries covered by the Instrument for Pre-Accession (IPA) as well as industrialized / high income countries.

The legal basis of the current INSC Regulation is the Euratom Treaty. Considering the legislative framework for nuclear safety at EU level, this should remain the case with the future Regulation, unless an enlarged scope would require a multiple legal basis.

5. ASSESSMENT OF IMPACTS

Nuclear accidents may have dramatic health, social, environmental and economic impacts as demonstrated by the Chernobyl accident (1986) and the Fukushima accident (2011). Both accidents produced large contaminated areas, fatalities and displacement / resettlement of the affected population and resulted in the need to decommission / dismantle very expensive nuclear power plants and to replace the lost power generating capacity. Such accidents also affect the choices concerning the energy mix in some countries (moratorium or phasing out nuclear energy) with possible consequential impact on the environment as the replacement power plants may require, for example, the use of fossil fuels or hydropower.

The EU proposed actions are intended to help prevent the occurrence of nuclear accidents, minimize their consequences (through emergency preparedness measures) and mitigate the consequences of accidents should they occur. Each of the options considered pursues these objectives. However, the 'no further EU action' (no Nuclear Safety Instrument) would likely discontinue most of the on-going external actions undertaken by the EU on nuclear safety.

6. COMPARISON OF OPTIONS

The option to amend the Regulation would allow the present uncertainties and inconsistencies to be resolved and provide the opportunity to clearly establish the focus of EU cooperation on nuclear safety and safeguards. The clearer definition of geographic and thematic objectives and priorities in the regulation itself would improve the efficiency of the implementation of the instrument. A more effective and timely management of the project cycle could therefore be expected.

In comparison with options 'no change' and 'a new Instrument', it would allow for continuity and the use of the experience of a well tried system, while resolving a number of issues which have been identified. This, as well as the utilization of a single legal basis (as compared with the 'new Instrument' option), would simplify the approach and discussions. This appears to more than compensate for a possible greater coherence to be gained by a 'new instrument' covering nuclear safety, security and safeguards.

A redefinition of the geographic scope as well as the criteria and priorities for cooperation in the context of the 'amended INSC' would permit a clearer understanding of the limits of intervention.

7. MONITORING AND EVALUATION

The INSC is an enabling Regulation establishing the essential elements and the basis for the EU intervention. The annual action programmes detail the activities to be carried out by the

EU, including the objectives pursued by the respective actions and the expected results. Specific indicators are defined prior to implementation, having in mind the particularities of each action.

The implementation of the actions complies with performance-based management, which serves the following purposes:

- making the most of limited resources;
- improving decision making processes and decisions;
- achieving transparency and accountability.

The European Commission's Monitoring and Evaluation systems are increasingly focused on results (Result Oriented Monitoring). They involve internal staff as well as external expertise. Task Managers in Delegations and Headquarters continuously monitor the implementation of projects and programmes in various ways, including wherever possible through field visits. External, independent experts are contracted to assess the performance of EU external actions through three different systems. These assessments contribute to accountability, and to the improvement of ongoing interventions; they also draw lessons from past experience to inform future policies and actions. The tools all use the internationally-recognised OECD-DAC evaluation criteria including (potential) impact.

The Commission also conducts strategic evaluations of its policies, from programming and strategy to the implementation of interventions in a specific sector. These evaluations are an important input to the formulation of policies and the design of instruments and projects. These evaluations are all published on the Commission's website and a summary of the findings is included in the Annual Report to the Council and the European Parliament.