



News release: 20 November 2002

European financial support should not go to high-risk nuclear reactor in Romania

NGOs today (20.11.02) are calling for European Export Credit Agencies (ECAs)¹ to resist pressure to provide financial security for a project to complete the 700 megawatt CANDU reactor of the Cernavoda nuclear power plant in Romania while safety and environmental standards are not met. The European ECA Reform Campaign² is calling for ECAs to make all the relevant studies public following an independent review of the project's Environmental Impact Assessment (EIA), which found it is missing crucial environmental safeguards.

Up to US\$443 million in export credits and investment insurance will be provided by ECAs from Europe and North America including SACE (Italy), COFACE (France), US Ex-Im Bank and Export Development Canada. The ECA support will enable private corporations to bankroll the project with minimal financial risk to themselves.

The Austrian Institute for Applied Ecology, which completed the independent review,³ identified the following deficiencies in the EIA Summary:

- ongoing safety problems identified by previous technical assessments are not addressed;
- earthquake risk is underestimated by a factor two, even though Romania is one of the most active earthquake regions in Europe;
- there is no justification for the conclusion that there is no risk from external events such as flooding, explosions or aeroplane crashes;
- the overall accident risk is underestimated compared to Western European standards;
- the impact of radioactive effluents to air and water do not consider meteorological data and no adequate database is provided to verify calculations;
- there is no permanent monitoring of water quality and no special protection measures in case of water contamination are provided, even though groundwater is used for drinking by many villages and towns in the project area.

Speaking for the EU ECA Reform Campaign, Emilie Thenard of FERN said:

“SACE, COFACE, Euratom and the European Commission have the responsibility to ensure that the optimum safety measures are in place. How can these institutions still consider supporting this project and refuse to make the relevant studies public, especially now that we know that there are serious problems with it? This way of operating in secrecy should be over.”

ENDS

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Editors Notes:

1. Export Credit Agencies and Investment Insurance Agencies, commonly known as ECAs, provide government-backed loans, guarantees and insurance to corporations seeking business opportunities in developing countries or emerging markets that are considered too risky (commercially or politically) for conventional corporate financing. ECAs are mostly national, public or publicly-mandated agencies that usually support companies from their home country. Most ECAs do not take into consideration the impacts of the projects they support on the environment or the rights of local peoples, undermining their governments' commitments to sustainable development.
2. The European ECA Reform Campaign brings together a coalition of organisations including Both Ends (The Netherlands), The Cornerhouse (UK), ECA Watch (Austria), Euronatura (Portugal), FERN (EU), Finnish ECA Reform Campaign, International Federation for Human Rights, Les Amis de la Terre (France), Reform the World Bank Campaign (Italy), Swedish Society for the Conservation of Nature, Urgewald (Germany) and WEED (Germany). The Campaign is co-ordinated by Emilie Thenard of FERN, the EU forest campaign, at 20 Avenue des Celtes, 1040 Bruxelles, Belgium. Tel: +32 2 735 2500. Email: emilie@fern.org.
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