


Procedure file

Basic information		
NLE - Non-legislative enactments Decision	2002/0246(NLE)	Procedure lapsed or withdrawn
Euratom loans: financing of nuclear power stations in Member States		
Subject 3.60.04 Nuclear energy, industry and safety		

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	ITRE Industry, External Trade, Research, Energy		26/11/2002
		V/ALE BREYER Hiltrud	
	Committee for opinion	Rapporteur for opinion	Appointed
Council of the European Union European Commission	BUDG Budgets	The committee decided not to give an opinion.	
	ENVI Environment, Public Health, Consumer Policy		27/11/2002
		PPE-DE FLEMMING Marialiese	
	Commission DG Economic and Financial Affairs	Commissioner REHN Olli	

Key events			
06/11/2002	Legislative proposal published	COM(2002)0456	Summary
04/12/2002	Committee referral announced in Parliament		
27/11/2003	Vote in committee		Summary
27/11/2003	Committee report tabled for plenary, 1st reading/single reading	A5-0443/2003	
12/01/2004	Debate in Parliament		
13/01/2004	Decision by Parliament	T5-0013/2004	Summary
02/12/2009	Additional information		Summary
07/03/2015	Proposal withdrawn by Commission		

Technical information

Procedure reference	2002/0246(NLE)
Procedure type	NLE - Non-legislative enactments
Procedure subtype	Consultation of Parliament
Legislative instrument	Decision
Legal basis	Euratom Treaty A 001; Euratom Treaty A 203; Euratom Treaty A 002; Euratom Treaty A 172
Stage reached in procedure	Procedure lapsed or withdrawn
Committee dossier	ITRE/5/16903

Documentation gateway

Legislative proposal	COM(2002)0456 OJ C 045 25.02.2003, p. 0194-0200 E	06/11/2002	EC	Summary
Document attached to the procedure	COM(2002)0457	06/11/2002	EC	Summary
Committee report tabled for plenary, 1st reading/single reading	A5-0443/2003	27/11/2003	EP	
Text adopted by Parliament, 1st reading/single reading	T5-0013/2004 OJ C 092 16.04.2004, p. 0021-0112 E	13/01/2004	EP	Summary

Euratom loans: financing of nuclear power stations in Member States

PURPOSE : to amend Decision 77/270/Euratom on issuing Euratom loans. **CONTENT** : the Euratom lending instrument was established by the above decision empowering the Commission to issue Euratom loans in order to contribute to the financing of nuclear power stations ("the Establishing Decision") in Member States. The ceiling for borrowing to fund Euratom lending was fixed by Council Decision 77/271/Euratom, and amended several times, the latest of which was Council Decision 90/212/Euratom. The scope of the Euratom lending instrument was extended by Council Decision 94/179/Euratom amending decision 77/270/Euratom. It authorises the Commission to contract Euratom borrowings in order to contribute to the financing required for improving the degree of safety and efficiency of nuclear power stations in certain non-Member countries ("the Scope Extension Decision".) The purpose of this proposal is to consolidate the Decisions referred to above in order to: - ensure that there is equal treatment of current and future Member States after their accession; - ensure that safety and efficiency issues remain important criteria for the eligibility of projects; - ensure that decommissioning projects within the Community are expressly eligible under certain conditions; - ensure that priority is given to projects on improving nuclear safety and efficiency of installations in service or under construction and to the decommissioning of installations. The Establishing Decision and the Scope Extension Decision both had guidelines associated to them. This proposal to amend them is accompanied by a proposal to merge the Guidelines and introduce certain modifications. The Scope Extension Decision states that the Commission will limit loans to 50% of the total costs of the project. Under the Establishing Decision for Member States, this participation is limited to 20%. It is proposed that the 20% limit be maintained for new investment in the existing and new Member States after accession, whereas no such participation will be available for non-Member countries. Further, the maximum participation of Euratom (i.e. 50%) for a project of a safety and efficiency nature, including for completion (as defined in the Scope Extension Decision for certain non-Member countries) be extended to apply to similar projects within the Community. On decommissioning, the Guidelines to the Scope Extension Decision render a decommissioning project specifically eligible under certain conditions. It is proposed that the Guidelines be modified to make clear that such projects within the Community be eligible for Euratom finance. Further, to enable the intervention of Euratom in such projects (both within and outside the Community) the reference to the availability of decommissioning finance should be clarified so that financing will be considered only where no adequate provision to finance these measures has been made during the operating life of the installation, especially if it is to be shut down earlier than originally envisaged. These proposals will allow an enhanced flexibility in the application of Euratom finance, as it is oriented towards projects that address, in particular, the real concerns of nuclear safety and decommissioning in Europe. ?

Euratom loans: financing of nuclear power stations in Member States

The Euratom lending instrument was established by Council Decision 77/270/Euratom of 29 March 1977 empowering the Commission to issue Euratom loans for the purpose of contributing to the financing of nuclear power stations (the Establishing Decision). The ceiling for borrowings was originally fixed by Council Decision 77/271/Euratom of 29 March 1977 on the implementation of Council Decision 77/270/Euratom. The ceiling was raised by various amendments of Council Decision 77/271/Euratom, the latest of which (Council Decision 90/212/Euratom of 23 April 1990) increased it by 1 000 million ECU to 4 000 million ECU (with reporting when 3 800 million ECU was reached). The current borrowing ceiling is fixed at EUR 4 000 million. Of this amount, EUR 2 876 million has been used for borrowings related to loans granted to Member State beneficiaries. Loan approvals for certain non-member countries now amount to approximately EUR 900 million (EUR 212.5 million plus EUR equivalent of USD 585 million¹). The total thus used and reserved is approximately EUR 3 776 million. This is approaching the reporting level of EUR 3 800 million required by the Council. The Commission explicitly emphasises its support for the increase in the Euratom borrowing limit as it will provide, in synergetic combination with other financial instruments, e.g. Community grants, a positive

contribution to the achievement of the Cologne European Council Decision of June 1999 with regard to nuclear safety in candidate countries and Eastern Europe. Although a detailed assessment of nuclear safety issues and levels is still in progress for candidate countries in the framework of the Atomic Questions Group of the Council, it is already clear that major investment efforts will be required to achieve high safety standards in these countries comparable to those in the EU. Further, the decommissioning of a number of plants that cannot be upgraded and other installations will require large volumes of investment. Contrary to the practice in the EU, funds to cover these investments are generally not available. The Euratom loan facility will be instrumental in assisting these countries to launch decommissioning programmes. The proposal is to raise the ceiling from EUR 4 000 million to EUR 6 000 million with an obligation on the Commission to report to the Council when the lending limit reaches EUR 5 500 million. These new limits would ensure that Euratom loan applications in the pipeline could continue to be examined and proposed for decision of the Commission, if and when ready.?

Euratom loans: financing of nuclear power stations in Member States

The committee adopted the report by Hiltrud BREYER (Greens/EFA, D) amending the proposal under the consultation procedure: - loans should not be provided, within the Community, for investment projects "relating to the industrial production of electricity in nuclear power stations and to industrial installations in the nuclear fuel cycle"; - loans should be given to projects to increase nuclear safety, not only within the EU Member States and Central and Eastern European countries but also in other countries such as the Russian Federation, the Republic of Armenia and Ukraine; - funding should not be provided for projects in third countries which are in breach of or fail to comply with their international commitments to strengthen nuclear safety and decommission those reactors which cannot be upgraded to internationally acceptable safety standards at reasonable cost.?

Euratom loans: financing of nuclear power stations in Member States

The European Parliament adopted a resolution regretting not being consulted on the Commission's proposal. Parliament felt that Euratom loans should not be given for increasing efficiency per se as the Commission had suggested, but only for improving safety, decommissioning of installations, as well as to establish facilities for storage and disposal of radioactive waste and spent fuel. It stated that the loans should be given to projects in order to increase nuclear safety not only in the Member States, but also in Central and Eastern European countries, the Russian Federation, the Republic of Armenia and Ukraine. Since none of the Green amendments were adopted, the rapporteur, Hiltrud BREYER (Greens EFA, D) withdrew her name from the report. Parliament added several new recitals. These stated that research projects and pilot installations for the safe final storage of nuclear waste should be supported. Transitional provisions should be drawn up fixing deadlines for the decommissioning of existing nuclear power stations which cannot be upgraded cost-effectively. Furthermore: - the same conditions should apply to all forms of energy (e.g. renewable energy) and an end should be put to the distortions of competition ensuing from support for nuclear energy; - the funding of projects for reactors which cannot be upgraded to internationally acceptable safety standards at reasonable cost should be confined to short-term safety improvements which prove necessary in order to maintain the reactors in operation. - funding should not be provided for reactors which cannot be upgraded to internationally acceptable safety standards at reasonable cost and in respect of which a timetable has been set for the definitive cessation of operations. Nor should funding be granted for projects in third countries which are in breach of their international commitments to strengthen nuclear safety and decommission the reactors which cannot be upgraded at reasonable cost.?

Euratom loans: financing of nuclear power stations in Member States

The Lisbon Treaty, which entered into force on 1 December 2009, amended the EU's two core treaties, the Treaty on European Union (TEU) and the Treaty establishing the European Community (EC Treaty). The latter was renamed the Treaty on the Functioning of the European Union (TFEU).

These changes had various consequences for many ongoing procedures. First of all, the articles of the TEU and of the old EC Treaty that constitute the legal basis of all the proposals founded on those Treaties were renumbered in accordance with the table of equivalences mentioned in Article 5 of the Lisbon Treaty.

In addition, some proposals underwent a change to their legal basis going beyond a mere change to their numbering, and this resulted in changes to the type of procedure.

The Lisbon Treaty also introduced new concepts of decision-making procedure. The old "codecision procedure" was extended to new areas and renamed the "ordinary legislative procedure". A new "consent procedure" replaced the old "assent procedure". New interinstitutional procedures were also set up for the adoption of certain non-legislative acts, for example the conclusion of some international agreements.

The ongoing proposals concerned by these changes were formally modified by the Commission in a Communication published on 2 December 2009 ([COM\(2009\)0665](#)).

In the case of the proposal for a Council Decision amending Decision 77/270/Euratom empowering the Commission to issue Euratom loans for the purpose of contributing to the financing of nuclear power stations, the entry into force of the Lisbon Treaty had the following impacts:

- the proposal, which had previously fallen under the old consultation procedure (CNS), was classified as an interinstitutional non-legislative procedure (NLE).