



## a short BELENE chronology

**1981** – The Bulgarian Government decides to build six nuclear power stations of the VVER 1000/320 design near the town of Belene in North Bulgaria.

**1985** – First work on the Belene Nuclear Power Station starts.

**1989** – The Communist Party is removed from power by a popular uprising.

**1990** – The Bulgarian Academy of Science issues a “white book”<sup>1</sup> with the conclusion that the Belene NPP project should be dropped for economic, environmental and social reasons.

**1991** – The Belene project is put on hold by the Bulgarian Government. Four of the originally planned six reactor blocks are definitely dropped.

**1992** – The Bulgarian cabinet decides to stop the Belene project.

**1997** – The Bulgarian Government decides to completely drop the Belene NPP for economic and environmental reasons.

**6 April 2003** – Bulgarian Prime Minister Simeon of Saxony-Coburg-Gotha announces that the Belene NPP will be revisited – proposed are two blocks. Energy Minister Milko Kovachev plays a large role in the re-starting of the project.

**2004** – An **Environmental Impact Assessment** is carried out without a clear idea about the reactor design to be used. After 4 public hearings in Bulgaria and 1 in Romania, Greenpeace and WISE/NIRS bring out an analysis of the process of these hearings and advise the Bulgarian Ministry of Environment to dismiss the results on the basis of open manipulations<sup>2</sup>. Bulgarian and Romanian NGOs as well as international organisations (Greenpeace, CEE Bankwatch network, EEB) heavily criticize the quality and conclusions of the EIA report.

**April 2004** – The Bulgarian Government takes a decision to restart the Belene NPP project. Ekoglasnost / Friends of the Earth Bulgaria, CEE Bankwatch, members of the BeleNE! coalition and Greenpeace appeal this decision in court.

**Autumn 2004** – The Bulgarian Government publishes a bribing attempt by the Canadian NPP builder AECL. AECL in turn accuses the Bulgarian Government of malversations in the preparation of the Belene NPP project that put Russian designs at an advantage. The total of interested bidders drops from five with seven different designs to two bidders with two (Russian) designs.

**December 2004** – The Bulgarian Ministry of Environment **approves the EIA report**. The BeleNE! coalition, Ekoglasnost / FoE Bulgaria, Greenpeace and WISE appeal on the basis of manipulations and grave content mistakes. The EIA does not address seismic conditions properly, it does not address heavy accidents, it does not properly describe environmental impacts, it does not address front-end (fuel) and back-end (waste and decommissioning) problems, it does not address relevant

1 Plamen Tsvetanov (ed), АЕЦ "БЕЛЕНЕ" - Изследвания и становище на Българската Академия на Науките (NPP "BELENE" – Analysis and conclusions from the Bulgarian Academy of Science), (Sofia, 1990) Bulgarian Academy of Science, 421 pp.

2 Jan Haverkamp, Petko Kovachev, WISE / Greenpeace investigation into Belene EIA hearings conclude active manipulation - Advice to repeat hearings or not accept final EIA report, (Prague / Sofia, September 2004), Greenpeace / WISE – NIRS Brno

alternatives nor a zero-scenario.

**December 2004** – Veteran Belene opponent, 1996 Goldman award winner and local organic farmer Albena Simeonova receives **death threats**. In February 2005 the threats are delivered personally and Simeonova receives body-guard protection until the end of the year. She and her farm are constantly harassed until halfway 2006.

**April 2005** – Second Government decision to build Belene. Ekoglasnost / FoE Bulgaria, Greenpeace and WISE appeal.

**June 2005** – The Bulgarian utility **NEK issues a tender for the architect / builder** of the project. The project is supposed to deliver electricity for a price of under 0,04 € / kWh and estimated to need between 2,5 and 4 Billion € of investments.

**27 July, 2005** – A new, Socialist led government comes to power in Bulgaria. Economy Minister Milko Kovachev is replaced by Rumen Ovcharov, a former nuclear physicist who receives 3/4 of his monthly salary from nuclear industry related sources<sup>1</sup>

**December 2005** – In a written submission to court, the authors of the EIA report concede that the report is flawed and a new EIA will be necessary once a design and builder are chosen. This never happens, not even after the choice of a construction consortium and design in October 2006.

**31 January 2006** – The consortia Atomstroyexport / Areva NP and Skoda Alliance submit their bids. Proposed are reactor designs of the VVER 1000/320 or VVER 1000/466B type. It becomes clear that both consortia are led by Gazprom-owned companies. Discussions in the Bulgarian media about lack of a proper tender process. Links are made to Bulgaria's gas-deals with Gazprom.

**April 2006** – Economy and Energy Minister Ovcharov announces that Bulgaria is planning to provide a State guarantee for a 300 Million € loan from Euratom. Euratom denies all contacts.

**May 2006** – Economy and Energy Minister Ovcharov claims support from IAEA president Muhamed El Baradei. The IAEA denies this.

**June 2006** – The Macedonian NGO EcoSvest files a complaint at the Sofia High Administrative Court because Macedonia was not informed of the project under the Espoo Convention and EcoSvest therefore had no chance to participate properly in the Environmental Impact Assessment procedure. To date, the procedure is ongoing.

**July 2006** – The tender decision for the builder is postponed because the bids are too expensive and the time-lines too long. A new decision is scheduled for the first half of September 2006.

**May – August 2006** – A group of NGOs (Greenpeace, urgewald, Bankwatch, the BeleNE! Coalition) addresses **banks** on their reported interest in the Belene project. Bayerische Landesbank and KBC / ČSOB deny competely any interest; Societé Générale / Komerční Banka denies their reported participation in the Škoda Alliance. Commerzbank pulls back its interest after the project is criticized at their AGM. CitiGroup, HVB and UniCredit state they are only interested under strict conditions. NGO pressure on Deutsche Bank, CitiGroup, HVB and UniCredit continues.

**24 September 2006** – Bulgarian Economy and Energy Minister Rumen Ovcharov says at a conference that a tender winner has been chosen and that an official announcement will follow within "a few days". Russian media indicate that Atomstroyexport has been chosen.

**11 October** – Wallstreet rating agency **Standard & Poor's downrates** the Bulgarian utility NEK

<sup>1</sup> 24 Часа, 17.10.2006, [translated] "Borisov asks the prime-minister why Ovcharov took 5700 leva monthly from the Boards": *From 4 state companies the minister received a total of 5700 leva monthly. The state company "Radioactive waste" was paying him 1100 leva and the insurance company "Energy" 2500 leva. The Bulgarian National insurance nuclear pool was giving Ovcharov 1000 leva and the Board of the "Decommissioning of nuclear facilities" fund – 1100 monthly. Separately the minister's monthly salary is 1645 leva.*

from “developing” to “negative” because of its announced 51% stake in Belene. Economy and Energy Minister Ovcharov once more claims that Bulgaria will receive a 300 Million € Euratom loan. Euratom denies this.

**Friday 13 October** – Activists in 23 countries protest at branch offices of banks belonging to the UniCredit Group against the Group's interest in financing the Belene nuclear power project.

**19 October** – German watchdog organisation Urgewald receives a letter from Deutsche Bank announcing that it withdraws its interest in Belene for economic reasons.

**20 October** – Urgewald receives an e-mail from UniCredit Group's daughter HVB that UniCredit Group withdraws its interest in Belene for economic reasons.

**30 October 2006** – Bulgarian utility NEK announces the Atomstroyexport / Areva NP consortium as winner of the tender for building.

**31 October 2006** – During a press conference, **NEK announces that Atomstroyexport / Areva NP** will build two completely new nuclear power stations of the AES-92 type with VVER 1000/B466 reactors for a contract price of 3,997 Billion Euro. The final contract signing is announced for May 2007.

Deutsche Bank, JP Morgan Chase, BNP Paribas, Credit Suisse – First Boston, Lehman Brothers, Merrill Lynch & Co, Gazprombank and the European Investment Bank (EIB) are mentioned as possibly interested in financing the project. After a telephone call by Greenpeace, Deutsche Bank explicitly denies interest.

**09 November 2006** – Reuters mentions a completely new pool of possible interested financiers. These are all Russian banks: Gazprombank, Sberbank, VTB and Vnesheconombank.

**21 November 2006** – Economy and Energy Minister Ovcharov again claims that he has been promised a 300 Million Euro Euratom loan for Belene. Euratom denies all contact with the Bulgarian authorities. The Bulgarian press does not question Ovcharov's claims.

**1 December 2006** – The Ministry of Economy and Energy announces that Belene will be built by an independent entity, later indicated as the Power Company Belene (PCB), owned 51% by state owned utility NEK and 49% by one or more strategic investors. As interested investors Germany's E.ON, Czech CEZ, Italy's Enel, Spain's Iberdrola and Russia's RAO UES are mentioned. In May 2007, it is announced that the strategic investor or investors are expected to bring at least 2 Billion € in capital into the project. Minister Ovcharov stresses that the project will not receive any state funds.

**December 2006** – Greenpeace and the BeleNE! coalition contact JP Morgan Chase, BNP Paribas, Credit Suisse – First Boston, Lehman Brothers and Merrill Lynch & Co. All **banks** with the exception of BNP Paribas react by stating they were not interested or withdrawing their interest from the Belene project.

**21 December 2006** – Greenpeace and the BeleNE! coalition find that there is illegal building activity on the Belene site. Since the EIA report still is on hold in court, no building permit can be issued. Construction of one building on the western side of the site continued in April 2007. The BeleNE! coalition post a complaint to the building inspection in Pleven.

**31 December 2006** – **Bulgaria closes the reactors 3 and 4 of the Kozloduy nuclear power plant**, as agreed in the EU accession treaty. These reactors are of the type VVER 440/230 and are considered not upgradeable to a satisfying safety level. Bulgarian authorities and politicians run an active PR campaign to either keep these reactors open or have them re-opened after EU accession, even though it would require unanimous support from the former EU 25 states to re-open negotiations and several countries have indicated they would veto such a step. Analysts believe that the Kozloduy 3,4 discussions are meant to put pressure on the EU in case of a request for Euratom funds for Belene. Predicted electricity shortages in Bulgaria or other Balkan countries do not materialise, although the Bulgarian government claims to have statements in that direction

from political leaders in the region.

**January** – Greenpeace informs Russian media with pictures about the bad condition of material on the Belene site that is stored from the original project, but not compatible with the new set-up. Second circuit pressure vessels that were in good condition when Atomstroyexport was chosen as constructor appear to have heavily corroded in the meantime.

**25 January 2007** – NEK opens a **tender for a 250 Million € loan** to cover preparation costs and the first building activity. In March the government reports that 11 banks reacted to the tender, but names are kept secret on request of the involved banks. The final result is to be announced in early April.

**25 January 2007** – The High Administrative Court dismisses the complaints of a group of individuals, member organisations of the BeleNE! coalition, WISE and Greenpeace against the Environmental Impact Assessment report and process. The verdict is – contrary to the law – given without any argumentation and no further appeal is possible. The EIA controversy is not closed, however, as the court case by the Macedonian NGO EcoSvest under the Espoo Convention is still pending.

**23 February 2007** – Bulgaria **announces** in a letter to the EU Commission the planned construction of a nuclear power station according to Article 41 of the **Euratom** Treaty. Such an announcement has to be filed at least three months before construction starts and is necessary for a possible later application for a Euratom loan. The European Commission will study the documentation of the planned project and give its opinion. This opinion is a pre-requisite for the start of construction.

**12 April 2007** – During a meeting of Balkan presidents at lake Ohrid, Bulgarian president Parvanov tries to mobilize broader support for the Belene project. Originally published support from the Macedonian president Branko Crvenkovski is later (11 May) vehemently denied by his cabinet.

**24 April 2007** – **Signing of the construction contract with Atomstroyexport is postponed** to the end of the year. Reasons mentioned include lack of clarity about the financing of the project. Also negotiations about which non-compatible equipment from the former Belene project will be taken over by Atomstroyexport are delayed because of disagreement about quality and prices.

**26 April 2007** – The 21<sup>st</sup> anniversary of the Chernobyl catastrophe sees protests against the Belene NPP on both sides of the Danube. The protests draw wide attention from the Romanian press, but the Bulgarian press ignores them.

**07 May 2007** – Atomstroyexport issues bonds for 43 Million € in order to pre-finance its participation in the construction of the Belene NPP.

**14 May 2007** – The French bank BNP Paribas is announced as winner of the tender for a 250 Million € loan to finance the first year of planning and construction work on Belene. Former Energy Minister Milko Kovachev is bankrolled as BNP Paribas advisor. Signing of the contract is announced for early June. The announcement falls at a time when Energy and Economy Minister Ovcharov is temporarily dismissed from his position because of corruption allegations.