

Excellences, Ladies and Gentlemen,

It is an honour for me to speak in this event and a pleasure to be among so many old friends and colleagues.

The thirtieth anniversary of the Chernobyl accident is an opportune moment to reflect about many of its dimensions. We shall never forget the heroism of liquidators, human tragedy and the damage to the environment it brought about. It will stay with us forever. The economic burden for Ukraine continues to be huge; eased somewhat by the international solidarity and assistance for Chernobyl which is partly channelled through the EBRD or coming from the EBRD directly.

There is, however, another dimension. The Chernobyl accident has in dramatic way raised awareness of the risks associated with the design and operation of nuclear reactors and has made nuclear safety one of the top priorities for the international community. The G7 Action Plan to improve nuclear safety in Eastern Europe and the countries of former Soviet Union made public at the 1992 Munich G7 summit was largely inspired by the Chernobyl accident. It gave rise to a number of bilateral assistance and co-operation programmes – notably the European Commission's PHARE and TACIS and to the nuclear safety mandate of the EBRD. After the Munich summit the G7 and European Commission invited the EBRD to set up the Nuclear Safety Account – the first of the now seven nuclear safety funds managed by the EBRD. The specific objective of the NSA was to finance short-term upgrades of VVER 440-230 and RBMK reactors in Bulgaria, Lithuania, Russia and the Slovak Republic. After the Memorandum of Understanding between Ukraine and the G7/EU was signed in 1995 Ukraine was added to the NSA portfolio. Emergency upgrades of Chernobyl Unit 3 and the decommissioning infrastructure in Chernobyl became our new tasks. The MoU also created the basis for the Chernobyl Shelter Fund to finance the Shelter Implementation Plan – I will talk about it much more – and for completion and safety upgrades of Khmelintsky 2 and Rovno 4.

I personally and the entire world are grateful to President Kuchma for his decision to close Chernobyl Unit 3 in 2000. It was a good decision for many reasons not only for nuclear safety. I will never forget a commemoration of this historic moment in Saint Sofia Cathedral in Kiev. Between 2002 and 2009 eight nuclear reactors, which could not be economically upgraded were shut down in the region. All others, including K2R4, were upgraded or are being upgraded to meet internationally accepted safety levels. The European Commission, the EBRD and Energoatom are currently financing safety upgrades of all the remaining Ukrainian reactors. Safety culture spread across the region. Nuclear regulators became strong and independent. SNRIU is an excellent example. It is now recognised among its international peers for its competence, for its excellent work in Chernobyl and for an extremely professional and responsible reaction to Fukushima Daichi accident. I recall a different nuclear regulator from the times when I first came to Ukraine and wish to once again thank President Kuchma for his decision to convert then a department of the Ministry of Environment into an independent nuclear regulatory agency.

Overall, largely thanks to the impulse from Chernobyl, our region – and the entire world – is a much safer place to be than 30 years ago; at least from the nuclear safety angle. But we must never be complacent.

Allow me to return to Chernobyl where I spent a large part of my time in the last almost twenty years. Those who visited the site yesterday will have seen the impressive arch-shaped structure of

the New Safe Confinement, which now dominates the skyline of Chernobyl. NSC is an impressive and unique example of excellence in engineering and construction, and to international partnership. It is built by the French contractors with structural elements from Italy, cladding supplied from Turkey, main crane system from the US – just to name some – and constructed by people from dozens of nations, but predominantly Ukrainian. Based on the progress with the NSC construction so far and on the outstanding work of the UEM in building the NSC perimeter in extremely difficult post-accident conditions of the turbine hall, I am confident that the NSC will be slid into its final position over the Chernobyl Shelter before the end of this year and commissioned in 2017.

What most visitors to the Chernobyl site do not know, is that the NSC is only the final step, certainly a gigantic one, in an extremely complex process of scientific research and technical and political decisions which started almost three decades ago. Many of the people in this hall have made significant contributions and I wish to highlight several main moments in this process.

Hundreds of proposals for a long-term solution were made in the years following the accident. However, until the authors of the Shelter Implementation Plan, a group of eminent Ukrainian and international experts, realised that an optimum solution cannot be found without further research followed by rigorous analysis and decision making, little progress has been made. The SIP, developed in mid-1997 and financed by the US and the EC, devised a technical strategy and the logic for conversion of the Shelter into an environmentally safe system. In the forefront of the logic was the objective to protect workers from the high levels of radiation.

The three key programmatic milestones were the decisions on strategies for stabilisation of the Shelter, for the removal of fuel containing materials and for confinement. Besides an emergency stabilisation of the Shelter roof carried out in 1999, the first priority of the SIP was to carry out research and engineering studies leading to these decisions. The guidance of the International Advisory Group, composed of Ukrainian and international scientists and regulators advising the Bank and the donor governments in these efforts was instrumental. Professors Baryakhtar and Kukhar, who are with us today, played a key role and I wish to express my gratitude to them.

The scope of the Shelter stabilisation was defined in 2001. Cost benefit analysis – taking primarily into account the collective dose for workers led to a set of measures substantially reduced compared to scope contemplated earlier. The FCM strategy deferred the removal of FCM for several decades also driven by the need to protect workers. These two strategies were also inputs to the decision on the confinement. There was, however, a strong reluctance to accept these solutions which differed from the previous concepts. The impasse was broken by a letter from the President of the Academy of Sciences of Ukraine to President Kuchma in late 2001. In this letter Mr Paton supported the construction of the new safe confinement and stated “we shall start the removal of fuel containing materials not earlier than 30-50 years when radiation conditions will be acceptable, and full technological chain and funds will be available, and when it will be really needed”. I take this opportunity to thank Academician Paton for his wise guidance and President Kuchma for his support. Your support Mr President was crucial in many key moments which followed.

The Shelter was stabilised between 2004 and 2008. Next year it will be covered and sealed by the NSC and its most unstable parts will be subsequently dismantled. The nuclear inventory of the Shelter will be isolated from the environment and the Shelter crane will be available for the removal of FCM at the right time in future.

I must add that the knowhow of Chernobyl was also put to good use to help our colleagues in Japan and that I admire their efforts to deal with the consequences of Fukushima Daichi accident. World must be united in co-operation on nuclear safety.

Finally, I wish to express my appreciation to our donor governments, to their sustained commitment to make Chernobyl safe and for their financial contributions. More than 40 governments contributed to Chernobyl funds managed by the EBRD. The EBRD contributed from its own reserves almost €700 million for the NSC and for the Chernobyl spent fuel storage facility (equally important from the nuclear safety perspective) with its 67 shareholders and thanks should go to all of the EBRD's 67 shareholders.

Thank you.