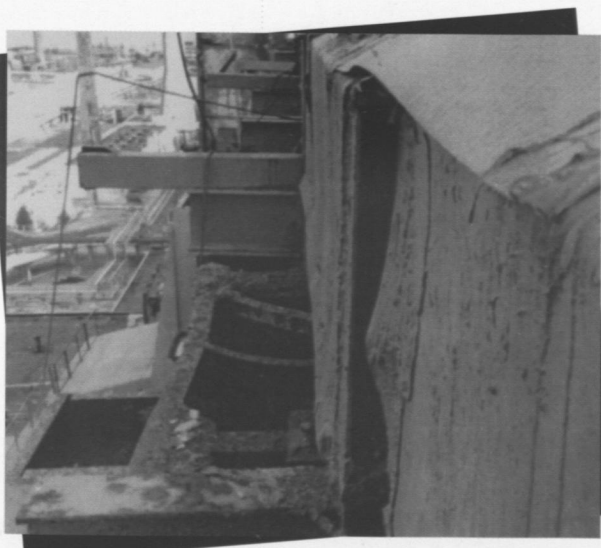


**Close-up view
of part of the
Soviet-built
Sarcophagus
around Chernobyl,
Unit 4.**



Safety

The work program to stabilize and secure the sarcophagus around the destroyed Unit 4 reactor at the Chernobyl nuclear power plant in Ukraine will be the focus of attention by the SIP (Shelter Implementation Plan) Assembly of Donors at the EBRD, including Canada. Several important decisions will require careful prior analysis since they could have a significant impact on how the work is completed. These decisions involve assessments of the shelter's structural stability, radiation shielding designs and development of containment strategies for radioactive materials.

Preparations for decommissioning the Chernobyl nuclear power plant (after the last unit is taken out of service in 2000), energy sector reform, conventional power plant rehabilitation, and other investment projects will remain the main issues for the comprehensive multilateral program supporting the closure of the Chernobyl nuclear power plant.

Safety improvement projects for operating Russian nuclear plants will continue and will require close attention by G7 countries and other donors to EBRD's Nuclear Safety Account to assist the Russian Federation in ensuring timely completion of the projects. The introduction of comprehensive safety assessments for the long-term licensing of Russian nuclear power plants will require a determined and co-operative approach by all participants.

Canada continues to consider the possible use of a mixed-oxide (MOX) fuel in CANDU reactors in Canada to aid in disposing of weapons-grade plutonium designated by the United States and the Russian Federation as no longer required

for defence purposes. The Americans also are examining disposition of their own weapons-grade plutonium using a combined approach of immobilizing a certain portion in ceramic logs and of consuming another portion by using MOX fuel in existing domestic nuclear power reactors.

The Russian Federation is expected to require international assistance in building a MOX fabrication plant. Various possibilities are being developed bilaterally and multilaterally with the Russians. A consolidated business plan, with private sector involvement, is being developed for consideration by the G-8 in 1999.

Possible further Canadian activity on MOX issues now depends on the plans of the two nuclear weapons states. Nevertheless, Canada will continue to encourage the early implementation of programs to address the safe and secure disposition of surplus weapons-grade plutonium.