



The International Framework for Nuclear Energy Cooperation (IFNEC)

Joint Statement

3rd Executive Committee Meeting

Marrakech, Morocco

October 10th, 2012

IFNEC held its third Executive Committee Meeting (since its transition from the Global Nuclear Energy Partnership) in Marrakech, Morocco on October 10th, 2012. Ministers and other senior representatives from 30 countries addressed issues regarding the peaceful use of nuclear energy in a manner that is safe and secure. The Executive Committee welcomed Kenya and Bahrain to IFNEC as full Participants, and Saudi Arabia and Moldova as new Observer countries, increasing IFNEC to 32 Participant countries and 31 Observer countries.

The Framework recognizes that international cooperation is an important reinforcing element to the safe and secure global development of peaceful uses of nuclear energy, as well as the strengthening of public confidence, and the important role of the IAEA in international cooperation in the peaceful uses of nuclear energy.

In this respect the Executive Committee:

- Strongly supports the continued and very important international discussions and exchanges of information on nuclear safety, recognizing the key role of the International Atomic Energy Agency's (IAEA) Nuclear Safety Action Plan and its efforts to facilitate lessons learned from the accident at the Fukushima-Daiichi nuclear power station of Tokyo Electric Power Company;
- Welcomes the actions taken by various countries, based on lessons learned and other expert-based exchanges of information, to enhance and strengthen the safety of their respective nuclear facilities as well as their emergency preparedness; and
- Notes the role of Japan as part of the international community's efforts to address lessons learned from the Fukushima Daiichi accident and hosting, in co-sponsorship with the IAEA, "The Fukushima Ministerial Conference on Nuclear Safety." The Conference will be convened in the Fukushima Prefecture from December 15-17th, 2012. This conference is expected to provide further opportunities to discuss lessons learned from the Fukushima Daiichi accident and strengthen nuclear safety worldwide.

Steering Group Report on the IFNEC London Finance Workshop

The Steering Group Chair and the Moderator of the IFNEC London Finance Workshop reported to the Executive Committee on the first-of-its-kind IFNEC Finance Workshop held in London on May 9-10th, 2012. The workshop brought together a unique gathering of key global nuclear financial stakeholders who participated in the exercise-based format. These included two leading credit rating agencies; the world's largest commercial banks; leading nuclear reactor vendors; global insurance companies; the world's largest energy utilities; a number of export credit agencies; government energy planning authorities; and regulatory, technical, economic, and legal experts. The objectives of the workshop were to gain a stronger understanding of the challenges and opportunities associated with the financing of nuclear power projects, to create a forum in which major private and government stakeholders were able to discuss these matters, and to identify specific actions IFNEC

countries could consider taking, individually or collectively, to further address the challenges and opportunities of nuclear financing.

The Executive Committee:

- Takes note of the IFNEC Finance Workshop *Final Summary Report* that was presented at this meeting.
- Recognizes that the workshop yielded three key findings:
 - The importance of an effective, independent nuclear regulatory body, which provides risk mitigation that could have a positive impact on the availability of funds, lending rates, ratings of nuclear project sponsors, and insurance premiums;
 - The essential role of the host government's commitment and support; and,
 - The need for a sound full life-cycle business/project plan to underpin civil nuclear power development.
- Recognizes that a number of proposed actions that arose from Workshop discussions are aimed at minimizing identified barriers to financing nuclear projects and maximizing potential opportunities related to finance and are actions that IFNEC Participant countries may consider taking, individually or collectively.
- Recognizes the value of private and government stakeholder-wide collaboration and as such provides added value to IFNEC Participant countries and others.
- Directs IFNEC Steering Committee to continue discussions of these issues in close cooperation with the IAEA, including discussion between the regulatory community and the financial community.

Report of the Joint Meeting of Reliable Nuclear Fuel Services Working Group and the Infrastructure Development Working Group

The Executive Committee received the report on the joint meeting of the Reliable Nuclear Fuel Services Working Group (RNFSWG) and the Infrastructure Development Working Group (IDWG) held in Texas on July 18th, 2012. The purpose of the joint meeting was to review the comprehensive fuel services (CFS) discussion paper and CFS discussion under the 4th Review Meeting of the Joint Convention on the Safety of Spent Fuel Management and on the Safety of Radioactive Waste Management held in Vienna in May 2012. The proposed CFS concept envisions a flexible framework where comprehensive, reliable and commercially-based services are available, such as in emerging market countries where a range of options for fuel supply, used fuel management, and ultimate disposal services could be made available.

The Executive Committee:

- Recognizes that there are multiple participant country views and industrial approaches as to how CFS could support global expanded access to nuclear energy without increasing proliferation risks. A key aspect of CFS is how consolidated, commercially-based front and back-end fuel services are made available, including possible public-private business models. Recognizes that IFNEC Participant countries and the Contracting Parties of the Joint Convention continue discussions on comprehensive approaches to the back-end of the fuel cycle.
- Recognizes that one of the greatest challenges to realizing CFS-type services is the development of the conditions necessary for a country to be able to serve as a host location and operationalize back-end fuel recycling and/or storage and disposal services for used fuel and ultimate waste as well as acceptance by domestic stakeholders. Due consideration should also be taken on adequate sharing of liabilities between host country and customer countries.
- Recognizes that great deference and respect must continue to be given in discussion of this issue with countries which potentially can implement a CFS approach, taking into account the viewpoints of various stakeholders interests.

- Directs the two WGs to continue working together on the Discussion Paper.

Report of the RNFSWG

The Executive Committee received a report from French and Japanese Co-Chairs on the RNFSWG, which met in Kozloduy on November 8-9th, 2011 and in Texas on July 16-17, 2012. Of topical interest, the Japanese representative provided a report on its current energy policy situation, an update on the Fukushima Daiichi accident, and on the approval of a law to establish a new regulatory authority. Several other country members also made presentations on their current nuclear energy and uranium programs, including the U.S., U.K., Canada, as well as France which reported on its evaluation of nuclear power generation cost.

There was a proposal that a workshop be held in 2013 to seek the participation of both industry and emerging nuclear countries in the analysis of the CFS concept, including the conclusions and recommendations contained in the CFS paper. Participation in such a workshop could significantly advance the development and understanding of the CFS concept and clarify key technical, operational and policy issues. A key recommendation in the CFS paper is the development of a Model Agreement for back-end fuel services. Interactions with industry and emerging countries need to be based on further development of the approach and process related to the Model Agreement recommendation, which is under consideration.

The Executive Committee:

- Recognizes the progress on the CFS discussion paper and the value of holding a workshop in 2013. It directs RNFSWG to continue exploring various approaches to CFS-type services and to hold such a workshop and to place particular emphasis harmonizing the participants' constructive contributions and perspectives as part of the process.

Report of the IDWG

The Executive Committee received a report from the United Kingdom and the United States Co-Chairs on the IDWG, which met on October 31-November 1st, 2011, in Vienna and July 17-18th, 2012, in Texas. The report highlighted the work that has been done over the past year in the IDWG, including the Emergency Preparedness Workshop held on November 1st, 2011, with the participation of the IAEA, in response to the Fukushima Daiichi accident. At the Texas meeting, additional sessions were held on the status, development and safety features of Small Modular Reactors (SMRs), human resource development (HRD) post-Fukushima Daiichi, radioactive waste management, and safeguards and security.

The Texas meeting provided an opportunity to discuss in-depth a number of issues related to infrastructure development. In a discussion on SMRs, several countries (vendors) presented their current status of development and emphasized the importance of passive reactor safety systems, such as the natural circulation of reactor coolant. During the HRD panel, the IAEA reported on the implications of the Fukushima Daiichi accident on human resource development; including an observation that there has been a reduction in the number of trainees who are interested in nuclear energy. Additionally, the Nuclear Radioactive Waste Sub-group received a report on the recommendations of the Blue Ribbon Commission, established by the U.S. Secretary of Energy at the request of the President, and discussed ways in which this might relate to international cooperation. The Texas meeting also addressed the need for nuclear education to include the study of safeguards and security as well as safety.

The Executive Committee:

- Recognizes the progress of the IDWG and directs it to continue sharing lessons learned

and promoting best practices to support infrastructure development necessary for the safe and secure use of nuclear energy for peaceful purposes.

- Notes the progress of development of SMRs and the importance of passive reactor safety systems in new designs.
- Emphasizes the importance of continued work in areas of human resource development, particularly in the wake of the Fukushima Daiichi accident; and
- Acknowledges the importance of integrating nuclear safety and security as well as the IAEA safeguards requirements into nuclear infrastructure planning.
- Welcomes the level of interaction between the IDWG and IAEA and took note of the possibilities of additional cooperation in areas of mutual interest.