

EMBARGOED UNTIL DELIVERY

SPEECH BY THE PRESIDENT OF THE FRENCH REPUBLIC

**OPENING THE INTERNATIONAL CONFERENCE
ON ACCESS TO CIVIL NUCLEAR ENERGY**

OECD – Paris – Monday, 8 March 2010

Mr Secretary-General of the OECD,
Mr Director General of the IAEA,
Mr President of the European Commission,
Honourable Ministers,
Ladies and gentlemen,

I would like to start by thanking the OECD and its Nuclear Energy Agency for hosting this conference and for their work every day to build a stronger, sounder and fairer world economy.

Nowadays, we commonly hear that we are on the threshold of a new nuclear age, which is to be the “Renaissance” of nuclear energy.

The analogy with this glorious period of European history, some 500 years ago, is bound to give rise to much debate. But there are some common features, such as questioning old ways of thinking and irrational fears, and having faith in science and technology.

It is up to us to turn this rediscovery of nuclear energy into an opportunity for progress and cooperation by mankind.

The history of nuclear energy has been closely intertwined with the history of contemporary France, ever since Henri Becquerel discovered radioactivity in 1896. In the nineteen-seventies France made a historic choice to create a complete nuclear energy industry for massive electricity production. At the time, this was not an obvious choice. It took exceptional vision and determination.

As governments came and went, they all backed this choice. Today, France has 58 reactors and is committed to the third-generation EPR. France produces 80% of its electricity with its nuclear reactors and is continuing its research and cooperation efforts with many countries to produce safer and more efficient reactors in the future, to recycle spent fuel and manage waste, and to conduct medical research.

In the longer term, we have launched the massive ITER fusion power research programme with seven partners representing some 34 countries. Construction will start in June.

France's lead does not confer any special privileges. But it does give our country a duty to share its experience with all countries wishing to start or resume civil nuclear energy programmes.

For this reason, I suggested a meeting of Energy Ministers in cooperation with the IAEA and the OECD. The countries gathered here today, which already have nuclear energy or hope to obtain it, the international organisations and the industry players, all have experiences and aspirations to share. I would like this forum to be an opportunity for all of us to benefit from each other's points of view.

After that, our task will be to trace out the road ahead and contribute to the international discussion. The important task today is to send the world a message about our shared determination to make civil nuclear energy a tool for peace, cooperation and prosperity. And to ensure that the coming nuclear world is, if I may be so bold as to use the word, a safe and stable one.

Ladies and gentlemen,

The global issues of energy security and climate change provide a starting point for our discussions.

The global population is growing in size and wealth. Our world's energy needs are increasing. The International Energy Agency foresees a 40% increase in energy needs by 2030. Oil and gas resources are limited and will be more and more costly to use. The ideologies calling for reversing growth and progress offer no solutions. The solution lies in diversification, rationalisation and scientific and technological progress.

Climate change is the top priority. "Our house is on fire", to recall the expression that Jacques Chirac used in 2002. We must do everything we can to save it. The quasi-theological opposition between nuclear energy and renewable energy sources is out of date. We need both. Of course, nuclear energy cannot reverse climate change on its own, but it will be necessary. It is a lie or an illusion to say otherwise.

I would also like to point out that 80% of the increase in electricity consumption between now and 2030 will come from countries that are not members of the OECD. Achieving energy balance in the future will require nuclear energy to be successfully implemented in new countries. Otherwise, we will face all of the consequences, including rapid depletion of fossil fuel resources, faster global warming, and increasing social and political turmoil.

So let us put aside stereotypes and suspicions of ulterior motives. The countries of the world are not divided between those with nuclear technology, jealously guarding their privileges, and those demanding a right that the others are denying them.

On the contrary, I think that nuclear energy can be the cement that binds a new form of global solidarity. It is in our common interest to work together to organise our interdependence.

And I really mean working together, because, from mining fuel to managing waste, and in every other phase of the fuel cycle, each of us will need the others.

Some countries have chosen to reject nuclear energy or to stop using it. They have every right to make this choice. But our choice is to look ahead. In so doing, we will serve the cause of mankind by reducing pressure on fossil fuel resources and cutting CO2 emissions.

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Ladies and gentlemen,

I would like to send a message to all those countries wishing to start or resume nuclear energy programmes.

Your countries will face major choices. And not just for a few years, but for centuries.

The choice will be a political one, since governments will play a crucial role.

It will be a scientific commitment, since generations of technicians, engineers and researchers will have to be trained and employed.

It will be a financial commitment, since the initial investment will have to be followed by investment in modernising and then decommissioning plants.

It will be a commitment to safety and security, since you will be accountable to your citizens and the international community for the risk of accidents, the risk of militarisation and the risk of terrorism.

Some will say, or at least think, that this or that country is not up to the task. This type of prejudice stems from a distain for others that is no longer tolerable since nuclear accidents have occurred in "northern" countries. My conviction lies in the opposite direction, as long as countries decide to work together over time and have a shared vision.

The basis for success will be political will. An unwavering commitment from our governments will be required. This is because there are responsibilities that only governments can assume with regard to public opinion and future generations.

I would now like to present to you, in the name of France, the points that we feel are critical for a successful nuclear energy renaissance.

1/ It starts with financing. My first proposal is to eliminate the ostracism of nuclear energy in international financing.

Civil nuclear energy is an economic choice. Nuclear energy economics are based on a very substantial initial investment of billions of euros and very low operating costs. This calls for long-term financing at a reasonable cost. For many countries, this is a major obstacle to access to civil nuclear energy.

Frankly, I do not understand why international financial institutions and development banks do not finance civil nuclear energy projects. The current situation means that countries are condemned to rely on more costly energy that causes greater pollution.

I propose to change this. The World Bank, the EBRD and the other development banks must make a wholehearted commitment to finance such projects.

Then there is the problem of allocating carbon credits through clean development mechanisms. Outdated ideology means that a country developing civil nuclear energy cannot obtain carbon credits. And yet, these credits are used to finance all other forms of decarbonised energy!

The consequences are increasingly rare and costly carbon credits, and distortion of developing countries' investment choices.

Therefore, I propose that CO₂ credits be used to finance all forms of decarbonised energy under the new global architecture after 2013.

2/ My second recommendation is to involve our citizens more closely in the projects.

Governments play a crucial role in this matter. They must win their citizens' confidence. Governments must convince citizens that they will do everything necessary to prevent risks and to protect the environment, health and living conditions.

The time when a nuclear plant, or any critical industrial plant, such as chemical or oil plants, could be imposed on the population with no regard for citizens' concerns is now in the past. This is a good thing.

Citizens need to be convinced through explanation, dialogue and, most importantly, transparency.

Because, secrecy is the main source of anxiety and rejection. The more transparent projects are, the more easily citizens will accept them. Companies in the nuclear industry learned this by doing and by making mistakes at times. We can share this experience, since a country that achieves a consensus on its energy plans is a stronger country.

3/ My third proposal is to make training a priority.

Countries wishing to acquire nuclear energy are very insistent about training because they know that it takes time to acquire the relevant expertise.

It is not merely a question of training engineers and technicians to run power plants, even though this is the crux of the matter.

Ultimately, each country has to master the scientific and economic aspects of building plants, project management and marketing electricity. I would also like to add that developing such training will also enhance countries' skills in the broader sense and contribute to their development.

Once again, we choose to be interdependent. It is in our mutual interest that nuclear energy be developed by well-educated men and women who are fully aware of the issues and the responsibilities involved.

France has already opened up to the world. The number of students has increased threefold since 2007. This year, our international masters programme includes students from all over the world, including Jordan, Poland, the United Arab Emirates, Argentina, China, India, Vietnam, Tunisia and Algeria. In 2009, the newly renamed Atomic and Alternative Energy Commission has more than 1,000 doctoral and post-doctoral students in its programmes, including 14% from North Africa.

This is a good thing. But we must do better.

Therefore, I have decided to step up our efforts by creating an International Nuclear Energy Institute that will include an International Nuclear Energy School. It will bring together the best teachers and researchers to provide very high quality education alongside the most modern plants and research centres at Saclay and Cadarache.

The Institute will be an integral part of the international network of specialised Centres of Excellence now taking shape. The first centre will be set up in Jordan. Other training centres are also being set up, such as the Franco-Chinese Nuclear Energy Institute, in cooperation with the University of Canton. Ultimately, I hope that a vast scientific network will take shape and bring together international efforts.

It takes time to build a nuclear industry and it takes even more time to create a scientific and technical nuclear culture. But, once the networks of schools, teachers and scientists are in place, they will play a critical role for progress and science.

Finally, I asked Bernard Kouchner to open up a large number of scholarships for nuclear studies, since money should not be a criterion for selecting students.

4/ My fourth proposal is to make safety a common priority.

Let us be clear, nuclear energy is not an ordinary thing. Even though all human activities carry risks: just think of the disasters and thousands of casualties caused by oil, coal, chemicals and gas!

Nuclear safety and security must be key concerns. This is not merely a domestic issue; it is a collective priority.

Thanks to unwavering vigilance, there has never been a significant nuclear accident in Western Europe. Just think of the global trauma induced by the accidents at Three Mile Island and Chernobyl.

We all need to comply with the highest safety standards and develop a safety culture. The task of supervision must be given to an independent safety authority. I do not subscribe to blindly following the precautionary principle, which usually leads to no action at all. But given the very real risks, we must apply the strictest standards.

We still need to make progress in Europe. In June 2009, we finally adopted a nuclear safety Directive. The European regulators are holding a conference in Brussels in 2011 to enhance cooperation. And plans for a European safety training institute are also on the table. It could become the first in an international network of nuclear safety experts.

In the regions where civil nuclear energy develops, this collective priority will come to the fore. Each of us can make clear commitments starting right now. I call on those countries that have yet to ratify the Nuclear Safety Convention and the Convention on the Physical Protection of Nuclear Materials to do so as soon as possible.

Safety is also the responsibility of manufacturers. Cooperating on nuclear energy means taking some moral responsibility for what happens to the reactors once they have been sold. Manufacturers should offer more efficient and safer reactors and they must refuse to let safety become an adjustable variable for business purposes.

Each country makes its own choices.

But to inform future decision-making, I would like to see an independent body, under the aegis of the IAEA, develop an international scoreboard based on indisputable science and technology for ranking the reactors on the market according to the safety criterion. This is the only way to ensure that each country can make its decisions rationally and transparently.

Ensuring nuclear security through protection against malicious acts, theft of materials and terrorist acts is a critical imperative. President Obama has invited several dozen countries to Washington next month to discuss these issues. The United Nations Security Council has already set out binding obligations in its Resolution 1540. It reiterated them in its Resolution 1887 last September. The more nuclear plants there are in the world, the more the Security Council's decisions will have to be strictly enforced.

5/ The fifth priority is compliance with non-proliferation.

Non-proliferation is a cornerstone of international security. Most of the countries in the world have signed the Non-Proliferation Treaty. But some countries have decided not to.

However, all responsible countries subscribe to the fundamental principle of the Treaty. A fresh arms race would not be in anyone's interest. Nobody wants to have a cheating country in its

neighbourhood. In recent years, several proliferating programmes have been halted. I would like to stress just how historic Libya's voluntary decision in 2003 was.

One cannot ask for civil nuclear energy cooperation, with the long-term partnership and responsibility that it entails, and then renege on international obligations.

That is why supervision of proliferation, enhanced IAEA inspections under the "Additional Protocol" and scrutiny of exports are necessary for the sake of all those countries, meaning the vast majority of countries, that are developing civil nuclear energy with no ulterior motives. And this is why a large number of countries, including those in the EU and the G8, have decided to suspend their nuclear cooperation with countries that do not comply with their obligations. This should be a global principle.

In my understanding of law and justice, a person who cheats does not have the same rights as an honest person. Therefore, France will be a steadfast defender of every country's right to access nuclear energy for peaceful purposes. It will be just as steadfast in its opposition to those countries that violate the standards for our collective security.

6/ My sixth point deals with access to nuclear fuel.

Given the scale of the investment and the lifetime of the projects, some countries are worried about the risk of interruption of fuel deliveries.

This vulnerability is a daily experience for countries like ours that have no oil or gas. We are at the mercy of price swings, crises and political decisions where we have no say.

Nuclear energy is already a more secure choice, under the auspices of a strong international organisation, the IAEA. Fuel producers and competing technology providers have not set up business cartels. This cooperative and regulated approach to nuclear energy needs to be preserved and enhanced.

Fuel supply security is now ensured by long-term agreements.

And yet, there is still concern. And it must be addressed. That is why we must establish supply safeguards through the IAEA. This will take the form of a collective commitment to have other suppliers step in if the supply is interrupted. To back up this commitment, we must create a fuel bank at the IAEA that will be financed through international contributions. The plans are ready and the financing exists, since the European Union, under the French Presidency, decided to contribute 25 million euros to complete the project.

I believe that it is in our common interest, and especially for countries accessing nuclear energy for the first time, to set up such mechanisms as quickly as possible.

Furthermore, if the number of reactors increases massively, the issue of building new enrichment or reprocessing plants to meet industry needs may come up. A few years ago, some countries wanted to prohibit new countries from acquiring these capacities on the grounds that they are dangerous per se. France rejects this approach. It would be an economic aberration as well as a violation of the legitimate right to develop energy for peaceful purposes.

The solutions are known to us. They rely primarily on economic reasoning. Under a peaceful programme, such plants are built when there is a real need, meaning when a large number of reactors warrants such plants. They should be built with complete transparency and subject to strict international inspections. Efforts should be made to make building them a cooperative project involving several countries. I would like all of the countries concerned to follow in Europe's

footsteps and open their future civil enrichment and reprocessing facilities to credible international partners.

Finally, a Fissile Material Cutoff Treaty is urgently needed and the IAEA needs to be given the means for enhanced scrutiny of sensitive technology.

7/ In conclusion, I would like to address the issue of spent fuel and final waste management.

For a country like mine, where dozens of nuclear power plants have been operating for decades, this is a critical issue. Countries need to make informed long-term choices and they have an eminent responsibility to do so from the outset.

Given the accumulation of spent fuel, some countries rely on long-term storage of waste. This is the choice of the United States, Sweden and Finland.

Other countries recycle their spent fuel. This is the choice of France, Russia and Japan. Recycling enables them to get the most value out of their uranium resources and reduces the waste that has to be stored to a minimum. We think that this is the most promising approach for the future. That is why France will continue to cooperate with many countries by making its reprocessing and recycling facilities available to them.

Ladies and gentlemen,

Responsible development of nuclear energy is a critical issue for the future of our planet.

The success of the nuclear energy renaissance will be a success for the world as a whole. France, which has already signed dozens of nuclear cooperation agreements, will play its full part. But, for the coming nuclear world to be stable, safe and prosperous, we will have to work together to achieve new nuclear governance. It should be based on an enhanced IAEA, and we are counting on Mr Amano for that, and on the affirmation of a collective vision.

I hope that your work, facilitated by Jean-Louis Borloo, will lay the foundations for this new world. I am anxious to know what they will be and to continue the dialogue that is starting today with each of your countries, institutions or companies.

Thank you.

