

## Information Circular

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# Communication of 10 June 2009 received from the Permanent Mission of the United Kingdom with regard to the International Nuclear Fuel Supply Conference: Securing Safe Access to Peaceful Power

The Secretariat has received a communication dated 10 June 2009 from the Permanent Mission of the United Kingdom of Great Britain and Northern Ireland, attaching a note from the United Kingdom and the final remarks of the Chairman of the *International Nuclear Fuel Supply Conference: Securing safe access to peaceful power*, held in London on 17 and 18 March 2009.

As requested in that communication, the note and final remarks are herewith circulated for the information of Member States.

**In a declaration which was circulated as INFCIRC/713 (17 September 2007), the Government of the United Kingdom joined the Governments of the Federal Republic of Germany and the Kingdom of the Netherlands in setting out their shared thinking on multilateral approaches to the nuclear fuel cycle. In this declaration, our three countries stated their willingness to contribute positively to IAEA discussions on this issue. Subsequently, in INFCIRC/728 (12 June 2008), the Government of the United Kingdom again joined the Governments of Germany and the Netherlands in sharing with Member States of the IAEA the results of a Conference the three countries organised in Berlin on 17-18 April, entitled "Nuclear Fuel Supply: Challenges and Opportunities".**

**As a follow up to this Conference, the United Kingdom hosted in London, on 17-18 March, an International Nuclear Fuel Cycle Conference, chaired by Mr. Bruno Pellaud, former DDG for Safeguards at the IAEA. On 1 April, the UK Mission hosted in Vienna a briefing for IAEA Member States on the discussions and outcome of the Conference.**

**The London Conference was attended by thirty-six countries representing all six continents and a cross section of current and potential users/beneficiaries of civil nuclear power, and representatives of the IAEA. The Prime Minister of the UK, Gordon Brown, opened the Conference with a speech in which he put multilateral nuclear disarmament, nuclear non-proliferation and the peaceful use of nuclear energy at the forefront of the global agenda. The Director General of the IAEA, Mohamed ElBaradei, followed this with a video message highlighting the importance of developing multilateral approaches to the nuclear fuel cycle on both economic and non-proliferation grounds.**

**During the Conference, participants discussed political and commercial aspects of the nuclear fuel cycle in an open and frank manner. The role of the IAEA was also discussed, and its importance in the further discussion, and development, of these issues was underlined and acknowledged by many. The Conference was broadly welcomed by participants as a useful forum for the sharing of best practice and for the development of a greater mutual understanding of the many issues involved. There was widespread agreement that any future multilateral nuclear fuel assurance or supply regime should be voluntary, non-discriminatory, non-political, not distort the commercial market (in any way) and not impinge on the rights enshrined in Article IV of the Non-Proliferation Treaty (NPT).**

**Attached to this Note, is a copy of the final remarks of the Chairman of the Conference. These remarks, made solely on the Chair's own authority, provide a helpful summary of the debate and may be of interest to Member States of the IAEA.**

**The United Kingdom believes that the Conference demonstrated the importance the UK attaches to the nuclear agenda and to building trust and cooperation on this important issue. It looks forward to continuing discussions on this with Member States of the IAEA.**



## Chairman's final remarks

We have reached the end of an interesting and fruitful review of the future shape of the nuclear fuel cycle. As noted several times throughout this Conference, the challenge we all face is to balance in a constructive way the two objectives that we are striving to maintain: assurance of fuel supply and services on the one hand and the assurance of the non-proliferation of sensitive technologies on the other hand.

Our deliberations - in particular in the working groups – have brought to light a number of shared views and ideas, as well as many individual proposals that would deserve further consideration.

1. Art. IV of the Treaty on the non-proliferation on nuclear weapons (NPT) remains of paramount importance. All participants strongly support States' rights under the NPT to the safe, secure and peaceful use of nuclear energy. All proposals involving the nuclear fuel cycle should not infringe on these fundamental rights.
2. Nevertheless, the proliferation risks associated with sensitive nuclear technologies (that is uranium enrichment and plutonium separation) are fully recognised, a concern that could be mitigated, if the number of such facilities, the number of countries with such facilities did not grow in step with nuclear power. It was noted that most States would not need these sensitive technologies to ensure the competitiveness of nuclear electricity. The view was expressed that economics should be the sole factor in the planning of such facilities. In fact, economy of scale is seen as an intrinsic incentive for multilateral cooperation.
3. If and when the world demand would call for it, a moderate expansion of enrichment and reprocessing services would be appropriate in order to maintain a fluid and competitive fuel cycle market. In the view of many Non-Nuclear Weapons States, a significant fraction of such expansion should take place outside the territories of Nuclear Weapons States.
4. The general concept of multilateral nuclear arrangements (MNA) was strongly supported by the majority of the participants. This would include placing sensitive technologies in an international context and adding backups to the fuel cycle, such as the proposed IAEA fuel bank (NTI Project), some extended fuel vendors guarantees, an international production facility (German proposal), or in the framework of multinational/regional facilities (e.g. Russian joint facility). All proposals sent to the IAEA in recent years have been valuable contributions to the MNA debate.

5. A number of participants noted with interest the view of the IAEA Director General that the next step would be to agree that all new enrichment and reprocessing activities should be placed exclusively under multilateral control, to be followed by agreement to convert all existing facilities from national to multilateral control.
6. There is strong support for an IAEA involvement based on the letter and spirit of Art. IX of its Statute (entitled "*Supplying of materials*"), if this is carried out with "material release criteria and mechanisms" that are non-political, non-discriminatory and in the spirit of Art. IX.
7. Many participants noted that most proposals have been formulated by major players of the nuclear fuel cycle. There is now the need to consider with priority the point of view of customer countries, old and new. Commercial aspects and even commercial incentives should also be looked at. The significance of release mechanisms in the hand of third parties (e.g. material flagging, group of governments or IAEA Board of Governors) and the need to avoid multilayer release criteria deserve full consideration.
8. If additional proposals or more details about existing proposals became available, many participants hoped that these would be forwarded to the IAEA in due time for consideration by the Board of Governors in its June 2009 session. The MNA momentum should be maintained in the coming months and possibly placed in the context of the 2010 NPT Review Conference.
9. Some participants expressed the view that the nature of the IAEA's involvement in the Russian Project at Angarsk should be finalised as soon as possible, now that the financial and organisational impact of the project are better understood. The NTI Project has reached its financial maturity thanks to many generous contributions (USA, European Union, United Arab Emirates, Kuwait and Norway); several participants looked forward to the IAEA Secretariat working out all the technical, commercial, legal and institutional details at the earliest possible time.
10. The proposal for a Multilateral Enrichment Sanctuary Project has been elaborated to a substantial level of detail by the German Government. It was suggested that the project be now pursued among an appropriate group of small and medium-size countries - with the objective of developing the industrial and financial model for the future undertaking.
11. A number of participants wished that the IAEA intensifies its activities in the MNA field. Suggestions included the creation of an ad-hoc Committee of the Board and/or of a technical-economical expert group with equal representation from suppliers countries and from Non-Nuclear Weapons States consumer countries.

Distinguished Ambassadors, Ladies and Gentlemen, those are the salient points that, I believe, reflect the interest of the Conference's participants for a future fuel cycle with an optimum balance between opportunities and risks. Multilateral nuclear arrangements can play a central role in this endeavour.

*Bruno Pellaud, Chairman of the Conference - Lancaster House, London, 18 March 2009*