

Rising Expectations and Effective Partnership

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Good morning.

Echoing what Director General Dr ElBaradei has just said, I would like to elaborate on two points: rising expectations for nuclear power and support for countries starting nuclear power programmes.

First he said: "if the nuclear renaissance happens". On the one hand, last year construction started on ten new reactors around the world. That is the highest number of construction starts in a year since 1985. On the other hand, the International Monetary Fund's latest World Economic Outlook Update expects output in advanced economies to contract by 2% in 2009.

Definitely the economic crisis will affect the nuclear industry.

At the IAEA, our job is not to predict the future but to prepare for it. To help prepare, we make annually two projections for nuclear power, a low and a high.

The low projection assumes that nuclear investment projects currently underway are implemented; that existing plants are retired as scheduled; and that current policies such as phase-outs of nuclear power are unchanged.

The high projection takes into account government and corporate announcements about longer-term plans for nuclear investments, and about relevant national policies, for example, to combat climate change.

This slide shows our high and low projections and how they have changed since 2003. Projections of previous years are generally lower than the projections of the following years.

The results are that in the low projection, the projected nuclear power capacity in 2030 is about 470 GW(e), in the high projection, nuclear capacity is about 750 GW(e), double today's capacity.

Why have projections gone up in the last five years? Will the increase disappear because of the economic crisis?

Usually a crisis brings rejuvenation, with innovative ideas and technologies. But it cannot change drivers such as energy demand, energy security, and climate change that are behind the growing interest in nuclear power.

Inequality in energy consumption per capita will feed growing energy demand.

Energy supply security may continue to be important today, and tomorrow.

Concerns about climate change will hardly be diminished. Rather than will grow due to limited possibilities for investing in carbon mitigation during the crisis.

All these factors increase prospects for nuclear power.

In addition to these external drivers, the nuclear industry contributes itself to rising expectations.

Performance of nuclear reactors has improved greatly since the 1980s, and the safety record is excellent.

Second is leading by example. There are major expansion plans in key countries like China and India and new policies and interest in nuclear power in countries like the UK, the USA and others.

Third is innovation. Nuclear power has great potential for innovation making this technology more economical, sustainable, safe and proliferation resistant. International projects, such as the Generation IV International Forum, INPRO and others, foster innovation.

The question is, will these drivers disappear due to the economic crisis? Or will they persist?

I believe they will persist.

My second point is IAEA support for countries starting nuclear power programmes. Many Member States have emphasised the IAEA's role in international coordination and support for countries considering the introduction of nuclear power.

The IAEA is in a special position as an independent, impartial and objective international organization. It is seen as a natural source of impartial guidance and information. Coordination through the IAEA to make effective use of resources,

and avoid duplication and gaps appears accepted by many countries and organizations. The IAEA is also responsible for verification and for producing standards for safety and security. It can strengthen international confidence in the ability of a recipient country to implement a nuclear power programme safely, securely and economically.

Coordination needs to be seen as beneficial by the recipients. It should encourage recipients to be active partners and assure that coordination:

- maximizes benefits for each country's development,
- ensures that international support is optimised,
- helps prioritise the use of its own resources, and
- builds international and mutual confidence in the country's nuclear programme.

The recipient State should be the focus of coordination. It is the only stakeholder that can provide a full picture of all support and assistance it receives.

Any lack of information about the assistance supplied, or the country's needs, can lead to inefficiency and conflicting advice. Both suppliers and recipients need to be encouraged to share information.

It may be appropriate to bring together different stakeholders to develop principles for assistance and to consider jointly the assistance they are providing to individual countries and how all available resources can most effectively be used. While keeping the focus on recipient countries, a comprehensive forum where all countries considering and implementing national nuclear programmes could share their experiences might be desirable. It could also benefit from the participation of countries with mature nuclear power programmes.

I said at the outset that our job at the IAEA is not to predict the future but to prepare for it, including through assistance to countries embarking on nuclear power. But preparation is a job for all of us. The IAEA should be prepared, the nuclear industry should be prepared, and governments should be prepared for, in particular, growing future energy demand and a significant expansion in nuclear power.

This conference is an important and timely part of being prepared. I join the Director General in congratulating the organizers for their initiative and in wishing you every success.