International Framework for Nuclear Energy Cooperation (IFNEC)

www.ifnec.org

IFNEC activities related to Supplier and Customer Countries

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Head of IFNEC Technical Secretariat, on behalf of

Fumikazu Sato, Japan, and Amb. Rafael Grossi, Argentina,
Co-chairs of the Nuclear Supplier & Customer Countries Engagement Group

IFNEC-sponsored session “Challenges for a Robust and Secure Nuclear Supply Chain: Globalisation, Localisation, Oversight and Safety Culture”
IFNEC Statement of Mission

“The International Framework for Nuclear Energy Cooperation provides a forum for cooperation among participating states to explore mutually beneficial approaches to ensure the use of nuclear energy for peaceful purposes proceeds in a manner that is efficient and meets the highest standards of safety, security and non-proliferation. Participating states would not give up any rights and voluntarily engage to share the effort and gain the benefits of economical, peaceful nuclear energy.”

- Adopted June 16, 2010 in Accra, Ghana
IFNEC Organisational Structure

EXECUTIVE COMMITTEE
Ministerial-level Officials or Designees
Chair 2019: United States

STEERING GROUP

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INFRASTRUCTURE DEVELOPMENT WORKING GROUP

RELIABLE NUCLEAR FUEL SERVICES WORKING GROUP

NUCLEAR SUPPLIER and CUSTOMER COUNTRIES ENGAGEMENT GROUP

NEA TECHNICAL SECRETARIAT (funded by IFNEC members)

2019 VI Int Nuclear Power Plants Summit, Istanbul, 5-6 March 2019
IFNEC Output (available on www.ifnec.org)
IFNEC Upcoming Publications (will be available on www.ifnec.org in 2019)

New Challenges Facing Nuclear Regulators
An Infrastructure Development Working Group Workshop

Summary report
28-29 May 2018
Boulogne-Billancourt, France

Approaches to Financing a Multinational Repository
A Reliable Nuclear Fuel Services Working Group Workshop

Summary report
11 December 2018
Paris, France
Nuclear Supplier and Customer Countries Engagement Group (NSCCEG)

Objectives:
Analyze the current situation and relationships between Supplier and Customer countries, and identify areas of mutual cooperation that can be beneficial to the overall IFNEC mission (… highest standards of safety, security and non-proliferation)

Scope:
- Customer and Supplier countries’ responsibility towards safety, human resource development (safety culture) and infrastructures.
- Project Development, including supply chain and localization.
- Innovative approaches to financing and refinancing, including private sector and multilateral development banks
- Public Acceptance and Accountability.

2019 VI Int Nuclear Power Plants Summit, Istanbul, 5-6 March 2019
Customer views on localization:

- Localization represents expectations: create jobs / boost the economy / improve public support for nuclear projects
- Communications are needed to assure that Customer expectations align with Supplier commitments
- A significant part of localization involved Customer investment in preparations to support local content: training, local business development assistance, understanding requirements
Supplier views on the supply chain and localization:

- Localization can increase costs & risks but can make sense if the Customer is willing to invest to increase local content

- Suppliers vary widely in approach from “we buy where we build” (localization), to global sourcing strategies that can include local content

- Supplier favor a diverse supply chain that promotes competition and supports efficiency

- Quality Assurance is a critical issue in selecting sources

- Customers can increase local content by investing and assuming some of the risk
Regulators views on supply chain and localization:

- The regulators operate with a variety of relationships with other regulatory bodies and are directly involved in inspections to monitor the quality programs of vendors and the many sources of supply.
- There remains an important role for industry bodies to promote qualification / self assessment [see other industrial sectors, eg aeronautics]

For more in-depth discussion on oversight issues, also see NEA/CNRA - MDEP Workshop (Nov 2018) [see https://www.oecd-nea.org/nsd/workshops/nscm2018/]

NSSCEG Supply Chain Conference (Nov. 2017) (Paris)
Conclusions: (1/2)

• Suppliers have robust procurement and qualification programs with multi-step processes that involve pre-selection, pre-qualification and qualification. Vendors invest their own resources both during the qualification process as well as in maintaining the supply chain. Because of this investment, suppliers are looking for long-term relationships.

• Best practices for suppliers
  - long-term relationships;
  - well-tested process for qualification;
  - appropriate level of oversight;
  - establishing and growing local presence;
Conclusions: (2/2)

• What can customer countries do to help?
  - assist vendors with their early investment in the customer country – consultancy contracts;
  - invest in local supplier education and qualification;
  - invest in overall nuclear infrastructure development, including regulatory infrastructure;
  - understand vendor qualification requirements, communication with vendors on areas where localization can be of benefit to the project
On 12 Nov. 2018, the NSSCEG and the IDWG held a joint meeting on “Safety and safety culture and the importance of training” in Tokyo, Japan.

- The IDWG session focused on the role of international organisations (NEA, IAEA, WANO) in promoting safety and safety culture
- The NSCCEG session focussed on the role of bilateral (ie: government/government; industry/industry) frameworks to promote safety and safety culture. Speakers from FR, JP, CN, KR, RF
  - Importance of long-term relationships / partnerships to ensure success
  - Importance of training - and training the trainers
  - Importance of “hands-on” experience vs generic training
  - Feedback from the customer to the supplier (sometimes, the customer may become the supplier in the future)
Today’s session

- Global Supply Chain Oversight Challenges
  - China: Mr Zhang, China NEA
  - Czech Republic: Mr Hruby, Czech Power Industry Alliance

- Advancing Early Integration of Safety Culture in the Supply Chain
  - Turkey: Mr Ceylan, TAEK

- International cooperation
  - WNA: Mr Greg Kaser

- Developing Supply Chain Services
  - France: Mr Ben Aoun, GIFEN
  - Turkey/France: Ms Ercengiz Ata Freight/ Mr Boudoux GEODIS

- Q&A

- Quality
- Certification
- Efficiency
- Training
- Safety culture
- Importance of relationships between suppliers/customers