

AGREEMENT
between the Government of the Russian Federation
and the Government of the Republic of South Africa
on Strategic Partnership and Cooperation in the Fields of Nuclear Power and
Industry

The Government of the Russian Federation and the Government of the Republic of South Africa, hereinafter jointly referred to as the “Parties: and separately as a “Party”,

Recognising that both States are members of the International Atomic Energy Agency (hereinafter referred to as “the IAEA”) and the Nuclear Suppliers Group, as well as parties to the Treaty on the Non-Proliferation of Nuclear Weapons as of July 1, 1968,

Guided by the Agreement between the Government of the Russian Federation and the Government of the Republic of South Africa on Cooperation in the field of Peaceful Uses of Nuclear Energy as of November 20, 2004,

Taking into account the intentions of the Government of the Republic of South Africa for the implementation of the large-scale national plan for the power sector development, involving the construction by 2030 of new nuclear power plant (hereinafter referred to as “NPP”) units in the Republic of South Africa,

Noting the rights and obligations of the Parties under the Agreement between the Government of the Russian Federation and the Government of the Republic of South Africa on Promotion and Reciprocal Protection of Investments as of November 23, 1998,

Referring to the Joint Presidential Statement on establishment of comprehensive strategic partnership between the Russian Federation and the Republic of South Africa on March 26, 2013,

Aiming to further expand and deepen the mutually beneficial economic, scientific and technical cooperation between the Russian Federation and the Republic of South Africa in the fields of nuclear energy and industry for purposes of peaceful use, based on the principles of equality, non-interference in the internal affairs and respect of the sovereignty of both States,

Proceeding from the belief that the contractual and legal confirmation of the strategic partnership in nuclear energy will encourage cooperation in other fields between the Russian Federation and the Republic of South Africa

Hereby agree as follows:

Article 1

This Agreement creates the foundation for the strategic partnership and cooperation in the fields of nuclear power and industry for purposes of peaceful use between the Parties, aimed at the successful implementation of the national plan for the power sector development of the Republic of South Africa, based on the principles of equality and mutual benefit.

Article 2

Cooperation under this Agreement shall be conducted in strict accordance with the laws of each Party state, as well as international treaties to which the states are parties.

Article 3

The Parties shall develop strategic cooperation and partnership in the following areas:

- (i) development of a comprehensive nuclear new build program for peaceful use purposes in the Republic of South Africa, including enhancement of key elements of nuclear energy infrastructure in accordance with IAEA recommendations,
- (ii) design, construction, operation and decommissioning of NPP units based on the VVER reactor technology (hereafter 'VVER') in the Republic of South Africa, with total installed capacity of up to 9.6 GW,
- (iii) design, construction, operation and decommissioning of a multi-purpose research reactor in the Republic of South Africa,
- (iv) development of joint business in production and subsequent realisation of radioisotope products on the international market, including usage of the capacity of the multi-purpose research reactor planned for construction in the Republic of South Africa,
- (v) enhancement and implementation of the program on the development of South-African human resources for work at the nuclear facilities, including NPPs, in the Republic of South Africa,
- (vi) support the enhancement of the regulatory framework in the field of nuclear and radiation safety in the Republic of South Africa, including development of relevant legal base, licensing system and regulation,
- (vii) strengthening of nuclear radiation safety system in the field of peaceful uses of nuclear energy in the Republic of South Africa,
- (viii) support the enhancement of the industrial base development program essential for the re-development of nuclear energy in the Republic of South Africa,
- (ix) localisation of the manufacture of components for the NPP equipment in the Republic of South Africa,
- (x) assist in the integration of the developed nuclear joint manufacturing capacities and capabilities in the supply chain as well as for the joint marketing and development of other world markets,
- (xi) enhancement of security and assurance of physical protection of nuclear facilities in the Republic of South Africa,
- (xii) development and implementation of nuclear and radiological emergency response system in the Republic of South Africa,
- (xiii) radioactive waste management in the Republic of South Africa,
- (xiv) servicing the initial stage of the nuclear fuel cycle that is guaranteed to meet the needs of the new NPP units to be constructed in the Republic of South Africa, including the accession of the interested organisation in the Republic of South Africa to the International Uranium Enrichment Centre,
- (xv) support of the research work to identify the sites for construction of NPPs in the Republic of South Africa,
- (xvi) cooperation in other fields, which can be agreed upon by the Parties in writing through diplomatic channels.

1. The Parties shall cooperate in areas as outlined in Article 3 of this Agreement necessary for the implementation of priority joint projects for construction of two new NPP units with VVER reactors with the total capacity of up to 2,4 GW at the site selected by the South African Party (either Koeberg NPP site, the Thyspunt site or the Bantamsklip site) and other NPP units of total capacity up to 7,2GW at other specified sites in the Republic of South Africa as well as for construction of a multi-purpose research reactor at the research center located at Pelindaba, Republic of South Africa. The mechanism of the practical implementation of these priority projects will be governed by separate intergovernmental agreements, in which the Parties shall agree on the sites, parameters and installed capacity of NPP units planned to be constructed in the Republic of South Africa.

2. The Parties shall create such conditions for the timely issue of permits (licenses) for the design, construction, commissioning, operation and decommissioning of nuclear power and industrial facilities, as well as related export and import of plant, equipment, technologies, nuclear and radioactive materials, special non-nuclear materials and services in the field of peaceful uses of nuclear energy in accordance with the national legislation of each of the Parties.

Article 5

1. For the purpose of implementing this Agreement each Party shall designate competent authorities:

For the Russian Party the Competent Authority shall be the State Atomic Energy Corporation "Rosatom" (for all areas of cooperation) and the Federal Service for Ecological, Technological and Nuclear Supervision (for assistance in development of the regulatory framework in the field of nuclear and radiation safety in the Republic of South Africa, including the development of the relevant statutory framework, and the system of licensing and supervision);

For the South-African Party the Competent Authority shall be the Department of Energy of the Republic of South Africa.

2. The Parties shall promptly notify each other in writing through diplomatic channels of any change of Competent Authorities, their names and functions or appointment of new Competent Authorities.

Article 6

1. The Parties shall establish a Joint Coordination Committee to provide guidance, to coordinate and to control the implementation of this Agreement.

2. Each Party shall appoint the representatives of the relevant executive authorities to the Joint Coordination Committee.

3. Representatives of the Parties' Competent Authorities shall be appointed as the co-chairs of the Joint Coordination Committee. The co-chairs shall develop and agree on the Terms of Reference for the Committee.

4. Three years after the entry into force of this Agreement the co-chairs of the Joint Coordination Committee shall conduct a comprehensive review of the implementation of this Agreement and provide appropriate recommendations to the Competent Authorities regarding further implementation of the Agreement.

Article 7

Cooperation in areas as specified in Article 3 of this Agreement, shall be

subject to conditions set forth in separate agreements between the Parties, the Competent Authorities, as well as by agreements (contracts) between Russian and (or) South African authorized organizations, which are involved by the Competent Authorities of the Parties for the implementation of cooperation in the framework of this Agreement. The Competent Authorities of the Parties can, by mutual consent, involve third countries' organizations for the implementation of particular cooperation areas under this Agreement.

Article 8

The sources and mechanism of financing of the activities within the implementation of cooperation areas as outlined in Article 3 of this Agreement will be determined on the basis of consultation and laid down by separate agreements between the Parties.

Article 9

For the purpose of implementation of this Agreement the South African Party, in accordance with its national laws, will facilitate the provision of special favorable treatment in determining the amount of tax and non-tax payments, fees and compensation, which will be applied to the projects implemented in the Republic of South Africa within the areas of cooperation as outlined in Article 3 of this Agreement.

Article 10

Implementation of the areas of cooperation provided for in Article 3 of this Agreement shall be based on the principles of gradual increase as shall have been mutually agreed by the Competent Authorities of the Parties. The conditions of the scope of delivery of the equipment, materials and services necessary for the projects developed and implemented under the present Agreement shall be provided by South African companies as well as by joint ventures to be established for this purpose.

Article 11

The conditions for the protection and distribution of the Intellectual Property rights shall be determined in agreements between the Parties and agreements (contracts) between Russian and (or) South African authorized organizations concluded in accordance with Article 7 of this Agreement.

Article 12

1. Information specified as STATE SECRET of the Russian Federation or CLASSIFIED INFORMATION of the Republic of South Africa shall not be exchanged under this Agreement.

2. Information transferred under this Agreement or created from the implementation thereof and regarded by the transferring Party as CONFIDENTIAL shall be clearly identified as such.

3. The Party transferring the information under this Agreement shall mark such information in the Russian language as 'Для служебного пользования' and in English language as "CONFIDENTIAL".

4. The Party receiving information marked in the Russian language as 'Для служебного пользования' and in English language as "CONFIDENTIAL" shall protect it at a level equivalent to the level of protection applied by the transferring Party to such information. Such information shall not be disclosed or transferred to a third party without the express written consent of the transferring Party.

5. The Parties shall limit the number of persons who have access to information which the transferring Party regards as confidential.

6. Such information shall be treated in the Russian Federation as official information of limited distribution and shall be protected in accordance with the legislation of the Russian Federation.

7. Such information shall be treated in the Republic of South Africa as «RESTRICTED INFORMATION» and shall be protected in accordance with the legislation of the Republic of South Africa.

8. The information transmitted in accordance with this Agreement shall be used exclusively for the purposes specified in this Agreement.

Article 13

1. Exporting of nuclear materials, equipment, special non-nuclear material and relevant technology, as well as dual-use materials (goods) under this Agreement shall be in accordance with the Parties' obligations, arising from the Treaty on the Non-proliferation of the Nuclear Weapons of 1 July, 1968 and other international treaties that contain provisions on export control to which the Russian Federation and/or the Republic of South Africa are parties.

2. The nuclear materials, equipment, special non-nuclear materials and relevant technologies received by the Republic of South Africa under the present Agreement as well as the nuclear and special non-nuclear materials, facilities and equipment based on them or produced as a result of their use:

(i) shall not be used for producing nuclear weapons and other nuclear explosive devices or achieving a military purpose;

(ii) shall be under the IAEA safeguards in accordance with the Agreement between the Government of the Republic of South Africa and the International Atomic Energy Agency for the Application of Safeguards in connection with the Treaty on the Non-Proliferation of Nuclear Weapons of 16 September 1991 (INFCIRC/394) throughout their stay on the territory and under the jurisdiction of the Republic of South Africa;

(iii) shall be secured with the measures of physical protection on the level no lower than the levels recommended by the IAEA's *Physical Protection of Nuclear Material and Nuclear Facilities* (INFCIRC/225/Rev.5);

(iv) shall be re-exported or transferred from the jurisdiction of the Republic of South Africa to any other state only on advance written permission from the Russian Federation according to the specified conditions.

3. Nuclear material transferred to the Republic of South Africa under this Agreement shall not be enriched to 20% or more in the isotope uranium-235.

4. Nuclear material transferred to the Republic of South Africa under this Agreement shall not be enriched and reprocessed without prior written consent of the Government of the Russian Federation.

5. The equipment and materials (goods) of dual purpose and relevant technologies received from the Russian Federation under the present Agreement and all their reproduced copies:

(i) shall be used only for the declared purposes, unrelated to development of nuclear explosive devices;

(ii) shall not be used for nuclear fuel cycle activities that are not subject to the IAEA safeguards;

(iii) shall not be copied, modified, re-exported or transferred to a third party without written permission from the competent authority of the Russian Party issued in accordance with the laws of the Russian Federation.

6. The Parties shall cooperate on matters of export control of equipment, material (goods) and relevant technologies. Control over the use of supplied nuclear and special non-nuclear materials, equipment and relevant technologies shall be exerted in a manner agreed upon through consultations between the Parties.

Article 14

Technology and facilities for chemical reprocessing of irradiated fuel, isotopic uranium enrichment and heavy water production, their major components or any items produced thereof, as well as uranium enriched to 20 percent or more in uranium-235, plutonium and heavy water shall not be transferred under this Agreement.

Article 15

1. The authorized organization of the South African Party at any time and at all stages of the construction and operation of the NPP units and Multi-purpose Research Reactor shall be the Operator of NPP units and Multi-purpose Research Reactor in the Republic of South Africa and is solely responsible for any damage both within and outside the territory of the Republic of South Africa caused to any person and property as a result of a nuclear incident occurring at the NPP or Multi-purpose Research Reactor as well as in connection with a nuclear incident during the transportation, handling or storage outside the NPP or Multi-purpose Research Reactor of nuclear fuel and any contaminated materials or any part of NPP or Multi-purpose Research Reactor equipment both within and outside the territory of the Republic of South Africa. The South African Party shall ensure that, under no circumstances shall the Russian Party or its competent authorities or authorized organizations, nor Russian organizations authorized and their appointed suppliers be liable for such damages ahead of the South African Party and its Competent authorities, and ahead of its authorized organizations and third parties.

2. Liability for nuclear damage caused by a nuclear incident during handling of nuclear fuel and its transportation shall transfer from the authorised Russian organisation to the authorised South African organisation after actual delivery of nuclear fuel in the place specified in an agreement (contract) concluded in accordance with Article 7 of the present Agreement.

3. In case the Vienna Convention on Civil Liability for Nuclear Damage enters into force for the Republic of South Africa, the questions of civil liability of the South African Party for nuclear damage under this Agreement shall be regulated by the said Vienna Convention.

Article 16

Any dispute between the Parties in connection with application or interpretation of provisions of the present Agreement shall be resolved by consultations or negotiations through diplomatic channels between the competent authorities of the Parties. In case of any conflict between the provisions of the Agreement and agreements (contracts) concluded under the present Agreement, the provisions of the present Agreement shall prevail.

Article 17

1. This Agreement shall enter into force on the date of the receipt through diplomatic channels of the final written notification of the completion by the Parties of the domestic procedures necessary for its entry into force.

2. This Agreement is valid for 20 years and then automatically extended for successive 10-year periods until one of the parties, no later than 1 year in advance, notifies in writing through diplomatic channels the other Party of its intention to terminate the Agreement.

3. Upon the receipt by one of the Parties of the written notification from the other Party on the termination of this Agreement, the Parties shall hold consultations immediately on the possibility of implementing all obligations of the Parties under this Agreement.

4. The termination of this Agreement shall not affect the rights and obligations of the Parties which have arisen as a result of the implementation of this Agreement before its termination, unless the Parties agree otherwise.

5. By mutual accord of the Parties, the present Agreement can be amended by exchange of notes between the Parties through diplomatic channels. Such amendments shall form an integral part of the present Agreement.

6. Termination of the present Agreement shall not affect the discharging of any responsibilities under the agreements (contracts) whose implementation was begun during the term of the present Agreement and not finished on the date of its termination, until the Parties decide otherwise.

In witness whereof the undersigned, properly authorised by their governments, signed the present Agreement in two copies in the Russian and the English languages, each of which will be deemed as original. In case of conflicting interpretations, the English text shall be used.

Executed at Vienna on 21 September 2014.

For the Government
of the Russian Federation

For the Government
of the Republic of South Africa