



IBNI BRIEFING NOTE
PROPOSED IBNI COOPERATION WITH OTHER
EXISTING INTERNATIONAL, REGIONAL AND
NATIONAL FINANCING INSTITUTIONS FOR NUCLEAR
FINANCE

1. Introduction

- 1.1 The International Bank for Nuclear Infrastructure (IBNI or the “Bank”) is a proposed new International Financial Institution (IFI), to be created by a multinational treaty, using similar mechanism as countries have employed to create existing IFIs such as the World Bank Group (WBG), the Asian Development Bank (ADB), European Bank For Reconstruction and Development (EBRD) and the European Investment Bank (EIB).
- 1.2 The IBNI Implementation Organisation Strategic Advisory Group (IBNI-IO SAG) is an international team seeking to establish, as an accelerator for IBNI, a new nongovernmental organisation (NGO) – namely the IBNI Implementation Organisation (IBNI-IO) – to build the coalition necessary to create IBNI and optimally aligning with best international practices.
- 1.3 The ‘Ministerial Declaration to Triple Global Nuclear Capacity by 2050’ (the “Declaration”), was endorsed by more than 22 countries on 2 December 2023, in Dubai at COP 28¹
- 1.4 Amongst other items, the endorsing countries to the Declaration, pledged to, *“Invite shareholders of the World Bank, international financial institutions, and regional development banks to encourage the inclusion of nuclear energy in their organizations’ energy lending policies as needed, and to actively support nuclear power when they have such a mandate, and encourage regional bodies that have the mandate to do so to consider providing financial support to nuclear energy.”*
- 1.5 The ‘Nuclear Net Zero Initiative, Net Zero Nuclear Industry Pledge’ (the “Pledge”) was endorsed by more than 120 nuclear sector companies, NGO’s and other related stakeholders on 5 December 2023 in Dubai at COP 28⁴. Similar to the Ministerial Declaration, the Net Zero Nuclear Pledge, whereby the signatories pledged to support at least the tripling of global nuclear energy capacity by 2050 in order to attain 2050 Net Zero. Amongst other items, the endorsing parties to the Pledge recognised, *“that, by ensuring nuclear has access to climate finance equal to other clean energy sources, governments can enable nuclear capacity deployment at scale worldwide”* and pledged to both,

¹ For reference, see: US Department of Energy ‘At COP28, Countries Launch Declaration to Triple Nuclear Energy Capacity by 2050, Recognizing the Key Role of Nuclear Energy in Reaching Net Zero - Declaration Recognizes the Key Role of Nuclear Energy in Keeping Within Reach the Goal of Limiting Temperature Rise to 1.5 Degrees Celsius, Dec. 1, 2023’:

<https://www.energy.gov/articles/cop28-countries-launch-declaration-triple-nuclear-energy-capacity-2050-recognizing-key>

⁴ For reference, see: ‘Nuclear Net Zero Initiative, Net Zero Nuclear Industry Pledge’ Dec. 5, 2023: <https://world-nuclear.org/getmedia/053c811b-4f9d-4138-88c0-5b56750e8ba6/Net-Zero-Nuclear-Industry-Pledge-Final.pdf.aspx> IBNI-IO SAG is also one of the signatory endorsers to the Pledge.

- a. “Ask governments, the World Bank and multilateral development banks to ensure nuclear energy has access to climate finance equal to other clean energy sources”; and,
- b. “Commit to mobilize and/or support investments in nuclear power, including through innovative financing mechanisms⁵.”

1.6 This Briefing Note sets out the IBNI-IO SAG's initial views both on our position with respect to the above statements in the Declaration and Pledge, in relationship to the potential roles of IBNI alongside of existing multilateral, regional and national financing institutions with respect to the need for mobilisation of significant capital resources necessary to achieve >3x global increase of nuclear by 2050.

2. IBNI-IO SAGs Position on Enabling World Bank and other existing IFIs, regional and national financing institution to Finance and Support Nuclear

2.1 IBNI-IO SAG fully endorses changes, where necessary, in the World Bank’s, as well as other existing international, regional and national financing institutions’ policies and other frameworks⁶ that would enable such institutions to effectively finance nuclear sector transactions.

2.2 IBNI-IO SAG’s position is that in order to achieve the policy objectives of 2050 Net Zero and >3x global scaling of nuclear, both the near-term establishment of IBNI *and* the near-term enablement of the WBG and other existing international, regional and national financing institutions will be necessary, complementary and will enable the most effective sustainable nuclear finance solutions.

2.3 In addition to the mandates of the existing IFI’s, IBNI’s unique mandate and scope would be: a) global; b) narrowly focused on requirements that will catalyse investment to achieve 3x global scaling of nuclear; c) an infrastructure bank whereby its mandate transcends all its member countries, ranging from developing countries through advanced economy countries; and d) beyond financing new build ‘projects and products’ – mandate also includes financing and supporting current fleet lifetime extensions, refinancings and restructurings, production and supply chains, fuel-cycle, nuclear infrastructure including human capacity development and back-end nuclear liabilities, etc.

2.4 In most cases, IBNI will adapt and/or develop financing tools, programs and initiatives that are derived from existing IFI models. However, IBNI’s financing products and programs will be specifically tailored to address the unique challenges and impediments related to nuclear energy that will be focused on developing market confidence and nuclear finance expertise, standards and criteria that will be aimed at stimulating market confidence on both the vendor and supply chain (supply) side and the customer and owner-operator (demand) side.

2.5 IBNI will be well-positioned to accede to the role of a global aggregator of nuclear specific expertise and nuclear specific standards and criteria, based on ‘best international practices’ (including facilitation of the nuclear sector’s ability to report well under ESG⁷, taxonomy and green/sustainable financing frameworks). It is anticipated that IBNI will also become the world’s largest volume issuer of high-

⁵ At a footnote within the Pledge (pg. 2) it is referenced: “Such as the concept proposed by the International Bank for Nuclear Infrastructure (IBNI).” For additional information on the IBNI concept, please refer to www.nuclearbank-io-sag.org

⁶ In addition to policies that would enable these institutions to finance and support nuclear sector transactions, additional considerations include (but are not limited to) governance and member-shareholder financing approvals; capitalisation and liquidity thresholds and nuclear-specific expertise; standards and criteria and programs and procedures that will enable effective financing of such nuclear transactions.

⁷ Refers to ‘Environmental, Social and Governance’ data reporting frameworks, guidelines and conventions that are increasingly relevant across global and regional financial markets.

grade⁸ nuclear-specific bonds, including climate- and sustain-ability linked bonds and potentially other IBNI-issued obligations, enabling IBNI to assume the role of the global benchmarking institution in nuclear finance.

- 2.6 IBNI will be well-positioned to work as a cooperative co-financing IFI partner along with other existing international, regional and national financing institutions whereby those institutions' mandates overlap, in order to most effectively achieve the goal of financing and supporting all transitional low-carbon energy systems and low-carbon economic systems that include nuclear energy. While under such circumstances, IBNI's lead role would be to support those nuclear energy components of such systems.
- 2.7 The proposal for IBNI to serve as the nuclear-specialist global financing institution may also free institutions such as WBG, EIB and other institutions from considerable and costly undertakings to develop their own internal and duplicative nuclear specific expertise, benchmarks and standards and criteria. Instead, such institution would be able to rely on the partnered resources and collaboration with IBNI with the nuclear finance sector. It is recognised (as the Declaration conveys) that many of these institutions are now facing mounting pressure from their member-shareholders to enable nuclear finance. IBNI offers a unique 'win-win-win' solution that would enable these institutions to satisfy their shareholder demands without diverting resources from their other priorities including development, poverty eradication and broader climate and energy transition initiatives, which would be necessary if each institution were to sufficiently develop its own internal capabilities akin to IBNI's.

3. Proposed Nuclear Cooperation between IBNI and Existing International, Regional and National Financing Institutions

- 3.1 As set forth above in Section 2, it is the opinion of the IBNI-IO SAG, that the interests of the governments and industry stakeholders who have endorsed the Declaration and the Pledge are best served through a cooperative approach, whereby: 1) a coalition of the countries would **consider** to establish IBNI in the near term; 2) countries would pursue enablement nuclear co-financing by existing international, regional and national financing institutions; and, 3) existing international, regional and national financing institutions would actively collaborate in co-financing both nuclear and non-nuclear components of low-carbon energy and low-carbon-economic systems, in circumstances where mandates overlap.
- 3.2 IBNI-IO SAG encourages senior management at WBG, EIB and other major international regional and national financing institutions to provide their visible support for and cooperation with the IBNI initiative as a strong and practical solution to meet their member-shareholder demands for nuclear finance.
- 3.3 It is recognised that within the financing member country jurisdictions that WBG, EIB and other international, regional and national financing institutions serve, they provide a large scope of additional financial, commercial, economic, technical and other services to the recipient countries. Beyond simply enabling nuclear financing, IBNI-IO SAG proposes that these services, together in cooperation with those that IBNI would provide should also be modified for the full inclusion of nuclear. For example, WBG and other financing institutions often fund and provide assistance to member countries in early-stage energy system planning, energy market designs, feasibility studies, optional analyses, economic and industrial sector planning, capacity-building, technical expertise to their recipients. It will be essential that IBNI and the existing financing institutions work together in strong partnership which

⁸ It is envisaged that IBNI will carry highest-grade, 'AAA' category credit ratings (like other global IFI's have achieved), which will set the 'benchmark standards' for a 'risk-free rate of return' in the global nuclear space. IBNI's access to lowest-cost financing will also enable it to pass along least-capital for the benefit of its participants, thereby driving down the cost of nuclear generation and making it most competitive across diverse energy markets.

would ensure that nuclear elements are adequately addressed within early planning stages through implementation.

4. Conclusions

- 4.1. The Declaration and Pledge endorsed in Dubai at COP 28 each call for >3x global nuclear scaling, which will require multiple trillions (USD) of capital mobilised within 25 years.
- 4.2. The large scale of capital required necessitates both: a) the near-term creation of IBNI; and b) the enablement of WBG, EIB and other international, regional and national financing institutions to co-finance nuclear. This is the best possible scenario that will enable achievement of sustainable global 2050 Net Zero.
- 4.3. In addition to enabling direct nuclear financing and support by WBG, EIB and other international, regional and national financing institutions, it must be recognised that such institutions play a much larger role in providing early-stage planning, analysis and technical services that will also need to adequately include nuclear options.
- 4.4. IBNI-IO SAG urges the endorsing governments of the Declaration; industry stakeholders endorsing the Pledge; WBG, EIB and other international, regional and national financing institutions to provide their visible support for the IBNI proposal and actively cooperate in order to achieve optimal aims and a 'win-win-win' outcome. Specifically, IBNI-IO SAG proposes that a coalition of countries sign the IBNI Joint Declaration (targeting 20+ countries endorsement by March 2024)⁹.
- 4.5. The IBNI initiative seeks to work in partnership with the leadership of WBG, EIB and other international, regional and national financing institutions in effort to co-develop cooperative programs and initiatives that will enable rapid transition to low-carbon energy and economic systems in a fair, just and equitable manner in all countries, worldwide.

⁹ A draft of the IBNI Joint Declaration is available at: www.nuclearbank-io-sag.org