



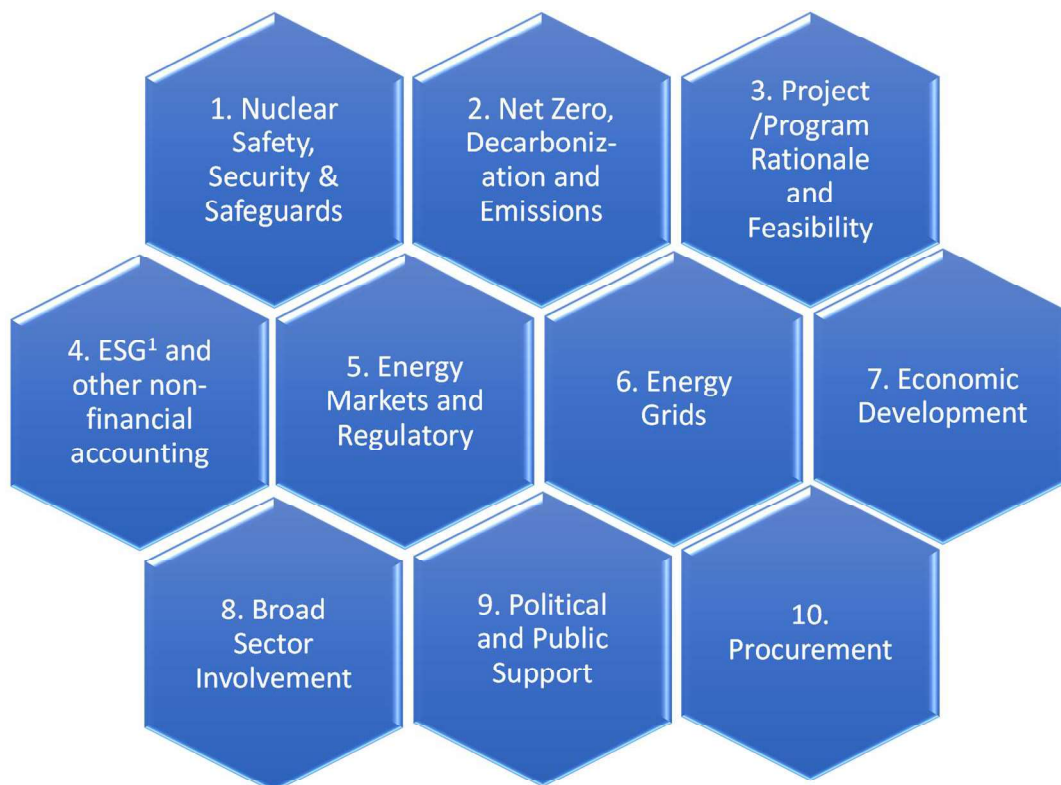
5. IBNI Standards & Criteria

Key Points

- IBNI will adopt and enforce international standards and criteria applicable to the nuclear projects and programs that it supports.
- State level agreements (NZCAFAs) will contain bind 2050 Net Zero commitments and other sustainability requirements.
- IBNI will serve as the global benchmarking institution and leader in establishing nuclear as a sustainable investment asset class.
- IBNI will become a data aggregator for nuclear ESG metrics on a global scale.

A key pillar of IBNI's programs will be the adoption of international IBNI Standards and Criteria (S&C) that will be uniformly applied to and enforced on all projects and programs receiving IBNI support. Such S&C will not only need to be complied with at the project level, but there will also be contractually binding elements for all stakeholders ranging from the IBNI Member State host government/SOEs through the contractors, suppliers, co-financiers, utilities, insurers and other project and program participants. IBNI's S&C will encompass ten (10) critical elements. The following diagram sets forth the ten (10) elements of IBNI's proposed S&C elements.

FIGURE 34 - PROPOSED IBNI STANDARDS AND CRITERIA



Source: IBNI-IO SAG. Notes: (1) Environmental, Social and Governance (ESG) criteria.

The above S&C elements contain specific items that will each be classified as either a “standard” or a “criteria”. IBNI’s “standards” are envisaged to be binary “pass or fail” compliance items. IBNI’s “criteria” are envisaged to be items where strong performance and compliance will be encouraged and incentivized through competition for IBNI’s scarce resources but may not necessarily be an absolute requirement. For example, within category nr. 1 *Nuclear Safety, Security and Safeguards* elements, adoption and full compliance by the IBNI member project host country with international nuclear treaties will be considered to be a “standard” and therefore an “absolute requirement”. On the other hand, IBNI’s “criteria” will be competitively evaluated and may be the basis for the objective decision to support a project in IBNI member country ‘A’ as opposed to country ‘B’ if in the case the country ‘A’ offers strong compliance with a set of IBNI’s “criteria” elements. Where IBNI’s offers support to a program applicant on the basis of strong commitments to criteria elements, such commitments will become contractually binding on the project applicant and/or on its host IBNI member country. For example, for each supported project, IBNI will generally endorse open, fair and transparent international competition amongst nuclear technology vendors will be a part of the item Nr. 10 - *Procurement* criteria. All other things being equal, if country ‘A’ agrees to utilize a competitive international tender process (adopting IBNI recommended best practices procurement procedures) for the selection of nuclear technology contractors and suppliers and country ‘B’ proposes an

exclusive G2G transaction, which precludes international competition, then in this example IBNI would generally support country ‘A’ on a preferential basis.

At the highest level, each IBNI Member State receiving IBNI’s financing and support will enter into a comprehensive long-term Net Zero Cooperation and Framework Agreement (NZCAFA) with IBNI. The NZCAFA will set out specific S&C that the host government will need to comply with. The NZCAFA will contain items such as long-term policy commitments related to each of IBNI’s 10 S&C elements. The set of IBNI S&C in the NZCAFA will be enforceable through cross-default mechanisms across all IBNI and co-financier financial agreements within the relevant host country.

At the project level, IBNI’s S&C relating to a specific project’s performance and reporting requirements and will also be embedded within all specific financing agreements that IBNI, together with its co-financiers enter into with the project company (owner/operator), utility, SOE or other project counterparty, as the case may be. As is customary under many existing MDB-led financing structures, the counterparty to the financing agreements will also be responsible for the performance and compliance of each of its contractors and suppliers. In this regard flow-down performance and reporting requirements will be required throughout the project agreements, to ensure that the project’s entire value chain remains in strong compliance with IBNI’s Standards and Criteria.

TABLE 2 - DETAILED OVERVIEW OF ELEMENTS OF IBNI STANDARDS AND CRITERIA

IBNI S&C Element	Standards	Criteria	Rationale
1. Nuclear Safety, Security and Safeguards	<i>NZCAFA (IBNI Member State Level S&C Requirements)</i>		
	<ul style="list-style-type: none"> Host country adoption of and compliance with relevant international nuclear treaties and conventions⁷² National nuclear legislative and regulatory framework covering safeguards, 	<ul style="list-style-type: none"> Additional nuclear safety, security and safeguards measures voluntarily undertaken and contractually agreed to be the host country will be favorably evaluated by IBNI 	<ul style="list-style-type: none"> It shall be a mandatory obligation (a Standard) for each IBNI Member State to comply with all the provisions of all internationally accepted nuclear safety, security and

⁷² There are two major international conventions and systems in existence governing international third-party nuclear liability: 1) the “Vienna Convention on Civil Liability for Nuclear Damage of 1960”, and 2) “Convention on Liability of Third Parties in the Field of Nuclear Energy of 1960 (the “Paris Convention”) that nuclear nations have become a party to. Furthermore, the “1988 Joint Protocol on the Application of the Vienna Convention and the Paris Convention” also represents a mechanism to bridge together the two major systems and conventions. All IBNI Member States with new or existing nuclear energy programs will be required to become a party to one or more of the international conventions. In addition, IBNI Member States (non-nuclear weapons states) will be required to have signed the “1968 Treaty on Non-Proliferation of Nuclear Weapons” (NPT). The IBNI Board of Directors may also implement certain incremental multilateral policies and standards regarding nuclear fuel enrichment, together with the safe and secure extraction, fabrication, transport and storage of radioactive materials throughout the nuclear fuel cycle. All such requirements will be imposed as “standards” that IBNI’s Member State’s agree to adhere to.

IBNI S&C Element	Standards	Criteria	Rationale
	<p>safety, security and nuclear liability</p> <ul style="list-style-type: none"> • Independent national nuclear regulatory body • Licensing process for life cycle of nuclear projects • Adoption of IAEA Safety Standards⁷³ and Safeguards⁷⁴ or similar adopted standards • Nuclear emergency planning procedures • Radioactive waste and spent fuel management plans and procedures • Decommissioning and back-end liabilities plans and procedures 		<p>safeguards treaties, conventions, standards, guidelines and best practices.</p> <ul style="list-style-type: none"> • Additionally, each IBNI Member State applying for IBNI support shall have the competitive incentive to enact incremental commitments regarding nuclear safety, security and safeguards in order to achieve even higher standards to protect people and the environment.
	<i>Project Level Agreements (Nuclear Project Owner/Operator Requirements)</i>		
	<ul style="list-style-type: none"> • Continuous compliance with all licensing, regulatory and legal obligations, which will collectively reflect all state-level IBNI S&C performance and reporting obligations passed down to individual owner/operators and their contractors. 		<ul style="list-style-type: none"> • Compliance with each country's licensing, regulatory and legal frameworks will be the appropriate mechanism to ensure that each nuclear project in the IBNI Member State remains in compliance with all safety, security and safeguards S&C elements.
2. Net Zero, Decarbonization & Emissions Commitments	<i>NZCAFA (IBNI Member State Level S&C Requirements)</i>		
	<ul style="list-style-type: none"> • Binding commitments and actionable national plans supporting 2050 Net Zero (or earlier) IBNI 	<ul style="list-style-type: none"> • Commitments to phase out fossil fuels • Elimination of fossil fuels subsidies 	<ul style="list-style-type: none"> • IBNI support for nuclear programs shall compel and incentivize IBNI Member States to

⁷³ See: <https://www.iaea.org/resources/safety-standards> for more details on IAEA Safety Standards.

⁷⁴ "The objective of IAEA Safeguards is to deter the spread of nuclear weapons by the early detection of the misuse of nuclear material or technology." More details on IAEA's Safeguards measures can be found at: <https://www.iaea.org/topics/basics-of-iaea-safeguards>

IBNI S&C Element	Standards	Criteria	Rationale
	Member Country's NDC pledges ⁷⁵ .	<ul style="list-style-type: none"> Technology neutral carbon pricing regimes 	enter into binding and enforceable commitments supporting 2050 NDCs
	<i>Project Level Agreements (Nuclear Project Owner/Operator Requirements)</i>		
	<ul style="list-style-type: none"> Project whole life cycle and supply chain GHG emissions reporting requirements in accordance with TCFD Scope 3 requirements. 	<ul style="list-style-type: none"> Commitments of local project stakeholders to develop and expand non-electrical low carbon energy markets and infrastructure, including hydrogen, storage, electrofuels, heat, cooling and desalinated water offtake. 	<ul style="list-style-type: none"> Flow down requirements under financing and project agreements for reporting of whole life cycle GHG emissions Expansion of non-electricity low carbon energy capacity demand further improves the economic rationale for nuclear and improves the case for integrated VRE/nuclear systems efficiency
	<i>NZCAFA (IBNI Member State Level S&C Requirements)</i>		
3. Project or Program Rationale and Feasibility	<ul style="list-style-type: none"> Integrated long-term energy market studies, energy market models and market designs – <i>strong evidence that local/regional energy markets can sustain and support low carbon dispatchable generation technologies and programs over the long-term</i> 	<ul style="list-style-type: none"> Uniform, low-carbon government evaluation criteria and incentive programs for government-sponsored funding and financing programs for low carbon generation projects. 	<ul style="list-style-type: none"> IBNI Member State will need to provide a strong rationale and justification that their nuclear program is feasible, affordable, sustainable within their energy markets over the long-term, relative to other low

⁷⁵ NZCAFA's are envisaged to include comprehensive, long-term binding agreements between IBNI and the IBNI Member State regarding enforceable net zero requirements, supporting each country's NDC pledges (which will need to provide for 2050 net zero commitments for the relevant country). Such binding net zero commitments will be results-oriented and will provide the IBNI Member State with a fair amount of latitude as to the actionable plans and steps that will determine exactly *how* the country will be able to achieve net zero not later than 2050. IBNI will objectively review such plans and assess and consult the country on the achievability, affordability, sustainability, reliance on unproven technologies and other considerations. The applications from IBNI Member States that provide a stronger case, may be ranked as higher priority in the overall scoring/ranking and will impact decisions of IBNI for allocating scarce financing and other support resources.

IBNI S&C Element	Standards	Criteria	Rationale
	<ul style="list-style-type: none"> Tariff affordability and sustainability studies 		carbon generation options <ul style="list-style-type: none"> Strong evidence that nuclear will be able to fairly compete with other low carbon technologies the energy markets.
	<i>Project Level Agreements (Nuclear Project Owner/Operator Requirements)</i>		
	<ul style="list-style-type: none"> Project feasibility studies, business models, least cost options analysis, cost-benefit studies and value-for-money studies – <i>providing strong rationale for a specific nuclear project.</i> 	<ul style="list-style-type: none"> International best practices for project contractual structuring risk and upside allocation Strong government guarantee and support package Diversified funding and financing support from public and private stakeholders. 	<ul style="list-style-type: none"> Strong evidence that the proposed nuclear project is feasible and has a strong rationale relative to other competing low carbon technologies. Project structures and risk allocation (and specifically considering those risk elements that IBNI and the government will absorb) will enable the project to be financed in the international financial markets.
4. Environmental, Social and Governance (ESG), data collection and other non-financing metrics	<i>NZCAFA (IBNI Member State Level S&C Requirements)</i>		
	<ul style="list-style-type: none"> National adaptation of internationally aligned ESG reporting standards, which include nuclear sector projects, assets and companies as an ‘ESG compliant assets class’ and on an equal and consistent basis with all other asset classes. 		<ul style="list-style-type: none"> IBNI Member State governments and their institutions will be required to sign up to uniform ESG performance and reporting standards. Global/international cooperation with respect to ESG frameworks will be incentivized.
	<i>Project Level Agreements (Nuclear Project Owner/Operator Requirements)</i>		
	<ul style="list-style-type: none"> Project owner/operators and their contractors and suppliers will be 	<ul style="list-style-type: none"> Project owners/operators and their contractors and 	<ul style="list-style-type: none"> IBNI will enforce IBNI ESG Performance Standards and ESG

IBNI S&C Element	Standards	Criteria	Rationale
	<i>obligated</i> to comply with all IBNI ESG Performance Standards ⁷⁶ .	suppliers will be incentivized to achieve the highest possible IBNI ESG Performance Criteria ⁷⁷ as commercially reasonable.	performance reporting requirements. <ul style="list-style-type: none"> • Additionally, IBNI will incentivize program participants to achieve an optimal set of IBNI ESG Performance Criteria, where commercially possible.
5. Energy Markets & Regulatory	<i>NZCAFA (IBNI Member State Level S&C Requirements)</i>		
	<ul style="list-style-type: none"> • Adequate energy regulatory regimes (reformed, if necessary) which will facilitate and support low carbon dispatchable generation technologies (nuclear) to compete on a “level playing field” with all other forms of low carbon generation. • Nuclear regulatory, licensing and permitting regimes that adhere to best international practices – focusing on safety, but at the same time, protect project developers against uncontrollable risks or regulatory changes and provide for efficient, 	<ul style="list-style-type: none"> • Policy, legal and energy market regulatory reforms that allow nuclear generation (and other low carbon dispatchable generation technologies, on a technology neutral basis) to be supported through PPA’s, CfDs, RAB-based regimes, carbon pricing/trading regimes, low-emissions credits, tax credits and other similar mechanisms. • Elimination of technology-specific subsidies on all generation technologies 	<ul style="list-style-type: none"> • In order to support nuclear projects in a specific IBNI Member State, that country will need to demonstrate its commitments to certain energy market and regulatory designs or reforms that will allow nuclear to fairly compete on a long-term sustainable basis against other competing forms of generation (particularly in deregulated market environments). • IBNI Member States will be incentivized to implement energy markets and

⁷⁶ IBNI ESG Performance Standards will include standards and guidelines (where many elements may be similar to existing MDB ESG standards, including harmonized criteria derived from SDGs) and will also be influenced by evolving standards within WEF, TCFD and SASB reporting standards. Such standards will also include nuclear-specific environmental, health and safety (EHS) technical guidelines and procedures; environmental and social management systems (ESMS); labor and sound working conditions; good governance principles; risk assessment and management; resources efficiency; pollution prevention; community health safety and security; biodiversity conservation and sustainable management of natural resources; land acquisition and involuntary resettlement; cultural heritage and diversity; and rights of indigenous peoples. Project owner/operators, their financiers, contractors and suppliers will also be required to comply with IBNI ESG Performance Standards.

⁷⁷ IBNI ESG Performance Criteria will contain additional recommended guidelines (but not necessarily obligatory) in accordance with Good International Industry Principles (GIIP). Applicants competing for finite IBNI support will have a strong incentive to commit to and comply with the highest possible criteria that are economically viable.

IBNI S&C Element	Standards	Criteria	Rationale
	<p>predictable and streamlined regulatory review and licensing requirements and procedures for new nuclear technologies.</p> <ul style="list-style-type: none"> • Elimination of fossil fuels subsidies (direct and indirect). • Long-term actionable energy market designs, plans, policies and programs to accommodate rapid and cost-efficient transition to low carbon energy systems and economies, including affordable and low carbon electricity, hydrogen, electrofuels, heat/cooling and desalinated water generation, transmission/distribution and storage systems (while transitioning away from fossil fuels). 	<p>(supporting and promoting technology-neutral competition for all low carbon generation technologies).</p>	<p>regulatory reforms that are in accordance with recommended “best international practices” - <i>IBNI’s programs will create very strong incentives for policymakers to make “tough public policy decisions” in order to achieve net zero commitments on time.</i></p>
<i>Project Level Agreements (Nuclear Project Owner/Operator Requirements)</i>			
	<ul style="list-style-type: none"> • Project owner/developer shall adhere to all nationally determined energy market and nuclear regulatory, licensing and permitting requirements. 		<ul style="list-style-type: none"> • Market and regulatory decisions to be made at the national or regional level. The process of shaping market and regulatory policies and framework must actively include industry and a broad diversified stakeholder group.
<i>NZCAFA (IBNI Member State Level S&C Requirements)</i>			
6. Energy Grids	<ul style="list-style-type: none"> • Grid infrastructure and capital development plans (including identified financing and funding sources) must 	<ul style="list-style-type: none"> • Long-term national and/or regional plans, policies and frameworks for the cohesive integration of 	<ul style="list-style-type: none"> • IBNI Energy Grid Standards are designed to force national/regional long term energy

IBNI S&C Element	Standards	Criteria	Rationale
	<p>be sufficient in order accommodate nationally or regionally planned expansions of nuclear generation and all other low-carbon generation capacities programmed into long-term energy plans.</p> <ul style="list-style-type: none"> Proposed future electricity grid designs and expansions to accommodate integrated expansion of nuclear and renewables capacities must reasonably provide for the economically feasible and technologically practical expansions of transmission and distribution, reserves, connection, interconnection, storage, and distributive grid technologies appropriate and necessary for the reliable and prudent grid operations based on the proposed long-term generation mix. 	<p>electricity, hydrogen, electrofuels, heat, cooling, desalinated water (as appropriate) generation/production, transmission & distribution, storage grid designs and market systems.</p>	<p>sector planning authorities to take into consideration the economic, technical and practical feasibility of their proposed 2050 low-carbon generation mix (in particular, promotion of public awareness relating to the incremental cost and scope of required grid systems necessary to accommodate very high future VRE penetration rates).</p> <ul style="list-style-type: none"> IBNI Energy Code Criteria provide for the competitive incentive for IBNI Member States to develop grid designs, policies, frameworks and market models for integrated electricity, hydrogen, electrofuels, heat, cooling and desalinated water (as appropriate).
<i>Project Level Agreements (Nuclear Project Owner/Operator Requirements)</i>			
	<ul style="list-style-type: none"> Project owner/developers (nuclear generation plants) must comply with all applicable grid codes and similar regulatory requirements and laws. 	<ul style="list-style-type: none"> NPP designs that can accommodate co-generation of hydrogen, heat, cooling and/or desalinated water (as appropriate). Partnerships and business models that accommodate the local production, grid infrastructure and 	<ul style="list-style-type: none"> Nuclear plants operate most efficiently at high capacity factors and integrated electrical and non-electrical energy grid designs and systems are an optimal fit for nuclear technologies (particularly in high VRE markets).

IBNI S&C Element	Standards	Criteria	Rationale
		business models related to electricity, hydrogen, electrofuels, heat, cooling and desalinated water (as appropriate).	
7. Economic Development	<i>NZCAFA (IBNI Member State Level S&C Requirements)</i>		
	<ul style="list-style-type: none"> Long range economic and industrial development plans demonstrating the essentiality of nuclear energy as the most affordable source of secure, reliable and safe low carbon generation for national and regional economic and industrial growth plans. 	<ul style="list-style-type: none"> Policies and frameworks promoting development of national and/or regional nuclear industry production and supply chain development. 	<ul style="list-style-type: none"> The IBNI Member State must provide the strong economic rationale and justification for their proposed nuclear program that is in-line with international conventions. Where appropriate, IBNI Member States are incentivized to develop national or regional nuclear industries and supply chains.
	<i>Project Level Agreements (Nuclear Project Owner/Operator Requirements)</i>		
	<ul style="list-style-type: none"> Demonstrable positive near-term and long-term direct and indirect economic benefits specifically related to the project (project economic study). 	<ul style="list-style-type: none"> Localization of nuclear industries and training and human resource development in the nuclear industries. 	<ul style="list-style-type: none"> The nuclear project sponsor applicant must provide the strong economic rationale and justification for their proposed nuclear project.
8. Broad Sector Involvement	<i>NZCAFA (IBNI Member State Level S&C Requirements)</i>		
	<ul style="list-style-type: none"> IBNI Member State applicants must demonstrate that there is a strong nexus between their proposed nuclear program and national and regional industrial and “clean growth” strategies, 	<ul style="list-style-type: none"> IBNI Member State applicants are encouraged and incentivized to develop and cultivate a broad and sectorally diversified coalition of industrial, R&D/university, medical, agricultural 	<ul style="list-style-type: none"> Evidence suggests that nuclear programs are more successful and sustainable in nations that have a network of diversified sectors involved with and supporting their nuclear programs.

IBNI S&C Element	Standards	Criteria	Rationale
	together with socio-economic development.	and national/regional laboratory stakeholders involved in their nuclear programs.	
	<i>Project Level Agreements (Nuclear Project Owner/Operator Requirements)</i>		
	<ul style="list-style-type: none"> Project sponsors must comply with all nationally or regionally determined policies, frameworks and requirements related to involvement of other sector stakeholders. 	<ul style="list-style-type: none"> Project sponsors must involve broad sector coalition of stakeholders. In particular, direct engagement of and cooperation with energy intensive industrial; hydrogen and electrofuels industries; and nuclear, medical and agricultural R&D stakeholders is strongly encouraged. 	<ul style="list-style-type: none"> Individual project sponsors have a strong incentive to enter into innovative partnerships to expand the societal value of any nuclear power station well beyond producing electricity (which also makes any nuclear project more socioeconomically sustainable). Innovative partnerships and cooperation promote the advancement non-electric clean energy systems and markets and scientific advancements in nuclear applications for medical, agricultural and nuclear applications (and ultimately low carbon and prosperous societies).
9. Political and Public Support	<i>NZCAFA (IBNI Member State Level S&C Requirements)</i>		
	<ul style="list-style-type: none"> Evidence of broad political and public support for national and/or regional nuclear energy programs. Outreach programs which are open, transparent and inclusive of public, industry and special 	<ul style="list-style-type: none"> Public campaigns involving objective media coverage, public debate forums, etc. to facilitate public consensus building behind nuclear programs. 	<ul style="list-style-type: none"> It is a fact that nuclear energy is considered controversial in many countries and markets. A successful nuclear program will require broad political and public support based on the

IBNI S&C Element	Standards	Criteria	Rationale
	interests, particularly with NGOs and anti-nuclear groups, promoting open dialogue and public input on reasonable concerns about nuclear energy.		rationale that the benefits of nuclear (low carbon, affordable, reliable/dispatchable) outweigh the risks.
	<i>Project Level Agreements (Nuclear Project Owner/Operator Requirements)</i>		
	<ul style="list-style-type: none"> Evidence of local political, industrial and public support for the nuclear project from a broad-based and diversified local stakeholder base, including impacted citizens, businesses, industries, special interests (and particularly engagement of NGOs and anti-nuclear interests). 	<ul style="list-style-type: none"> Public campaigns involving objective media coverage, public debate forums, etc. to facilitate public consensus building behind nuclear programs (key objective is to demonstrate strongest evidence of broad public support for nuclear energy programs and projects). 	<ul style="list-style-type: none"> Project sponsors will need to build the case for a specific nuclear project attain broad local political and public support. The local communities and region will need to be convinced the benefits (low-carbon, emissions free, affordable and reliable energy, jobs creation, economic development, etc.) outweigh the risks of the nuclear project.
10. Procurement	<i>NZCAFA (IBNI Member State Level S&C Requirements)</i>		
	<ul style="list-style-type: none"> Ethics and conscientious policies, procedures, mechanisms and preventative measures across the entire value chains of projects and programs (including anti-corruption and anti-bribery policies, procedures and prevention). 	<ul style="list-style-type: none"> National procurement policies and legal frameworks, which encourage open, fair and transparent international competition. 	<ul style="list-style-type: none"> All IBNI supported nuclear programs will need to comply with strict anti-corruption and anti-bribery standards. As a part of IBNI's key objective to expand global competitive markets and foster R&D and innovation throughout the global nuclear industries and supply chains, and drive down the costs of nuclear technologies, IBNI strongly

IBNI S&C Element	Standards	Criteria	Rationale
			encourages and incentivizes open, fair and transparent procurement procedures within all IBNI Member States.
	<i>Project Level Agreements (Nuclear Project Owner/Operator Requirements)</i>		
	<ul style="list-style-type: none"> • Compliance with national standards, which are influenced by international ESG requirements (see above). • Compliance with all other nationally-determined policies and laws on procurement. 	<ul style="list-style-type: none"> • Voluntary pursuit of competitive tender policies that are not required under national policy and law (to the extent not in conflict with national procurement law). 	<ul style="list-style-type: none"> • All IBNI supported nuclear projects will need to comply with strict anti-corruption and anti-bribery standards. • IBNI strongly encourages and incentivizes open, fair and transparent procurement procedures to be applied in all IBNI-supported nuclear projects.

Source: IBNI-IO SAG

5.1 Need for Universal Nuclear-Specific International Standards and Criteria

Unlike almost every other infrastructure asset class, there are currently no international uniformly accepted standards and criteria applied to and specific to the nuclear asset class. For example, existing international financiers of nuclear projects, such as ECA's and commercial banks may rely on elements of the Equator Principles (EP IV), World Bank EHS Standards, IFC E&S Performance Standards, etc. In the area of ESG data collection and accounting metrics and other non-financial reporting standards, harmonized and aligned international standards derived from WEF/SASB/TCFD/NZAMI/NZAOA/NZBA/NZIA reporting standards and requirements, 'green or sustainable bond principles' or other standards and criteria will also need to apply. IBNI will take on a leadership role in the alignment and harmonization of adopted international ESG criteria and reporting requirements and will serve as both a data aggregator and benchmark in the nuclear sector.

In contrast to other infrastructure asset classes, nuclear technologies are uniquely subjected to international treaties and conventions on nuclear liabilities (which is a good thing). The IAEA acts as the international standards authority for nuclear safety, security and safeguards. Since the major existing MDB's are not involved in financing nuclear infrastructure (to any material extent), these institutions have not attempted to address any nuclear specific issues within their existing standards. IAEA doesn't act as a financier or contractual party in the nuclear programs and projects within its member countries.

The above ‘market realities’ necessitate the need for a supranational party to adopt, harmonize and align a broad set of nuclear-relevant standards and criteria that will become universally-accepted by governments, international financial markets, the nuclear industries and other stakeholders across all international borders. IBNI, acting as the nuclear-specialized IFI is ideally situated to provide the global leadership role in adopting and enforcing a uniform, harmonized and aligned set of nuclear-relevant standards that will become broadly accepted across the vast majority of the worlds markets and industries. From the standpoint of an ‘international standards arbitrator’ IBNI will serve in role not dissimilar to the roles of existing MDB’s who’s standards have become broadly accepted across other (non-nuclear) asset classes and industries.

As set forth above, the ten (10) elements of IBNI’s Standards & Criteria will draw from and harmonize and align with many distinct existing and established sources of standards applicable both to nuclear and other asset classes and industries. In this regard, IBNI will also have the benefit of “entering at a higher point on the learning curve” than what other organizations faced when attempting to adopt uniform international standards and criteria. The following diagram illustrates IBNI’s uniform and harmonized S&C as the amalgamation of various sets of existing standards and criteria across various sources.

FIGURE 35 - KEY SETS OF STANDARDS & CRITERIA TO BE HARMONIZED AND ALIGNED UNDER IBNI E&C





Source: IBNI-IO SAG

5.2 How IBNI Will Administer and Enforce Standards and Conditions

IBNI's S&C will be applied to achieve a number of objectives. First, IBNI's *Standards* will be uniformly administered as set of the "minimum qualification criteria" applied to both IBNI Member States and nuclear project sponsors applying for IBNI financing and support. Essentially, the set of IBNI *Standards* will be represent clear and unambiguous requirements that a the IBNI Member State and the project-level stakeholders within their country will need to meet and be required to maintain compliance with. IBNI *Standards* will constitute binary 'pass or fail' requirement and will be the basis for rejection, or later breach of obligation if such IBNI *Standards* are not met and maintained. Table 2, above sets forth the proposed IBNI *Standards* that will be required to comply with. Second, a IBNI's *Criteria* will represent a specific recommended criteria item that will be strongly encouraged (but not absolutely required). Table 2, above sets forth the proposed IBNI *Criteria* that applicants will be encouraged to meet and for participants to comply with.

Voluntary agreement of applicants and participants to comply with IBNI *Criteria* will be encouraged and incentivized through 'market principles mechanisms' of supply and demand. As IBNI's programs, which will be designed to offer highly attractive financing and other support for nuclear programs and projects, global demand for such support is expected to increase dramatically. At the same time, IBNI's resources will always be finite and limited (e.g. less supply of support than demand for support). Therefore, IBNI Member State and project sponsors applying for IBNI support will be well-incentivized to tailor their programs and projects to achieve a high degree of conformity with the principles of IBNI's *Criteria*.

IBNI's S&C will be administered and enforced at two levels. First, at the IBNI Member State level and second, at the project level.

As a required pre-condition to IBNI providing any financing or other support for nuclear programs and projects in an IBNI Member State, will be to execute a comprehensive long-term Net Zero Cooperation and Framework Agreement (NZCAFA). The NZCAFA will set out all IBNI *Standards* as well as *any voluntarily agreed IBNI Criteria* that will need to be continuously complied with at the IBNI Member State level. In the case that the IBNI Member State were to be in breach any such IBNI S&C pursuant to the NZCAFA, the agreement will specify certain cure periods and cross-default provisions, cross-termination and cross-acceleration provisions across all IBNI and co-financing agreements in the country, and or other similar penalties, provisions and consequences for any such uncured breach. The intention is that the consequences of a IBNI Member State default under the NZCAFA will be progressively severe, the more IBNI and its co-financiers invest in nuclear projects and programs within the country. For this reason, it is anticipated that there will be extremely low default rates by IBNI Member State governments with NZCAFA's in place.

At the project level, where IBNI and its co-financiers have agreed to provide financing and other support, the specific project level financing/co-financing and project agreements will include all relevant IBNI *Standards* as



Initial Report and Action Plan

well as *any voluntarily agreed IBNI Criteria* that will need to be continuously complied with at the IBNI project level. In the case that the project company (owner/operator, utility or other responsible counterparty, as the case may be) were to be in breach under any such IBNI S&C pursuant to any of the IBNI financing / co-financing agreements and/or project agreements, those agreements will specify certain cure periods, default termination and acceleration, and or other similar penalties, provisions and consequences for any such uncured breach under each respective agreement. While an uncured project-level IBNI S&C related default under project level agreements would trigger a cross-default across all project level agreements, there would generally be no impact to other IBNI supported projects in the country.

While an uncured IBNI Member State event of default under the NZCAFA would trigger a cross-default across all project-level agreements in the country, the government (or SOE) would need to also guarantee relief payments to the individual project counterparties, providing full recovery of damages caused by such default by the Member State.