



AGREEMENT

BETWEEN

**THE GOVERNMENT OF THE REPUBLIC OF
SOUTH AFRICA**

AND

**THE GOVERNMENT OF THE RUSSIAN
FEDERATION**

**ON STRATEGIC PARTNERSHIP AND
COOPERATION IN THE FIELDS OF
NUCLEAR
POWER AND INDUSTRY**

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

CONSIDERING 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 for Non-Proliferation of Nuclear Weapons as of July 1, 1968;

ACKNOWLEDGING 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 the Promotion and Reciprocal Protection of Investments as of November 28, 1998;

REFERRING to the Joint Presidential Statement on establishment of comprehensive strategic partnership between the Russian Federation and the Republic of South Africa of 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 peaceful uses, based on the principles of equality, non-interference in the internal affairs and respect of the sovereignty of both States; and

CONVINCED that legal fixation of the strategic partnership in the fields of nuclear power and industry will contribute to the development of cooperation in other areas 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 peaceful uses 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 within the framework of this Agreement shall be implemented strictly in compliance with the Parties' respective national legislations and with respect to international treaties, to which the states of the Parties are signatories.

Article 3

The Parties shall create the conditions for the development of strategic cooperation and partnership in the following areas:

- (i) development of a comprehensive nuclear new build program for peaceful uses 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 in the Republic of South Africa, with total installed capacity of about 9.6 GW;
- (iii) design, construction, operation and decommissioning of the multi-purpose research reactor in the Republic of South Africa;
- (iv) development of joint business in the fields of radioisotopes manufacturing and global marketing, including the involvement of the multi-purpose research reactor facilities 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) localization 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 promotion of the produced products to the third countries markets;
- (xi) enhancement of security and assurance of physical protection of nuclear facilities in the Republic of South Africa;
- (xii) strengthening and adaptation of nuclear and radiological emergency response system in the Republic of South Africa;

- (xiii) radioactive waste management in the Republic of South Africa;
- (xiv) rendering of the nuclear fuel cycle front-end services to secure the needs of the new units of NPPs to be built in the Republic of South Africa, including the accession of the respective South-African organization to the International Uranium Enrichment Center;
- (xv) support of feasibility activities for site investigation for NPP construction in the Republic of South Africa; and
- (xvi) activities in other areas that may be agreed upon by the Parties in writing through diplomatic channels.

Article 4

1. The Parties collaborate in areas as outlined in Article 3 of this Agreement which are needed for the implementation of priority joint projects of 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, Thyspunt or Bantamsklip) in the Republic of South Africa and other NPP units of total capacity up to 7,2GW at other identified sites in the Republic of South Africa and construction of a multi-purpose research reactor at the research center located at Pelindaba, Republic of South Africa. The mechanism of 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 as to issue timely permits (licenses) for nuclear energy and industry capacities design, construction, commissioning, operation and decommissioning, as well as related export and import of facilities, 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 Parties' respective national legislations.

Article 5

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

- (i) 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 Atomic Inspectorate (for support of 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);
- (ii) 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 titles or functions or designation 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 government institutions 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 of the Joint Coordination Committee shall develop and agree on the Term of Reference for the Committee.

4. In three years of entry into force of this Agreement the co-chairs of the Joint Coordination Committee shall make comprehensive review of the progress in the implementation of this Agreement and provide appropriate recommendations to the Competent Authorities of the Parties regarding further implementation of this Agreement.

Article 7

Cooperation in areas as outlined in Article 3 of this Agreement, will be governed by 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 in the framework of this Agreement.

Article 8

The sources and format of financing of the activities within the implementation of cooperation areas as outlined in Article 3 of this Agreement will be agreed on after consultations and fixed by separate agreements between the Parties.

Article 9

For the purpose of implementation of this Agreement the South African Party will facilitate the provision of a special favorable regime in determining tax and non-tax payments, fees and compensations, 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, subject to its domestic legislation.

Article 10

Implementation of the areas of cooperation as outlined by Article 3 of this Agreement shall be with gradual increase and shall be mutually agreed upon by the Competent Authorities of the Parties. The terms for the scope of supplies of equipment, materials and services for the projects developed and implemented in terms of the framework of this Agreement shall be provided by South African enterprises, and also by joint ventures to be set up for this purpose.

Article 11

The conditions for the protection, use and distribution of the Intellectual Property rights under this Agreement 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 marked 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 written consent of the transferring Party.

5. The Parties shall limit the number of individuals having 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. All information transferred under this Agreement shall be used exclusively in accordance with this Agreement.

Article 13

1. Nuclear material, equipment, special non-nuclear material and relevant technology, as well as material (goods) of dual purpose shall be exported under this Agreement in accordance with the Parties' obligations, arising from the Treaty on Non-proliferation of 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. Nuclear material, equipment, special non-nuclear material and relevant technology received by the Republic of South Africa under this Agreement, and

nuclear material, special non-nuclear material, facilities and equipment produced thereof or as a result of their use, shall--

- (i) not be used for manufacturing of nuclear weapons and other nuclear explosive devices or for achieving any other military purpose;
- (ii) be under the IAEA safeguards in accordance with the Agreement for the Application of Safeguards in Connection with the Treaty on the Non-Proliferation of Nuclear Weapons between the Republic of South Africa and the IAEA of 16 September, 1991 (INFCIRC/394) throughout the entire period of their location under the jurisdiction of the Republic of South Africa;
- (iii) be ensured with measures of physical protection at levels not lower than the levels recommended by the IAEA document "The Physical Protection of Nuclear Material and Nuclear Facilities" (INFCIRC/225/Rev.5);
- (iv) be re-exported or transferred from the jurisdiction of the Republic of South Africa to any other country only with prior written consent of the Russian Federation and under above-mentioned 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 Russian Federation.

5. Equipment and material (goods) of dual purpose and related technology received from the Russian Federation under this Agreement and any of their reproduced copies, shall--

- (i) be used only for the declared purposes, unconnected with any activities related to the manufacturing of nuclear explosive devices;
- (ii) not be used in nuclear fuel cycle related activities that are not under the IAEA safeguards;

(iii) not be copied, modified, re-exported or transferred to any third party without the written consent of the Russian competent authority in compliance with the legislation of the Russian Federation.

6. The Parties shall cooperate on matters of export control of equipment, material (goods) and relevant technology. Control over the use of supplied nuclear and special non-nuclear material, equipment and relevant technology shall be executed by means 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 be fully 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 NPP or Multi-purpose Research Reactor and also in relation 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 authorized

organization nor Russian organizations authorized and engaged by their suppliers be liable for such damages as to the South African Party and its Competent authorities, and in front of its authorized organizations and third parties.

2. Nuclear liability due to nuclear incident occurring when handling and transporting the nuclear fuel shall be transferred from the authorized Russian organization to the authorized South African organization after the physical handing over of the nuclear fuel at a place determined in separate agreements (contracts) as concluded in accordance with Article 7 of this Agreement.

3. Should the Vienna Convention on Civil Liability for Nuclear Damage enter into force for the Republic of South Africa, the issues of civil liability for nuclear damage under this Agreement for the South African Party shall be regulated by this Vienna Convention.

Article 16

The Parties shall settle all disputes arising from the interpretation or implementation of this Agreement amicably by Parties' Competent Authorities consultations or negotiations through diplomatic channels. In case of any discrepancy between this Agreement and agreements (contracts), concluded under this Agreement, the provisions of this 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 internal government procedures necessary for its entry into force.

2. This Agreement shall remain in force for a period of twenty (20) years and shall automatically be renewed for a further period of ten (10) years unless

terminated by either Party giving 1 (one) year written notice in advance through diplomatic channels to the other Party of its intention to terminate it.

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, in accordance with the domestic law of the Parties.

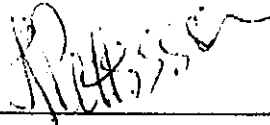
4. The termination of this Agreement shall not affect the rights and obligations of the Parties which have arisen as a result of the implementation of this Agreement before its termination, unless the Parties agree otherwise.

5. This Agreement may be amended by mutual consent of the Parties through an Exchange of Notes between the Parties through diplomatic channels. Such amendments shall form an integral part of this Agreement.

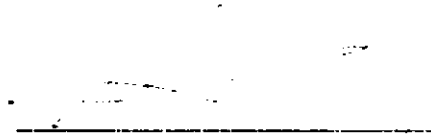
6. The termination of this Agreement shall not affect the performance of any of the obligations under agreements (contracts) which arise during the validity period of this Agreement and are uncompleted at the moment of such termination, unless the Parties agree otherwise.

IN WITNESS WHEREOF the undersigned, being duly authorised thereto by their respective Governments, have signed and sealed this Agreement in two originals in the Russian and English languages, all texts being equally authentic. In the case of divergence of interpretation, the English text shall be used.

Done at this 21st day of September 2014.



**FOR THE GOVERNMENT OF
THE REPUBLIC OF SOUTH
AFRICA**



**FOR THE GOVERNMENT OF
THE RUSSIAN FEDERATION**