BRUSSELS (AFP) - The European Union (news - web sites) will keep trying to persuade Japan to drop its bid to host a revolutionary nuclear energy project, while reserving the right to press ahead if talks fail, an EU source revealed.

The European Commission (news - web sites) is set to propose that negotiating strategy next week, after talks this week which failed to resolve the standoff between Japan and France over the International Thermonuclear Experimental Reactor (ITER).

Talks in Vienna on Tuesday made some progress but failed to break the essential deadlock over the two candidate sites for ITER, Cadarache in southern France and Rokkasho-mura in northern Japan, diplomats say.

Six partners are seeking an accord on the multi-billion dollar project: Japan and the EU, plus the United States and South Korea (news - web sites) -- which support the Japanese bid -- and Russia and China, which back the EU bid.

Ambassadors from the 25-member EU discussed the situation on Friday, and a new negotiating mandate is expected to be proposed next week by the European Commission, the EU's executive arm.

The new mandate, to be unveiled on Tuesday, will "give priority to a solution involving all six parties, but there is a fallback option which is to do it with less than six," said one EU source.

"Cadarache is not negotiable for the EU," he added.

EU ministers for science and research will debate the commission's recommendations at their next meeting on November 26.

ITER is a test bed for what is being billed as a clean, safe, inexhaustible energy source of the future. The project, emulating the sun's nuclear fusion, is not expected to generate electricity before 2050.

The ITER budget is projected to be 10 billion euros (13 billion dollars) over the next 30 years, including 4.7 billion euros to build the reactor. The EU plans to finance 40 percent of the total.

Another source added that the EU "is reasonably confident of achieving an agreement between the six partners."

He noted that the bloc's current six-month Dutch presidency "is putting the emphasis on achieving a result with six partners by the end of the year," when it hands over the EU reins to Luxembourg.

The Dutch presidency itself declined to comment, saying the subject was "very sensitive" although admitting that there were daily contacts with Japanese officials.