



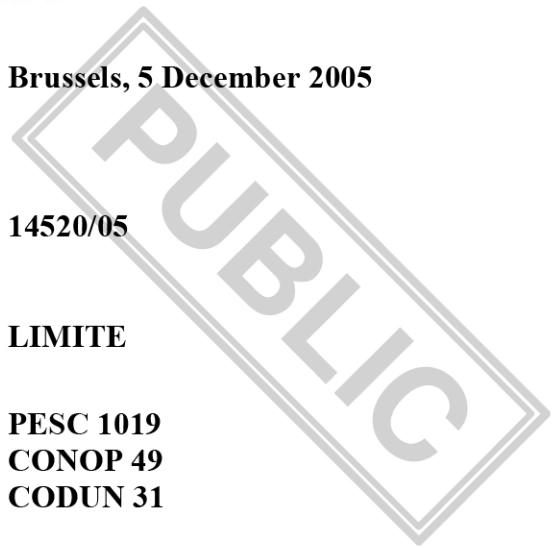
**COUNCIL OF
THE EUROPEAN UNION**

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**PESC 1019
CONOP 49
CODUN 31**



NOTE

from : General Secretariat

to : Coreper / Council

No. prev. doc. : 14329/05 PESC 999 CONOP 48 CODUN 30

Subject : Implementation of the EU Strategy against proliferation of WMD:
- Six-monthly Progress Report on the implementation of Chapter III of the EU Strategy against the Proliferation of Weapons of Mass Destruction
- Updated List of Priorities for a coherent implementation of the EU WMD Strategy

The Personal Representative on WMD circulates the following texts as agreed by PSC on 2 December 2005:

- Six-monthly Progress Report on the implementation of Chapter III of the Strategy against the Proliferation of Weapons of Mass Destruction (pages 2 - 23)

- Updated List of Priorities for a coherent implementation of the EU WMD Strategy (pages 24 - 54)

These texts are forwarded to Coreper and Council for adoption (I/A note, doc. 15279/05 PESC 1100 CONOP 49 CODUN 33).

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Draft
Six-monthly Progress Report on the implementation of Chapter III
of the EU Strategy against the Proliferation
of Weapons of Mass Destruction

1. Introduction

Following co-ordination between the Office of the Personal Representative for non-proliferation of WMD and the Commission, the 6-monthly Progress Report has been established as set out below. Initiatives taken or suggested are in bold, under the headings of the measures contained in chapter III of the European Strategy against the proliferation of WMD adopted on 12 December 2003 by the European Council.

At the same time, a revised List of Priorities (pages 24-54 below) has been prepared by the Personal Representative on the basis of the first List of Priorities which was endorsed by the External Relations Council in December 2004 (doc. 15246/04).

2. On the implementation of chapter III of the Strategy

A) Rendering multilateralism more effective by acting resolutely against proliferators.

1) Working for the universalisation and when necessary strengthening of the main treaties, agreements and verification arrangements on disarmament and non-proliferation.

- Carrying out diplomatic action to promote the universalisation and reinforcement of multilateral agreements, in implementation of Council Common Position 2003/805/CFSP of 17 November 2003:

= **Démarches were carried out in order to promote the early entry into force of the CTBT, as well as the universalisation of the CWC, the BTWC, the Comprehensive Safeguard Agreement, the Additional Protocol and the HCoC.**

- = **The objective of the EU to preserve the integrity of the NPT regime remains valid, even more after the 2005 NPT Review Conference. The Council Common Position CFSP/0329/05, which was adopted on 25 April 2005, in an effort to define a balanced approach aimed at preserving the three pillars of the NPT (non-proliferation, disarmament and peaceful uses) remains the basis for EU action in this field. The Common Position calls, inter alia, for efforts to be undertaken towards the universalisation of the NPT and the reinforcement of the IAEA safeguards system.**

- = **The WMD Strategy and its provisions are highlighted in the common statements which are made by the Presidency on behalf of the EU in relevant fora, in particular at the Conference on Disarmament in Geneva, and at meetings of States Parties of relevant treaties. These statements have emphasised the EU's commitment to the multilateral system, the importance of full compliance with existing treaty obligations and the willingness of the EU to work to strengthen these treaties where necessary.**

2) *Fostering the role of the UN Security Council, and enhancing expertise in meeting the challenge of proliferation.*

- Working inter alia to enable the Security Council to benefit from independent expertise and a pool of readily available competence in order to carry out the verification of proliferating activities that are a potential threat to international peace and security. The EU will consider how the unique verification and inspection experience of UNMOVIC could be retained and utilised, for example by setting up a roster of experts.

- = **Démarches to promote the submission of reports under UNSC 1540 continue to be carried out.**

- = **The discussion on the issue of an international inspection and verification capability to be established within the UN is continuing.**

3) *Enhancing political, financial and technical support for verification regimes*

- *Now that all EU Member States have ratified the IAEA Additional Protocol, the EU will redouble its efforts to promote their conclusions by third States.*

- = **Joint Action CFSP/574/05 on support of IAEA activities in the areas of nuclear security and verification, which was adopted on 18 July 2005, provides for legislative assistance for the implementation of the Additional Protocol in third countries.**

- = **The EU has continued to emphasise the importance of the universalisation of the Additional Protocol in its troika meetings with third countries.**

- = **Based on the Council Common Position CFSP/0329/05, the EU continues to call for the Additional Protocol to be established as the new verification standard.**

- *Fostering measures aimed at ensuring that any possible misuse of civilian programmes for military purposes will be effectively excluded.*

- = **In the Common Position relating to the NPT Review Conference, the EU decided to promote a thorough examination of the report on multilateral approaches to the nuclear fuel cycle prepared by the advisory experts group established by the IAEA Director General (INFCIRC/640 of February 2005). The EU is currently reflecting on the appropriate follow-up to be given to this important matter.**

- *Releasing financial resources to support specific projects conducted by multilateral institutions (inter alia. IAEA, CTBTO Preparatory Commission and OPCW) which could assist in fulfilling our objectives.*

- = Joint Action in support of the IAEA (CFSP/574/05), adopted on 18 July 2005, aimed at improving nuclear security in the Balkans, the Caucasus, Central Asia, and the Mediterranean and Middle East region. As mentioned above, it also provides legislative assistance for the implementation of the Additional Protocol to selected third countries.**

- = Joint Action on support for OPCW activities in the framework of the implementation of the EU WMD Strategy, adopted by the GAERC of 22 November 2004, is currently being implemented. This Joint Action aims at supporting the universalisation of the CWC and, in particular, at promoting accession to the CWC by States not Party (signatory States as well as non-Signatory States) and at supporting the implementation of the CWC by the States Parties. EU assistance is also focused on international co-operation in the field of chemical activities. A renewal of the Joint Action on support for OPCW activities is currently being examined by the Council bodies with a view to being implemented in 2006.**

- = The EU is considering the possibility of participating in the destruction process of the Albanian Chemical Weapons stockpiles, together with the US and Switzerland. The EU is awaiting a specific, costed request from Albania.**

- = A Joint Action in support of the CTBTO which will be aimed at strengthening the performance of the CTBT verification system is being prepared and should be ready for adoption in early 2006.**

- Promoting challenge inspections in the framework of the Chemical Weapons Convention and beyond. This issue will be addressed in the CWC competent bodies as well as in the framework of political dialogue with third States.*

- = **The EU has actively supported the efforts of the OPCW facilitator for Challenge Inspections and has conveyed this support to third countries at Troika meetings. The Office of the Personal Representative has participated in a number of meetings on this issue in The Hague. The proposed EU Action Plan on Challenge Inspections has been acknowledged by the facilitator, who will use it, among other documents, for his final conclusions.**

- *Reinforcing the BTWC and the CWC and, in this context, continuing reflection on verification instruments. The BTWC does not contain at present a verification mechanism. The EU must find ways to strengthen compliance. A group of experts to give advice on how this could be done. The EU will take the lead in efforts to strengthen regulations on trade with material that can be used for the production of biological weapons. The EU will also take the lead in supporting national implementation of the BTWC (e.g. in providing technical assistance). The EU will consider giving support to states with administrative or financial difficulties in their national implementation of the Chemical Weapons Convention and the BTWC.*

- = **Following a presentation of ideas by the Personal Representative, an EU Task Force was established by the CODUN working group in order to provide advice on an EU Joint Action on support for the BTWC. On that basis, a draft Joint Action promoting universalisation of the BTWC as well as its national implementation through EU technical (administrative and legal) and financial assistance has been prepared and agreed recently at working group level. It should be adopted by the Council before the end of the year. Furthermore, the Council is in the process of adopting an EU Action Plan in support of the BTWC, focused on efficient use of CBMs and on investigations of alleged use of BW.**

- = **Preparations for the 2006 BTWC Review Conference are ongoing. An EU Common Position is being prepared with a view to this Conference.**

4) *Strengthening export control policies and practices in co-ordination with partners of the export control regimes; advocating, where applicable, adherence to effective export control criteria by countries outside the existing regimes and arrangements; strengthening suppliers' regimes and European co-ordination in this area.*

- *Making the EU a leading co-operative player in the export control regimes by co-ordinating EU positions within the different regimes, supporting the membership of acceding countries and where appropriate involvement of the Commission, promoting a catch-all clause in the regimes, where it is not already agreed, as well as strengthening information exchange, in particular with respect to sensitive destinations, sensitive end-users and procurement patterns.*

= **EU co-ordination has been systematically organised prior to and, where necessary, during the meetings of the export control regimes, facilitating the preparation of EU proposals on certain issues.**

= **The Office of the PR and Commission Services have regularly attended the relevant export control regime meetings. They are both part of the Presidency delegation in those regimes where the Commission does not have observer or participant status.**

= **The Presidency and the Troika have continued their efforts for the inclusion of all new Member States and acceding countries in the export control regimes. Concerning MTCR, the EU is continuing its pro-active policy of support with new démarches to relevant third countries; the issue has been considered further at the September Plenary. The EU also continued to promote the acceptance of Cyprus into the Wassenaar Arrangement.**

- Reinforcing the efficiency of export controls in an enlarged Europe, and follow up to the Peer Review to disseminate good practices by taking special account of the challenges of the enlargement.

= **Work on the recommendations from the Working Party on Dual Use Goods (based on the report of the Peer Review Task Force) issued in December 2004, (doc. 15455/04) is being taken forward and is the subject of a separate report by the Working Party. Work has focussed on transparency and access to legislation, reducing divergence in implementation of the regulation to create a level playing field, improving transparency and security by improving the sharing of information on catch all clause and the respect of the no under cut clause for catch all denials, harmonising the use of the Community General Export Authorisation, options to control transit, transshipment and brokering with proposed definitions for each of those operations.**

A voluntary "Pool of Experts" has been formed via which Member States provide mutual assistance in the identification of dual use items; one Member State is nearing completion of an electronic product-identification tool which it will make available to all other Member States; the trial phase of a Commission managed data base of denials issued under the Dual Use Regulation and in the framework of the export control regimes was launched in October 2005 based on the work of four Article 18 Coordinating Group meetings with volunteering Member States.

Discussion on existing practices for controlling intangible transfers of technology has continued with a view to adopting a best practices paper.

The Commission Services have undertaken to prepare proposals, in the form of a Communication to be issued in 2006, on possible amendments of the Regulation and other measures to improve the system, following the Peer Review recommendations.

- = It is recalled that, while contributing to the fight against proliferation, export control policies and measures serve larger purposes and remain distinct.**

- = In October 2005, representatives of the Office of the Personal Representative and the Commission Services attended a meeting in Zagreb with Western Balkan countries to discuss the export control assistance requirements of those countries. This meeting and the follow up action in 2006 are organised in the framework of the Pilot Project 2004 implemented by the Commission.**

- *Setting up a programme of assistance to States in need of technical knowledge in the field of export control.*

- = A TACIS project for Russia to foster the development of effective Dual Use Export Control is expected to start in early 2006. An implementation scheme involving experts from Member States has been designed by the Commission and the German BAFA.**

- = Reflections are on-going on how to follow up on an ad-hoc meeting on export controls with China which was organised in Beijing on 24-25 January 2005 at the initiative of the Personal Representative. The Chinese authorities have expressed their interest in an assistance programme by the EU consisting in training customs officers.**

- = Arrangements for an export control workshop in Ukraine in January 2006 are under way, on the basis of the same arrangements as for the Beijing workshop (costs lie where they fall).**

- = Arrangements for export control seminars with other countries (such as Barcelona Process countries) are being considered.**

- = The Commission has set up a Pilot Project financed through an amount of 3 M euros introduced by the European Parliament in the EC Budget 2005. The Commission intends to focus the WMD part of the Pilot Project 2005 (1.5 million Euros) on co-operative projects in the field of export control and more specifically to elaborate an implementation scheme ensuring further adequate involvement of experts of the EU Member States with a view to long term action in the field of export control under the next financial perspectives 2007-2013. This Pilot project will serve as an umbrella for the follow-up actions in China, Ukraine and other countries or regions to be selected by CONOP. Given the very limited staff that most Member States have for licensing dual use goods, as reported during the Peer Review, difficulties might arise to commit too many technical assistance programmes. Member States have to make a specific effort to ensure availability of experts.**
- Working to ensure that the Nuclear Suppliers' Group make the export of controlled nuclear and nuclear related items and technology conditional on ratifying and implementing the Additional Protocol.*
- = Discussions on this issue have continued in the CONOP Working Group. While there is consensus on the concept of making the Additional Protocol a condition of supply, work is continuing on the scope of those nuclear items, which should be covered in any such proposal within the NSG.**
- Promoting in the regimes reinforced export controls with respect to intangible transfers of dual-use technology, as well as effective measures relating to brokering and transshipment issues.*

= **Work has continued in export control regimes on the strengthening of provisions concerning intangible transfers, and co-ordination among Member States on this issue will have to be improved further. Indeed, the Peer Review conclusions highlighted the need for further exchange of information on practices with a view to adopting guidelines for implementation of the provisions of the Dual Use Regulation on controls of intangible transfers of technology. The impact of the implementation of some of the aspects of “possible EU” best practices, before being endorsed, need to be properly assessed (training of staff to do compliance visits, review of technologies most likely to be released and identification of potential suppliers, possible linking of granting of licences with internal compliance programmes, audit of current practice of academics and research centres). The AG and the MTCR are looking at possible means to enforce controls of brokering but this issue is highly complicated and needs full assessment prior to taking any decision. Regarding transshipment, one must take into account the amendment of the Custom Code (Regulation 648/2005) and the possibilities that could be used to further enhance enforcement of export controls being well aware that controlling each transit or transshipment of dual use items has been excluded by the Dual Use Working Party.**

- *Enhancing information exchange between Member States. Considering exchange of information between the EU Situation Centre and like-minded countries.*

= **The provision of sensitive information by Member States to the SITCEN is improving, enhancing the latter's capacity to make useful analyses available to Council bodies. Further progress would be welcome. Some contacts have been made with interested third parties, though the absence of security agreements between the EU and these countries renders information exchange more difficult.**

= Exchange of sensitive information between Member States in particular to implement the Peer Review conclusions on catch all harmonisation needs to be further developed.

5) *Enhancing the security of proliferation-sensitive materials, equipment and expertise in the European Union against unauthorised access and risks of diversion.*

- Improving the control of high activity radioactive sources. After the adoption of the Council Directive on the control of high activity sealed radioactive sources, Member States should ensure its fast implementation at national level. The EU should promote the adoption of similar provisions by third countries.

= Community legislation concerning the import/export of radioactive sources is being prepared.

- Enhancing, where appropriate the physical protection of nuclear materials and facilities, including obsolete reactors and their spent fuel.

= In July 2005, Member States and the Commission have signed the amendments to the Convention on the Physical Protection of Nuclear Material (CPPNM). The EU and Member States are carrying out démarches to third countries in order to promote an early ratification and entry-into-force of the amendments.

= Improvement of the physical protection of a nuclear facility in the Russian Federation is the objective of the Joint Action, which was adopted by the Council on 22 November 2004. Preparations for the actual implementation of the Joint Action are being finalised. The project has not yet started due to delays on the Russian side.

- Strengthening of EC and national legislation and control over pathogenic micro-organisms and toxins (both in Member States and in Acceding Countries) where necessary. Co-operation between public health, occupational health and safety and the non-proliferation structures should be reinforced. The creation of an EU Centre for Disease Control and the task that it would perform should be analysed.

- = The Council decided on 12 December 2003 the setting up of the EU Centre for Prevention and Control of Diseases to be based in Stockholm. After its start on 1st May 2005, it is now operating.**

- *Fostering dialogue with industry to reinforce awareness. An initiative will be taken in order to promote firstly, dialogue with the EU industry with a view to raising the level of awareness of problems related to the WMD and secondly, dialogue between EU and US industry, in particular in the biological sector.*

- = With regard to dialogue with the EU Biotech industry, the Commission has considered that, in line with practice recognised in the context of implementation of Regulation 1334/2000 (in particular under Article 4 regarding the role of the dialogue between governments and exporter), it would be appropriate to start with an assessment of the modalities and results of the EU Member States national contacts with their industry, before carrying out an exercise at EU level. The Commission also draws the attention to the importance of raising awareness of the research sector as a matter of priority, given the significant activity in this sector.**

- = The Task Force on Peer Review has made detailed proposals to strengthen the interaction between each Member State and national exporters of dual use items (including researchers and academics) as well as between EC and EU federations of exporters. The Commission Services are having contacts with exporters to examine possible means to enhance interaction at EU level and will report to the Working Party on Dual Use Goods. However no Member State has reported systematically on this issue which should be part of any best practice on ITT controls as mentioned in the Peer Review recommendations.**

6) *Strengthening identification, control and interception of illegal trafficking*

- *Adoption by Member States of common policies related to criminal sanctions for illegal export, brokering and smuggling of WMD-related material.*

= **Further to the adoption by the June 2004 European Council of a text inviting the relevant Council bodies, within the framework of Justice and Home Affairs, to review the appropriate political and legal instruments towards the adoption of common policies related to criminal sanctions for illegal export, brokering and smuggling of WMD related material, in the framework of the Council Working Party on Dual Use Goods, the Commission Services launched a questionnaire on the implementation of article 19 of the Dual Use Regulation (Regulation (EC)1334/2000) and on the existing sanctions in force in Member States, and on possible areas for harmonisation. A provisional report prepared by the Commission has been distributed to the Dual Use Working Party and must be complemented with further contributions from the Member States, who have not yet answered the questionnaire. Regarding sanctioning of brokering of dual use items, discussions have taken place in a number of export control regimes and in the group chaired by the Commission. Preliminary remarks of Member States experts in this group emphasised the problem of enforceability and proportionality of such measures. The discussion continues on the basis of Commission papers in the Dual Use Working Party. The CONOP Working Party has also started to examine the possible implementation of criminal sanctions for illegal export, brokering and smuggling of WMD-related material.**

- *Considering measures aimed at controlling the transit and transshipment of sensitive materials.*

- = Further to the Peer Review conclusion that the exclusion of transit controls from the Dual Use Regulation constitutes a lacuna, and the fact that UNSCR 1540 calls for appropriate legislation to control transit of WMD-related items, the Article 18 Coordinating Group has held several joint meetings with customs to address the issue and has reported to the Dual Use Working Party which is examining possible options to remedy the situation. The Impact Assessment Study ordered by the Commission is examining possibilities for amending the Regulation and how the controls could be carried out in practice. The Commission has recommended that Member States inform their counterparts in the Custom Committee in charge of adopting the implementing provisions of the Regulation 648/2005 of what is the necessary information that the pre-arrival and pre-departure declaration should contain to help customs better enforce EC regulation and possibly be empowered to stop items in transit or transhipped. A progress report of custom committee work has been distributed to Dual-Use Working Party at its 14 October meeting.**
- Supporting international initiatives aimed at the identification, control and interception of illegal shipments.*
- = Member States continue to participate to PSI meetings and exercises. The Office of the Personal Representative and the Commission services regularly attend as members of a Member State delegation. The PSI Regional operational Experts Group meeting in Hamburg (24-26 November 2005) was attended by the Office of the Personal Representative and the Commission Services, who gave presentations on the role and added value of the EU Institutions**

B) *Promoting a stable international and regional environment*

1) *Reinforcing EU co-operative threat reduction programmes with other countries, targeted at support for disarmament, control and security of sensitive materials, facilities and expertise.*

- *Prolonging the Programme on disarmament and non-proliferation in the Russian Federation beyond June 2004.*

= **Preparations for the actual implementation of the Joint Action for the support of the physical protection of a nuclear site in the Russian Federation (adopted by the Council on 22 November 2004 as mentioned above under point A5) are being finalised. The objective of this Joint Action is to support a project for the implementation of physical protection measures at the Bochvar Institute in Moscow of the Russian Federal Agency for Atomic Energy. The project has not yet started due to delays on the Russian side.**

= Increasing EU co-operative threat reduction funding in the light of financial perspectives beyond 2006. The creation of a specific Community budget line for non-proliferation and disarmament of WMD should be envisaged. Member States should be encouraged to contribute also on a national basis. These efforts should include measures aimed at reinforcing the control of the non-proliferation of WMD related expertise, science and technology.

a) *On the increase of funding and the creation of a specific Community budget line for non-proliferation and disarmament of WMD*

= **It has become increasingly clear that proper implementation of the WMD Strategy depends on appropriate funding and human resources availability. The budgetary context is being discussed in the EU Institutions. during the second term of 2005. In principle, three sources are available: the CFSP budget, the EC budget and national contributions from Member States.**

CFSP budget: In January 2005, the Personal Representative indicated to the PSC that additional funding may be necessary if the priorities endorsed by the Council were to be met in 2005. The PR's January estimate came to some 17 Mio Euro. Because of the wide range of priorities to be financed by the CFSP budget, in comparison with 2004, there will be a clear decrease of funding of WMD related activities in 2005. Whether the projects identified as priorities in 2005 may be financed out of the 2006 budget remains to be seen.

EC budget: Difficulties, including of legal nature, have emerged regarding the possibility for measures coming in support to non-proliferation and disarmament to fall within Community competence and hence to be financed by the Community budget. The outcome of the ongoing discussions in the EU Institutions about these issues will be important when assessing the possibility of creating a Community budget line for non-proliferation.

Pilot Projects: In 2004, the European Parliament introduced an amount of 3 M euros into the EC budget for a Pilot Project, the purpose of which was to investigate measures by which the Community instruments can support actions against the proliferation of WMD as well as to combat the proliferation and illicit arms trafficking of light weapons. A Conference is planned, jointly by the Commission and the European Parliament, at the end of 2005, where the outcome of the Pilot Project will be presented. The CONOP, CODUN and COARM Council Working Parties have been informed on the progress of the Pilot Project.

For the 2005 EC budget, the European Parliament re-introduced an amount of 3 Mio. into the EC budget for another Pilot Project. 1.5 Meuros will be used by the Commission for launching co-operative actions in the field of export control. CONOP, CODUN and the Dual Use Working Party have been informed.

A third Pilot Project has been proposed for 2006, bringing the total amount for these activities to 9 Mio Euro in the period 2004-06 (half of it for WMD non proliferation and disarmament). The outcome of the Pilot Projects will be used in the course of 2006 by the Commission to define the 2007-2013 programming of Community assistance in support of activities in the area of non-proliferation and disarmament.

- *Setting up of a programme of assistance to States in need of technical knowledge in order to ensure the security and control of sensitive material, facilities and expertise.*

- = **The Commission has continued activities in the fields of nuclear material protection, control and accountancy, support to the ISTC/STCU, and for the safety and security of radioactive materials, including measures to combat illicit trafficking of nuclear and radioactive materials.**

- = **A possible initiative in this area is mentioned in the list of priorities endorsed by the Council in December 2003. Reflections on the appropriate way forward are ongoing. It will be critical to ensure proper coordination with existing or possible planned Commission and Member States programmes, within their respective competencies.**

2) *Integrate the WMD non-proliferation concerns into the EU's political, diplomatic and economic activities and programmes, aiming at the greatest effectiveness.*

- *Mainstreaming non-proliferation policies into the EU's wider relations with third countries, in accordance to the General Affairs and External Relations Council conclusions of 17 November 2003, inter alia by introducing the non-proliferation clause in agreements with third countries.*

- = **The Personal Representative has continued to participate in meetings of several Council geographical working groups, in order to promote awareness to the WMD Strategy and to the need to insert the non-proliferation clause in agreements with third countries and of similar provisions in different action plans negotiated with third countries, in particular in the Mediterranean region and with India.**

- = **Since December 2004, the non-proliferation clause has been inserted in the revised ACP-EU Cotonou agreement concluded with the 78 countries concerned, in addition to the insertion of such clauses into the PCA with Tajikistan and the Association Agreement with Syria. Discussions are still under way in the context of negotiations of an interregional association agreement with Mercosur, a FTA with the GCC countries and partnership and Co-operation Agreement with Thailand, Indonesia, Singapore, the Philippines, Malaysia and Brunei. A parallel instrument (article 24 TEU) to the community agreement with Pakistan which would contain a non-proliferation clause is to be negotiated by the Council.**

In parallel, Action Plans with countries of Eastern Europe and the Mediterranean in the context of the European Neighbourhood Policy (ENP) have been adopted with a WMD chapter, the language of which is based on key elements of the WMD clause. Such Action Plans have been adopted with Ukraine, Moldova, Israel, Jordan, Morocco, Tunisia and the Palestinian Authority. Negotiations have started with Egypt.

- = **Joint Statements on WMD have been adopted by the Stabilisation and Association Councils with Croatia and FYROM in April and July 2005, respectively.**

- = **In a different context (follow-up to the EU-India Summit in 2004) an Action Plan with India has been negotiated and adopted at the EU/India Summit in September 2005, which makes reference to co-operation in the field of non-proliferation.**

= The Personal Representative has taken the initiative to promote the idea of starting a dialogue on disarmament and non-proliferation in the context of the Barcelona process.

As stated in the conclusions of Euromed Foreign Ministers (Luxembourg, 30 May 2005) consultations are ongoing in order to finalise the terms of reference for the meeting, which should take place before the end of 2005.

= As far as negotiations with Iran are concerned (nuclear issue, in parallel to TCA and Political Agreement), HR Solana and his representatives, as well as according to the subject matter, Commission representatives, have participated in a number of meetings for the implementation of the Paris Agreement reached in November 2004 between Iran on one side and France, Germany and United Kingdom, with the support of HR Solana, on the other side. The objective of these talks, which are supported by all EU Member States, is to negotiate a long-term agreement with Iran, which would include “objective guarantees”, concerning the exclusively peaceful nature of its nuclear programme. A comprehensive proposal for a long-term agreement was presented to Iran in early August 2005. While Iran has breached its commitments under the Paris Agreement by resuming uranium conversion activities in August 2005, there is preparedness to resume negotiations provided that Iran re-establish the necessary conditions as expressed in the GAERC Conclusions of 3 October 2005.

- Increasing Union efforts to resolve regional conflicts by using all the instruments available to it, notably within the framework of CFSP and ESDP.

= Council and Commission to implement this policy on a general level.

C) *Co-operating closely with the United States and other key partners*

1) *Ensuring adequate follow up to the EU-US declaration on non-proliferation issued at the June 2003 Summit.*

= **Co-operation in export control regimes and in the implementation of the G8 Global Partnership is continuing.**

= **EU-US dialogue meetings as well as contacts between the US authorities and the Commission and/or the HR's Personal Representative on WMD continue in order to compare notes on new areas of co-operation.**

= **Possibilities for practical co-operation with destruction of chemical weapons in Albania have been examined.**

= **An EU/US declaration on enhancing co-operation in the field of non-proliferation and the fight against terrorism has been adopted by the EU/US Summit on 20 June 2005 and is being implemented.**

2) *Ensuring co-ordination and, where appropriate, joint initiatives with other key partners.*

= **The Presidency and the troika have used all opportunities to keep third countries informed of the WMD Strategy and the state of its implementation, at both working and political level. Intensive discussions are also being held with key partners on the question of Iran's nuclear programme and its non-compliance with its safeguard obligations.**

- = **At the EU Japan Summit on 2 May 2005, leaders renewed their commitment to implement the 2004 EU-Japan Joint Declaration on Non-proliferation and Disarmament and to co-ordinate further their activities.**
- = **The roadmap for the Common Space of External Security adopted by the EU/Russia Summit on 10 May 2005 aims at strengthening co-operation in order to address challenges and key threats linked to the proliferation of WMD.**
- = **At the EU-China Summit in September 2005, the two sides, in the framework of their strategic partnership, agreed to continue and enhance dialogue and cooperation on the basis of the joint declaration on non-proliferation and Arms Control adopted at the China-EU Summit in 2004.**

D) Developing the necessary framework within the Union

1) Organising a six monthly debate on the implementation of the EU Strategy at the External Relations Council.

- = **UK Presidency is scheduling the next debate at General Affairs and External Relations Council before the end of 2005.**

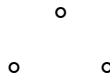
2) Setting up, as agreed in Thessaloniki, a unit which would function as a monitoring centre, entrusted with the monitoring of the consistent implementation of the EU Strategy and the collection of information and intelligence, in liaison with the Situation Centre. This monitoring centre would be set up at the Council Secretariat and fully associate the Commission.

- = **A draft paper covering the possible mission and modalities of such a centre has been prepared by the Office of the Personal Representative, who is now coordinating with the Commission services, with a view to circulation to Member States before end 2005.**

E) *Exchange of information and analysis with NATO*

- *Reference to exchange of information and analysis with NATO, within the agreed framework arrangements, is made in the EU's WMD Strategy in chapter II paragraph 28.*

= In implementation of paragraph 28 of the EU's WMD Strategy and following the conclusions of the 10 March 2004 PSC/NAC meeting, staff to staff contacts have continued to take place.



Draft
UPDATED LIST OF PRIORITIES
FOR A COHERENT IMPLEMENTATION OF THE EU WMD STRATEGY

I. INTRODUCTION

Delegations will find herewith a revised and updated version of the List of Priorities for a coherent implementation of the EU WMD Strategy adopted by the European Council in December 2003. It is based on the List of priorities which was endorsed by the GAERC in December 2004.

The suggested priorities take into account experiences gained from 2 years of implementation and new challenges which have arisen since then.

The GAERC has held a debate on the implementation of the existing Strategy every six months on the basis of reports established by the Office of the Personal Representative to HR Solana for non proliferation. These documents show that the implementation of the Strategy is now up and running. At the same time, the threat caused by proliferation of WMD is more real than ever. The most recent SitCen threat assessments confirm this for nuclear, biological and chemical weapons and their means of delivery. As a consequence there is a need to step up EU efforts. In order to ensure a focused and coherent action the EU will also have to look into the financial and human resources available to achieve this goal.

The following new factors and realities since the adoption of the first list of priorities have been taken into consideration:

- The unanimous adoption of UNSCR 1540: the resolution pin-points non-state actors, calls for cooperation i.e. to strengthen and enforce export controls, control transshipment and financing of sensitive exports, securing dangerous materials, demonstrates collective resolve of international community and underlines the importance of multilateralism;

- The failure of the NPT review Conference to agree on substance; the EU has taken a clear position on aims for the future of the nuclear non-proliferation regime in the Common position adopted in view of this conference;
- The terrorist attacks in Madrid and London show that non-state actors/ terrorists seek to be active in Europe; it could just be a matter of time before they attempt to use nuclear, radiological, biological, chemical means;
- The G8 Global partnership plays an important role in the field of WMD non-proliferation and there is a need to coordinate activities with those of the EU;
- Important progress has been made as far as the Convention on the Physical Protection of Nuclear Material and the Convention against Nuclear Terrorism are concerned;
- Evidence of clandestine acquisition of nuclear-related equipment and technology by Iran, DPRK and Libya confirms the threat presented by illicit procurement networks; in this context, export control regimes have developed new ad-hoc policies (NSG nuclear co-operation suspension clause and MTCR decisions concerning DPRK and Syria);
- The IAEA reported recently a substantial increase in illicit trafficking and unauthorised activities with nuclear and other radioactive materials in 2003-2004;
- The Iranian and North Korean nuclear as well as ballistic programmes are a concrete example of proliferation concerns with regard to state actors;
- The G-8 Gleneagles statement on non-proliferation has called for measures to address the problem of financial networks supporting proliferation activities;

- The international support to the negotiations with Iran on the basis of the Paris Agreement have shown that an active European role in the field of non-proliferation can be a very significant factor in addressing major challenges;
- EU cooperation with various strategic partners, i.e. US , China, Japan, Russia has been stepped up;
- Enlargement of EU has taken place: as a consequence, action plans encompassing activities in the field of non-proliferation/disarmament have been negotiated with countries falling under the New Neighbourhood Policy (i.e. Eastern Europe, Mediterranean);
- WMD clauses have been inserted into a considerable number of contractual relations between EU and third countries, creating a good basis for cooperation in this field;
- Structures within the EU have developed: HR Solana has taken an active role in the field of non-proliferation. He has appointed a Personal Representative, who cooperates with respective EU Presidencies, the Coordinator for Counter-terrorism, the SitCen and works in association with the Commission. The European Parliament has shown an increasing interest in non-proliferation activities by the Council;
- Predictability and availability of financing means will be required to ensure the credibility of EU actions over the longer term.

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Delegations will find:

- in Annex A, the priorities for the period 2006-2008 which do not require funding;
- in Annex B, the priorities for the same period which do require funding;
- below under II, a short list of actions requiring EU funding, which absolutely need to be undertaken by the EU next year (2006).

II. ABSOLUTE PRIORITIES FOR 2006

1. Joint Action in support of IAEA, including the control and protection of nuclear material and radio-active sources, and assistance for the implementation of the Additional Protocol;
(10 million €)
2. Joint Action in support of OPCW;
(2,0 million €)
3. Joint Action in support of BTWC (if not adopted in 2005);
(0,9 million €)
4. Joint Action in support of CTBTO
(1,0 million €)
5. Joint Actions on physical protection of biological laboratories;
(Ukraine 4,0 million €
+ other countries 4,0 million €)

6. Export control assistance (China, Ukraine expected to be financed through the Pilot Project 2005 defined and implemented by the Commission in cooperation with the German MoFA and BAFA);

 7. Joint Action on Chemical weapons destruction in Russia;
- (6,0 million €)

N.B. The final order of priorities will be decided in the light of the actual progress in the preparation of each project as well as in the light of international developments, which could require to speed up some projects rather than others.

PRIORITIES WHICH DO NOT REQUIRE EU FUNDING¹

1. Support in favour of multilateralism and universalisation of international treaties and agreements (see also Annex B, point 1)

The EU will continue to work for the universalisation and, when necessary, strengthening of the main treaties and agreements. It will continue to promote compliance with UNSCR 1540 by all UN Member States and appropriate implementation within the EU, including through the adoption, where necessary, of new legal instruments. The EU will also continue to foster the role of the UN Security Council (UNSC).

After the 2005 NPT Review Conference, renewed efforts to preserve the integrity of the nuclear non-proliferation regime will have to be undertaken. The question how to strengthen the NPT will have to be addressed as an important priority. The EU should promote action aimed at starting negotiations for an international agreement on the prohibition of the production of fissile material for nuclear weapons (Fissile Material Cut-Off Treaty) in the CD. The Institute for Security Studies (ISS), for instance, could organise in 2006 a workshop on the EU's contribution to start FMCT negotiations.

Action:

- a) Political/diplomatic activity in support of UNSC, of compliance with UNSCR 1540 and of universal adherence to NPT (including IAEA safeguards agreement and the Additional Protocol), CWC, BTWC, CTBT, HCOC.

The amendments to the Convention on Physical Protection of Nuclear Material and on the Convention against Nuclear Terrorism and UNSCR 1373 are to be considered as important steps.

¹ Some of these actions would be more effective if supported by parallel or subsequent initiatives implying deployment of financial means.

- b) Organisation e.g. by the ISS of a workshop on how to promote start of negotiations of FMCT in 2006.

Resources:

- a) Diplomatic resources of EU institutions and Member States.
- b) e.g. ISS budget.

Duration:

- a) 2006-2008.
- b) 2006.

2. Reinforcing nuclear security

- **Within the EU** (for outside the EU, see Annex B, point 3)

All Member States and the European Community have agreed the amendments to the Convention of Physical Protection of Nuclear Materials (CPPNM) which are aimed at strengthening the convention by extending its scope of application to domestic transport, storage and use, and to nuclear facilities. EU Member States should now speedily ratify the amendments and continue to carry out démarches to third countries in order to allow for a rapid entry-into-force of the amended CPPNM.

- Action:**
- Ratification of amended CPPNM by EU Member States and the European Community.
 - Diplomatic outreach to third countries

- Resources:**
- National resources and procedures
 - Diplomatic resources of EU institutions and Member States.

Duration: 2006-2007

3. Strengthening BTWC

a) Expert group on BTWC compliance

The EU Strategy is quite ambitious with regard to non-proliferation of biological weapons. It says that the EU must find ways to strengthen compliance with the BTWC and that a group of governmental experts to give advice on how this could be done could be established. Work has already started to prepare the 2006 BTWC Conference. A group of experts could be convened to work further on this matter in order to develop specific suggestions to strengthen the BTWC, in particular as regards compliance, with a view to the Review Conference. These experts should also draw from the important work already carried out in the UN framework over the last years. In addition, the expert group could also be useful in the context of the development of bio-security and bio-safety standards and their effective implementation. Council bodies should therefore agree before the end of the year the suggested composition of such a group, mandate, timeframe, etc. Importance should be attached in this context to export control of biological dual use items and technologies.

b) International verification capability

The need for an international verification capability regarding biological weapons has been identified in the WMD strategy as an EU objective. A discussion on ways to strengthen the BTWC and compliance with it could be initiated by the UNSC with the objective to establish a UN roster of experts on which the UNSC and/or the UN Secretary General could draw. EU Member States could contribute to such an initiative by providing experts to be included in such a list. As a prerequisite for such a system, the necessary preparatory work will have to be undertaken (i.e. regular training of experts, availability of equipment, etc.). In this regard the EU has adopted at the end of 2005, an Action Plan on BTWC which requests EU Member States to consider and volunteer expertise to the UNSG in helping him update the lists of experts and laboratories that he may call on for an investigation, on the basis of relevant UNGA resolutions (Measures to uphold the authority of the 1925 Geneva Protocol).

- Action:**
- a) Setting up a group of governmental experts on BTWC;
 - b) Updating the lists of experts and laboratories available to the UN Secretary-General to investigate alleged CBW use;
 - b) Promoting within the UN framework the drawing-up of a roster of experts for verification of compliance in the biological weapons area.

- Resources:**
- a) Council bodies.
 - b) Member States to make available experts to be included in such a roster.

- Duration:**
- a) 2006.
 - b) Political/diplomatic activity, 2006.
 - c) Availability of experts, 2006-2008.

4. Criminal sanctions for the proliferation of sensitive goods and technologies

The EU WMD Strategy suggests the adoption of common policies related to criminal sanctions for illegal export, brokering and smuggling of WMD-related material. In this context, the European Council, in a declaration on criminal sanctions of 18 June 2004, invited Council bodies to review the appropriate political and legal instruments, including possible actions within the framework of Justice and Home Affairs, that would further the adoption of concrete steps. The Council bodies and the Commission should continue to evaluate the existing sanctions under current Member States' legislation or regulations and, if necessary, make recommendations for their convergence. In addition, consideration should be given to addressing the financing networks supporting these illegal activities in order to identify appropriate sanctions.

In the light of the G-8 Gleneagles statement on non-proliferation, a reflection within the EU has to be carried out on the need to develop appropriate legal instruments to address the problem of financial networks supporting proliferation activities.

Such steps will also contribute to fulfil the requirements of UNSC Resolution 1540.
This issue will have to be kept under review.

- Action:**
- A global survey of Member States' existing sanctions for illegal export, brokering and smuggling of WMD related material should be continued within relevant Council bodies, in line with the declaration of the European Council in June 2004 and building on the discussions which have taken place in CONOP, with a view to review the appropriate political and legal instruments that would further the adoption of concrete steps.
 - This survey should take into account the work conducted within the Dual-Use Working Party, in particular the evaluation of the existing sanctions both criminal and administrative that are in force under current Member States' legislation or regulations regarding illegal export of dual-use items (based on a Commission questionnaire distributed in the Dual-Use Working Party which was copied to CONOP). The issue of sanctions against illicit brokering on dual-use items is under consideration in the Dual-Use Working Party. The results of an impact assessment study launched by the Commission are expected by early 2006 prior to making any recommendation.
 - Examination in Council bodies of the problem of financial networks. If needed, adoption of new legal instruments.

- Resources:**
- Member States, in providing information and expertise on their respective sanctions. Commission to propose further initiative if required.
 - EU institutions.

Duration: 2005-2006.

5. **Strengthening the control of WMD-related equipment and materials in transit and/or in transshipment**

Controlling the transit of WMD-related equipment and materials remains a major challenge for the implementation of an effective non-proliferation policy. Examination of options for an efficient and proportionate control of transit and transshipments is underway in the context of the follow-up to the Peer Review.

Action: - Identification of possible need to amend Article 3-4 of the Dual Use Regulation.

Resources: - Once the impact assessment study will have shed light on feasibility and cost of implementation, Commission will make a proposal in a communication to Council to be carried out by Commission, together with Member States.
- National resources for implementation.

Duration: 2005 – 2006

6. **Implementing effective export controls**

- **Within the EU**

The report by the Task Force further to the completion of the visits in the framework of the Peer Review of national export control systems contains recommendations of a general nature which address potential weaknesses of the EU system. The Council stated on 13 December 2004 that such recommendations should be implemented without delay. Implementation of the recommendations has therefore been taken forward as a priority by the Council Working Party on Dual Use Goods and achievements to date are set out in a separate report to Council (doc. 15107/05).

Recommendations include:

- (a) The urgent need to improve the exchange of information in accordance with the Dual Use regulation, in particular with regard to denials of export authorisations and to catch all clause implementation as well as to sensitive end users;
- (b) The need to minimise any significant divergences in practices in implementation of the Dual Use regulation;
- (c) Investigate the possibilities for adding controls on transit and transshipment;
- (d) the need to improve transparency and awareness of legislation.

Action: Implementation of the recommendations contained in the report of Task Force:

- (a) Commission intends to launch a pilot project for a data base of the EU denials and non EU denials (Australia Group, NSG) following the work that it organised from June to September with volunteering Member States and which was approved by Dual Use Working Party at its 14 October meeting.
- (b) Proposals to amend the current Community General export authorisations so as to ensure a level playing field have been made by Commission to the Council and are now submitted to the impact assessment study. In addition, a survey has been made of the different conditions of use of the various types of authorisations in force in the 25 Member States which could lead to proposals in 2006.

- (c) An option to amend article 3-4 of EC Regulation so as to allow customs to stop an item in transit or transhipped is under review and proposals will depend on the impact assessment study. A number of issues must be addressed such as exchange of denied transit; no undercut provisions on denied transits etc. Regarding transparency of legislation, the Commission has prepared an overview based on contributions from Member States (some contributions still have to be provided). Best practices guidelines could be developed based on an impact assessment of the cost for some Member States of alignment on these practices (human resources, finances, impact on exporters) and on discussions and exchanges of experiences in Dual Use Working Party and Commission Services' chaired Article 18 Coordinating Group or in other Groups if for example Recommendation III.6 of the Peer Review on increased use of risk analysis for enforcement of EC Regulation by customs is implemented.
- (d) impact of possible amendments to the regulation to be assessed by outside consultants; thereafter Commission to table proposal for amending regulation.

Resources: Experts from Member States and EU institutions, consultants paid by Commission, Commission staff.

Duration: Ongoing

- (a) The trial phase (pilot project) for a data base of dual use denials (to be funded and managed by the Commission Services) was launched in October 2005.
- (b) Proposals for best practices in certain areas could to be tabled before the end of 2005 but some of these might be pending on the results of the impact assessment study in particular for ITT controls.
- (c) Impact assessment underway; results to be available early 2006; Commission to table a communication on the EU export control regime before end of 2006.

- **Outside the EU** (see also Annex B, point 5)

The EU will continue to promote the strengthening of export control regimes and adherence to their guidelines, as appropriate. Member States could also contribute to this objective by continuing to raise awareness of the importance of export controls in third countries.

A debate within the EU is needed on the reasons why membership of its new Members in all export control regimes has not yet been achieved, in order to define a new determined action to get full membership in all regimes.

Action: Diplomatic/political.

Resources: a) Diplomatic/political resources of EU institutions and Member States.
b) Debate in PSC, and where necessary, in Council on issue of membership

Duration: a) 2006-2008
b) Beginning 2006.

7. Mainstreaming the non-proliferation policies into the EU's wider relations with third countries

- As requested by the Council in 2003 (doc. 14997/03) efforts to mainstream non-proliferation policies into the EU's wider relations with third countries have to continue. In addition to clauses previously inserted in the Stabilisation and Association Agreement with Albania and in the Trade and Corporation Agreement with Tadjikistan, a WMD clause has been inserted in the Association Agreement initialled with Syria in October 2004 and in the revised Cotonou Agreement which has been opened for signature in February 2005.

- The inclusion of a WMD Section covering the same elements as the "model clause" has been achieved so far in a number of Action Plans of the European Neighbourhood Policy: Ukraine, Moldova, Israel, Jordan, Morocco, Tunisia.

The EU is also working on:

- the inclusion of the WMD clause in the current negotiations of the Interregional Association Agreement with Mercosur, the Free Trade Agreement with the Gulf Cooperation Council.
- The inclusion of the WMD clause in the future individual Agreements on Partnership and Cooperation with countries of South-East Asia such as Thailand, Singapore, Indonesia, the Philippines, Malaysia and Brunei. It was agreed in the negotiating directives (point 1.1) that "the question whether the agreement will be concluded inter alia by the Community and its Member States or by the Community and the European Union will be determined at the end of the negotiations and on the basis of the text resulting from these negotiations". Such a clause would also have to be inserted into a possible third generation agreement with China.
- The inclusion of the WMD clause in further Stabilisation and Association Agreements in the Balkans, following the precedent of Albania, in particular with Bosnia-Herzegovina, Serbia-Montenegro and FYROM.
- The conclusion of a "parallel" instrument under article 24 TEU with Pakistan containing a WMD clause.
- The inclusion of a WMD section covering the same elements as the "model clause" in the Action Plans with the other partner countries under the European Neighbourhood Policy (Armenia, Georgia, Azerbaijan, Egypt).

To be noted that negotiations of a political agreement with Iran containing a WMD clause are suspended at this stage.

Action: continue negotiations on WMD clauses or Sections in draft Agreements and Action Plans.

Resources: Commission, Presidency and HR.

Duration: 2006 and onwards.

8. Developing an approach to other regions

a) **India** (see also Annex B, point 8).

Relations between EU and India have developed. At the EU-India Summit in September 2005, a Joint Action Plan has been adopted, which also covers non-proliferation issues, and calls, inter alia, for the establishment of a senior officials dialogue on non-proliferation.

These developments have to be seen in the context of the overall position taken by the EU with respect to this country. Under the EU Common Position 2003/805/CFSP, EU policy with regard to India is consistent with UNSC Resolution 1172 of 1998: our objective is the accession of India to all relevant international instruments, in particular the NPT, the CTBT and HCoC. The EU should encourage India to implement steps towards the non-proliferation regime. The EU should develop co-operation in the framework of UNSC Resolution 1540, through enhanced dialogue with the export control regimes, and promote the adoption of other transparency measures (e.g., in the form of a formal communication to the IAEA on policies and practices in the area of export controls). Furthermore, India should be encouraged to work towards the early commencement at the CD of negotiations on a FMCT and to adopt, in the meantime, a moratorium on the production of fissile materials for nuclear weapons.

Moreover, the EU should encourage India to develop and introduce the adequate national infrastructure for an effective nuclear material accountancy and control system. Such a system would help notably to certify that their nuclear material will not be diverted to proliferation

activities. These transparency measures could develop into the conclusion of formal arrangements in the area of safeguards between India and IAEA (IAEA already carries out some safeguards activities in selected nuclear facilities in India).

Member States will need to coordinate in view of the work which will be carried out in particular in the NSG following the US-India Joint Statement of July 2005. In any case, the EU should make clear by all means that this cannot be construed nor interpreted in any way as a de facto recognition of a status of nuclear weapons state.

Action: Political/diplomatic means in order to promote steps on the part of India in the field of non-proliferation, disarmament and arms control, including transparency measures, export control cooperation under UNSCR 1540, and support for CTBT, HCoC, and FMCT negotiations.

Resources: Diplomatic resources of EU institutions and Member States.

Duration: 2006-2008.

b) Pakistan (see also Annex B, point 8).

Relations with Pakistan have been stepped up in 2004 through a Trade and Association Agreement. The Presidency has been mandated to negotiate a political agreement with Pakistan covering non-proliferation and terrorism.

Based on the EU Common Position 2003/805/CFSP and consistent with UNSCR 1172 of 1998, the EU position remains that Pakistan should accede to all relevant international instruments, in particular the NPT, CTBT and HCoC.

However, in the meantime, Pakistan should at least be encouraged to reassure the international community that it does not contribute to proliferation. As an initial step into that direction, the EU should encourage Pakistan to adopt in parallel transparency measures designed to improve its proliferation credentials towards the international community. This could be done by contributing to the implementation of UNSC Resolution 1540, through enhanced dialogue with the export control regimes, and through the adoption of other transparency measures (e.g., in the form of a formal communication to the IAEA on policies and practices in the area of export controls). Furthermore, Pakistan should be encouraged to

work towards the early commencement at the CD of negotiations on a FMCT and to adopt, in the meantime, a moratorium on the production of fissile materials for nuclear weapons.

Moreover, the EU should encourage Pakistan to develop and introduce the adequate national infrastructure for an effective nuclear material accountancy and control system. Such a system would help notably to certify that their nuclear material will not be diverted to proliferation activities. These transparency measures could develop further into the conclusion of a formal arrangement in the area of safeguards between Pakistan and IAEA (IAEA already carries out some safeguards activities in selected nuclear facilities in Pakistan). In any case, the EU should make clear by all means that this cannot be construed nor interpreted in any way as a de facto recognition of a status of nuclear weapons state.

Action: Political/diplomatic means in order to promote steps on the part of Pakistan in the field of non-proliferation, disarmament and arms control, including transparency measures, export control cooperation under UNSCR 1540, and support for CTBT, HCoC, and FMCT negotiations.

Resources: Diplomatic resources of EU institutions and Member States.

Duration: 2006-2008.

c) **ASEAN Regional Forum (ARF)** (see also Annex B, point 5)

The EU is a "participant" in the ASEAN Regional Forum (ARF) which is a political and security forum in which both ASEAN countries as well as its 14 dialogue partners US, Australia, Canada, New Zealand, Russia, Japan and China, Republic of Korea, DPRK, India, Pakistan, Mongolia, Papua New Guinea take part. This forum discusses political and security issues in the framework of seminars and workshops and at an annual ministerial meeting. Exchanges of views on non-proliferation issues constitute a major part of its work.

A workshop/seminar on export controls will be held in Singapore in November 2005. Moreover, the ARF plans to hold a seminar on non-proliferation of WMD, to be co-chaired by the US, China and Singapore in spring 2006. The seminar would raise awareness about the threat posed by proliferation, allow a discussion on the importance of adhering to existing international treaties and conventions, review the experiences of countries in non-proliferation and highlight how existing arrangements help to reduce threats. Finally the seminar would identify needs for further reducing proliferation-related threats.

Action: Political/diplomatic initiatives designed to promote non-proliferation in South East and South Asia. Enhanced EU participation in non-proliferation and export controls seminars and other activities organised within ARF. In particular, ensure EU relevant participation at the seminar on non-proliferation of WMD, to be co-chaired by the US, China and Singapore in spring 2006.

Resources: Diplomatic means from Member States and EU Institutions.

Duration: 2006-2008.

PRIORITIES REQUIRING EU FUNDING

(PM: Financial estimates given are indicative and do not prejudice the prerogatives of the Budgetary Authority).¹

1. Support in favour of universalisation and multilateralism.

In addition to political/diplomatic activity, the EU could support, where appropriate:

- workshops and conferences organised by the International Atomic Energy Agency (IAEA) in order to promote accession by States not yet party to the Non-Proliferation Treaty (NPT), including the conclusion of IAEA comprehensive safeguards agreements and the Additional Protocol;
- workshops and conferences organised by the provisional technical secretariat of the Comprehensive Test Ban treaty Organisation (CTBTO) in order to promote accession by States not yet party to the CTBT;
- workshops and conferences organised by the Organisation for the Prohibition of Chemical Weapons (OPCW) in order to promote accession to the Chemical Weapons Convention (CWC);
- workshops to promote accession to the Biological and Toxin Weapons Convention (BTWC)
- workshops to promote the universalisation of the Hague Code of Conduct against the Proliferation of Ballistic Missiles (HCOG);
- as well as workshops and conferences organised by the UN Office or UNIDIR in Geneva, in the context of the CD.
- The offer of administrative and legal assistance in the drafting of domestic laws and regulations for implementation and compliance with the Treaties and in the drafting of the required initial and subsequent declarations or transparency measures could also contribute to facilitate the accession of additional states.

¹ The Commission notes that the financial estimates given in Annex II can only be indicative and do not prejudice the results of the Commission's programming of first pillar instruments. The Commission further notes that the estimates cannot prejudice the availability of resources under the CFSP budget.

The Joint Action in support of OPCW activities, which was adopted in 2004 and is currently being implemented, should be renewed for 3 or 4 years. Another EU priority should be a support to BTWC, namely by assisting countries in the drafting of legislation. This can be achieved through an EU Joint Action similar to the one set up by OPCW for CW. Since there is no international organisation for BW, the Office of the PR on WMD could implement this Joint Action in 2006.

- Action:**
- Participation of EU representatives in seminars and workshops promoting universalisation of NPT, including IAEA safeguards agreements and the Additional Protocol, CTBT, CWC, BTWC and the HCOC.
 - Joint Action in support of OPCW with a view to promoting universalisation of CWC, providing assistance to national implementation by States Parties to the CWC and providing international cooperation in the chemical area (to be renewed for 3 or 4 years).
 - Renewal of Joint action in support of IAEA (2006-2008).
 - Joint Action in support of the CTBTO provisional technical secretariat (2006-2008) aimed at strengthening the CTBT verification system pending entry-into-force of the treaty.
 - Joint Action in support of BTWC: promotion of universality through regional workshops and assistance in the drafting of national legislation.
(A draft Joint Action and Action plan have been prepared by the Office of the PR during the UK Presidency).
 - Joint Action in the BW area: support for regional training in bio-safety and pathogen security.

- Resources:**
- ± 2 million € per annum for the Joint Action in support of OPCW.
 - ± 10 million € per annum for the Joint Action in support of IAEA, (of which 6 million € per year could be dedicated to improve the control and protection of nuclear material and radio-active sources) (see point 2 below).

- ± 1 million € per annum for the Joint Action in support of CTBTO.
- 1 million € per annum for the Joint Action in support of BTWC.
- ± 2 million € per annum for the Joint Action supporting regional training in bio-safety and pathogen security.

Duration: - 2006-2008.

2. Reinforcing the security of nuclear material and radio-active sources

- Assistance to third countries.

Enhancement of the security of nuclear material and radio-active sources in third countries becomes, in the light of recent events, a particularly high priority. In this context, it should also be an objective to assist the most vulnerable countries, those having rather small, but in most cases not well or not at all controlled and protected, quantities of nuclear material and radio-active sources, to develop the adequate (legislative, administrative and technical) infrastructure and training of related expertise in order to comply with international standards for the control and protection of nuclear material and radio-active sources.

The existing Joint Action in support of the IAEA aims at strengthening the security of nuclear material and radio-active sources through (1) improving the physical protection of nuclear facilities and materials, (2) enhancing the control and protection of radio-active sources, (3) assisting countries in combating the illicit trafficking in nuclear material and radio-active sources, and (4) providing legislative assistance to countries for the implementation of the IAEA Additional Protocol. Current geographic priorities are the Balkans, Central Asia, Caucasus and the Mediterranean/Middle East.

This activity should be expanded in terms of geographic scope (e.g., through inclusion also of Sub-Saharan African countries where the control and protection of nuclear material and radio-active sources is extremely poor in many countries) in order to counter the risk of terrorist getting access to WMD usable material. Moreover, all identified priorities should be addressed in a more comprehensive and more urgent manner in order to remedy the existing deficiencies in terms of legislative, administrative and technical infrastructure in all countries that are in need of assistance. A special focus could be added related to the training of experts, through in particular relevant programmes driven by the IAEA, in vulnerability assessment, physical protection, system design, material accounting, nuclear security regulation, and other areas critical to an effective nuclear security and accounting system.

All these actions will have to be properly coordinated with existing and future Commission and Member States programmes related to Material Protection Control and Accountancy, illicit trafficking and export control.

A Joint Action for the improvement of the physical protection of a nuclear site in Russia was adopted in November 2004. While the Implementing Agreement between the Commission and the German MoFA has been signed soon after, the project has not yet started due to delays on the Russian side. Additional projects in the area of physical protection of nuclear sites should be considered in Russia. Coordination with projects of the G8 Global Partnership remains important.

Action: (a) Improving the security of nuclear and radio-active materials in the Balkans, Central Asia, Caucasus and Mediterranean/Middle East through existing IAEA Joint Action. Renewed IAEA Joint Action with expanded geographic coverage (e.g., to include Africa) and to address priorities in a more timely and comprehensive manner, with additional focus on training of experts.

- (b) Improving nuclear security in Russia through new Joint Actions for the support of the physical protection of a nuclear site in the Russian Federation.

Resources: (a) 10 million € for 2006 and the same for the following years, of which 6 million € per year dedicated to improve the control and protection of nuclear material and radio-active sources.

- (b) 5 million € for 2006 and the same for the following years.

Duration: (a) 2006-2008.

- (b) 2006-2008.

3. Physical protection of biological laboratories

In order to counter the risk of biological agents falling into the hands of non-state actors, action should be taken in order to improve physical protection of laboratories.

Ukraine has approached the EU requesting assistance and other countries are likely to need support as well. This is all the more important since there is no international organisation for the implementation of the interdiction of biological weapons.

Action:

- supporting Ukraine
- supporting other countries.

Resources:

- Joint Action for Ukraine (4 million € per year);
- Joint Action for countries other than Ukraine (4 million € per year).

4. Contributing to disarmament and dismantlement of WMD

The experience gained through the implementation of the Joint Actions for the Russian Federation in the area of disposition of ex-weapons nuclear material, destruction of chemical weapons and dismantlement of facilities suggests that a prolongation of this Joint Action should be sought. In this area, co-operation with IAEA and OPCW is crucial.

One priority could be to support the destruction of chemical weapons in Albania. This priority is based on the geographical proximity as well as on the weakness of state control in Albania. Such a support would be politically significant, since Albania is a neighbouring country.

Another priority could be chemical weapons destruction in Russia.

Action:

- Supporting dismantling of CW in Albania through a new Joint Action;
- Joint Action supporting disarmament and dismantlement activities in the Russian Federation

Resources:

- Joint Action Albania, 500.000 € per year, (2,5 million € for 5 years).
- Russia Joint Action (6 million € per year)

Duration: 2006-2009.

5. Implementing effective export controls.

- **Assistance to and co-operation with third countries.**

The EU's substantial legislative corpus in the area of export controls, the lessons learned and the best practices identified during the Peer Review, give the EU a good background to support third countries in the development of effective export controls.

Support includes assistance in drafting and implementing export control legislation. Experts from Member States and the EU institutions co-ordinate and/or participate in this work. Priority areas have been identified (e.g. the Balkans, Eastern Europe, the Middle East and North Africa, these last three are ENP (European Neighbourhood Policy) partners, in and countries hosting important transshipment hubs).

Most ENP partner countries are well aware of their need to establish or improve export, transit and end-use controls and several have indicated a readiness to co-operate with the EU in this area. Ukraine has already approached a number of Member States in this respect. The EU could develop assistance e.g. through “administrative twinning” programmes which could be implemented in co-operation with one or two Member States.

Most of these countries already receive assistance from the EU on the basis of community programmes, e.g. on border management. Where possible, these programmes could be expanded in order to include an export control element.

Russia has been identified in the WMD Strategy as a key partner for co-operation. Currently a TACIS project is being finalised in order to provide technical assistance in the area of export controls.

China is a country with which the EU, under the terms of the European Security Strategy, should develop a strategic partnership. Its policy for controlling strategic exports is consistent with European strategies in this field. Following contacts between the HR's Personal Representative and Chinese authorities, an ad hoc meeting on export controls and exchange of best practices in which experts from Member States and EU officials participated took place in Beijing in January 2005. As a follow-up to the ad hoc meeting China expressed interests in a training course for customs officials.

The implementation of assistance programmes in the area of export controls over the long run not only requires financial means but also the availability of adequate human resources: relevant expertise is a crucial element for the successful implementation of projects in that field. Since the implementation of export controls is a national responsibility, availability of appropriate experts from Member States is required. This is also valid for the Commission's Pilot Projects.

- Action:**
- Commission's TACIS export control project in Russia to start end of 2005;
 - Assistance in the area of export controls could more specifically be envisaged for:
 - China: training programme for custom officials;
 - Ukraine: a first workshop EU-Ukraine on Export Control implementation should start a long term cooperation;
 - Syria: following the insertion of WMD clause into the Association Agreement;
 - Euromed Partners: beyond the individual case of Syria, export control cooperation could be one of the measures that can form part of the follow-up to the ad-hoc meeting on WMD non-proliferation;
 - Gulf Cooperation Council: following insertion of a WMD clause into the FTA with GCC and once negotiations are completed;
 - India: on the basis of EU-India Joint Action Plan. A first workshop EU-India on Export Control implementation could start the process;
 - Pakistan: following request made during informal talks with the Personal Representative for WMD. A first workshop EU-Pakistan on Export Control implementation could start the process;
 - ACP countries: on the basis of revised Cotonou Agreement (opened for signature), following a selection by relevant Council working groups of priorities, both regionally and thematically, depending on the risk of involvement in illicit procurement networks;
 - Mediterranean countries (on the basis of Action Plan).

- Commission's Pilot Project 2005 providing funds for export control actions (in four countries to be further determined) are to start end of 2005.

- Resources:** - National experts from Member States to ensure implementation, e.g. through "administrative twinning".
- TACIS and Pilot Projects in a first phase. On the longer run the definition of further projects will depend on the availability of financial means and expertise and of the appropriate framework for such cooperation.

6. Facilitating the conversion of WMD expertise

To fight against illegal trafficking of materials and technology and to dismantle WMD facilities is not sufficient to prevent the development of new programmes. Following the discovery that covert WMD programmes have been carried out in some states, it is logical to think that there is a need to absorb substantial scientific knowledge and to channel the expertise of scientists formerly directed to WMD programmes, to civilian applications. Since a numbers of years, the EU is financing through TACIS the ISTC in Moscow and the STCU in Kiev, but this scheme might not apply to scientists from other regions.

Therefore, subject to a deeper study and evaluation, it seems more appropriate to envisage instead the creation of a mechanism to allocate critical expertise and skills to European public and private industries, possibly through a scheme by which R&D funds from the industrial and private sector could be used to employ former WMD scientists.

- Action:** - Creating a mechanism to allocate critical expertise and skills to European public and private industries or research centres.

- Resources:** - The creation of a mechanism to allocate scientists would imply relatively limited resources.

- Duration:** - For a mechanism, 3 years.

7. Developing the security volet of the Barcelona process

The Union has consistently been in favour of a Middle East zone free of WMD and their delivery systems as part of a broader effort to promote security and stability in the Middle East and the Mediterranean basin. The Union has promoted the creation of the Barcelona process as a platform for stability, co-operation and dialogue between Euromed partners on both sides of the Mediterranean. However progress on the security volet of this process has been slow and difficult. The successful negotiation of an Association Agreement with Syria as well as developments in Libya offer a unique opportunity to launch a new discussion on security issues with partners in the Mediterranean/Middle East, also within the Barcelona process. The Personal Representative has suggested a workshop to Barcelona Senior Officials in line with Presidency conclusions of Euromed Foreign Ministers (Dublin, The Hague, Luxemburg). Terms of Reference for such a meeting are about to be finalised. Such a workshop could be the starting point for a new process of confidence building, which could be guided, inter alia, by the final objective of a Zone free of WMD and their means of delivery in the Middle East. More specifically, consideration should be given to the possibility of using the MEDA programme to support the implementation of WMD-related commitments in Association Agreements and ENP Action Plans, in particular the establishment and development of export and end use control systems.

Action: - Organise a first ad hoc meeting on non-proliferation and disarmament to start an incremental process among arms control representatives from Barcelona Parties, 2005.

As a possible follow up to the first workshop:

- Organise regular targeted seminars/meetings on non-proliferation as further confidence building measures (e.g. to promote the vision of a Zone free of WMD and their means of delivery).

- Establish a cooperative mechanism (e.g. through a network of points of contact) as requested by the Euromed Ministers at their 2004 Meeting in Dublin, in order to promote cooperative projects between Euromed partners;
- Expanded attention to export controls and border management assistance in the MEDA programme.

Resources: - Some 100.000 € from CFSP budget/MEDA for seminars/meetings.

Duration: 2005-2008.

8. Developing an approach to other regions

- Middle East

In the context of the EU's Strategic Partnership with the Mediterranean and the Middle East, we should be prepared to consider cooperation and assistance programmes tailored to each specific situation. In the context of the implementation of the EU Strategy against proliferation of WMD, Iran, Iraq and the GCC States could be of major interest. The Mediterranean countries are already covered by the abovementioned co-operation in the context of the Barcelona process and ENP policy.

- India

EU-India relations have recently been upgraded to a strategic partnership and a Joint Action Plan has been adopted at the EU-India Summit in September 2005. It opens, inter alia, the possibility to work on effective export control measures on dual use goods and to have consultations on disarmament and non-proliferation issues, also in order to identify possible areas of co-operation. Assistance in the area of export controls would, in addition to the nuclear field, also have to cover the chemical, biological and missile field (c.f. point 5 above).

- Action:**
- Dialogue on non-proliferation (in implementing the EU-India Action Plan).
 - Assistance for the improvement of the Indian exports control system.

Resources: - 500 000 € for export control assistance.

Duration: 3 - 5 years.

- **Pakistan**

In parallel to the EU-Pakistan Trade and Co-operation the Presidency has been tasked to negotiate a political agreement with Pakistan which would also cover non-proliferation. With a view to such an agreement consultations on possible activities, eg. in the area of export control could be envisaged. Assistance in the area of export controls would, in addition to the nuclear field, also have to cover the chemical, biological and missile field (c.f. point 5 above).

- Action:**
- Dialogue on non-proliferation (in the adequate framework to be decided, the objective being to agree on a WMD clause in an article 24 Political Agreement between the EU and Pakistan);
 - Assistance for the improvement of the Pakistani exports control system.

Resources: - 500 000 € for export control assistance.

Duration: 3 - 5 years.
