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COVER NOTE

from : General Secretariat

to : Delegations

Subject : Six-monthly Progress Report on the implementation of the EU Strategy against the Proliferation of Weapons of Mass Destruction (2008/II)

Delegations will find attached the Six-monthly Progress Report on the implementation of the EU Strategy against the Proliferation of Weapons of Mass Destruction (2008/II) as endorsed by the Council on 8-9 December 2008.

Six-monthly Progress Report
on the implementation of the EU Strategy
against the Proliferation of Weapons of Mass Destruction (2008/II)
As endorsed by the Council on 8-9 December 2008

A. Executive Summary

During the past six months further progress has been made in the implementation of the WMD Strategy as set out in this report, with a particular focus on main challenges and risks for EU citizens. Therefore EU has not only carried forward work as set out in the List of Priorities adopted by the GAERC in June 2008 , but also focused on an internal reflection on how to strengthen the implementation of the WMD Strategy through action-oriented initiatives.

This has led to the adoption by the Council of "New lines for action by the EU in combating the proliferation of WMD destruction and their delivery system" -following thorough preparations by competent Council working groups.

The EU continues to play an active and visible role in multilateral disarmament and non-proliferation fora and through its determined support to the multilateral treaty system, other disarmament and non-proliferation instruments and international organisations. Attention is drawn in particular to the continued political and financial support to UN, IAEA, OPCW, BTWC, CTBTO, WHO through concrete projects, including assistance programmes to third Countries.

The following concrete actions deserve special mention:

1. Addressing proliferation crises which are of particular concern to the EU

a) Iran: continued EU support for the so-called "dual-track" approach , which combines:

- pressure on Iran e.g. through effective transposition of UNSCR 1803 (Common position and EU regulation) and expansion of the list of individuals and entities subject to EU sanctions;
- but also various contacts between HR Solana and Iranian interlocutors in order to assess Iranian readiness to enter into negotiations based on the offer presented in Tehran in June 2008.

b) DPRK:

The EU has carefully monitored the situation regarding the nuclear programme in DPRK, while continuing to support the efforts made in the context of the six-party talks and implementing relevant UNSC Resolutions by adopting sanctions as appropriate:

2. A whole series of EU activities was designed to strengthen the non proliferation regime as such:

a) Work has been undertaken on a concrete EU contribution to the issue of Multilateral Approaches to the nuclear fuel cycle and fuel supply assurances, which aim at creating an attractive, robust and viable international framework, which would provide states with increased energy security and may also offer a credible alternative to the development of national enrichment and reprocessing capabilities.

- b) The implementation of a fourth Council Joint Action in support of the nuclear security fund of the International Atomic Energy Agency is in the process of being launched, making the EU the main contributor to the International Atomic Energy Agency Nuclear Security Fund.
- c) In the area of missiles, a Council joint action in support of the Hague Code of Conduct (HCoC) is being finalized.
- d) Nuclear tests: the Council adopted in July 2008 a new Joint Action in support of the Comprehensive Test-Ban Treaty Organisation aimed at enhancing its verification and monitoring capabilities. A comprehensive Action Plan to promote universalisation through demarches has been agreed.
- e) The implementation of the Joint Action in support of the World Health Organisation in the area of bio- safety and bio-security in the context of Biological and Toxin Weapons Convention has been launched in autumn 2008.
- f) The implementation of a Joint Action in support of Chemical Weapons Convention continued, with very satisfactory results in terms of additional ratifications and national implementation. A reflection has started on the content and scope of a new JA, the aim being its adoption in 2009.
- g) The Council adopted the second Joint Action in support of the Biological and Toxin Weapons Convention.
- h) The Council endorsed a document assessing the insertion of WMD clauses into agreements with third countries, making non-proliferation an important component of the relations with partners of the EU throughout the world.

It is also worth noting that a new, additional financial instrument ("Stability instrument") which allows for the financing of certain WMD related projects is gradually being used :

- i) The Annual Action Programme 2007 of the Stability Instrument has been launched and the Annual Action Programme 2008 has been prepared.
- j) The Commission has worked on the Indicative Programme 2009-2011 of the Stability Instrument which will put emphasis on regional training centres of excellences, export control, redirection of scientist, illicit trafficking (including illicit financing), support to the IAEA and bio safety/biosecurity.

B. Report

I. Adoption of “new lines of action” against the proliferation of WMD

This progress report on the implementation of the WMD Strategy covers activities in the second half of 2008 in the light of the "List of priorities" carried out by the EU adopted by the Council in June 2008. As in the past, it has been established by the Office of the HR 's Personal Representative on non-proliferation in co-ordination with the Commission services. It concentrates on main developments and trends rather than containing an exhaustive repetition of all items mentioned in the Strategy.

The Council has adopted on a document called "New lines of action by the European Union in combating the proliferation of WMD and their delivery systems". It identifies concrete areas of action in which the implementation of the EU WMD Strategy can be further strengthened.

Its objectives are:

- To raise the profile of non-proliferation measures within the EU by turning this fundamental security issue into a cross cutting priority of EU and Member States' policies in respect of all aspects of action to tackle this phenomenon;

- To identify existing best practice with a view to encouraging the spread of such practice at the level of Member States' national policies;
- To encourage better coordination of Member States' national policies while fully respecting the Member states competencies in these areas, and optimal mobilisation of existing Community tools and policies;
- To identify areas where EU action must be stepped up.

The main deliverables of this set of new lines can be summarised as follows:

- An updated risk and threat evaluation document ;
- Models for awareness raising for undertakings, scientific and academic circles, and financial institutions ;

Intensifying cooperation with third countries to help them to improve their non-proliferation policies and export controls;

- Measures to combat intangible transfers of knowledge and know-how, including mechanisms of cooperation in terms of consular vigilance;
- Intensifying efforts to impede proliferation flows and sanction acts of proliferation;
- Intensifying efforts to combat proliferation financing.

II. Adressing proliferation crisis

Iran

In accordance with EU two-track approach combining dialogue and firmness, the ongoing diplomatic efforts and in particular the specific role played by HR Solana continue to be supported by all EU member states as well as by USA, Russia and China. The EU is also supporting sanctions to strengthen pressure on Iran if it continues not to comply with its international obligations.

In the past six months, HR Solana with the support of the EU as well as of USA, Russia and China continued his efforts to work with Iran towards the opening of negotiations and presented a revised offer in Tehran in June 2008 which could be the basis for negotiations following suspension of sensitive activities by Iran. The Six have also proposed that the opening of negotiations and the suspension should be prepared by discussions during a period of six weeks during which the Iranian side would not extend its nuclear programme and the Six would not adopt new sanctions. (« freeze for freeze »)

On 19 July HR Solana, accompanied by the Six Political Directors met the Iranian negotiator, Saeed Jalili. For the first time the Political Director of the US has participated in meeting between the Iranian negotiator and HR Solana. The Iranian letter received on 6 August to the offer presented by HR Solana does not contain any reply.

The Council has adopted a Common Position and in order to comply with UNSC Resolution 1803 on 7 August (Common Position 2008/652 CFSP). The Common Position goes beyond a simple transposition of UNSCR 1803 (measures on financial vigilance, new embargoes on sensitive goods, restraint in entering into new commitments in granting export credits). The corresponding EC regulation (EC n°1110/2008) has been approved by the Council and entered into force on 12 November. A list of entities and individuals falling under a freeze of funds and a travel-ban under the Common Position 2007/140/CFSP regarding Iran, has been adopted by the Council on 23 June

The Political and Security Committee was briefed regularly on developments e.g. in the context of the IAEA and the UNSC. A special PSC meeting has been organised on 19 September during which Deputy DG M. Olli Heinonen, from IAEA and the SITCEN made detailed presentations on Iranian nuclear and ballistic programmes.

– ***DPRK***

EU has continued to be supportive of six-party-talks process. Concern about the external proliferation activities by the DPRK remains. The EU welcomed the October 3 agreement between the US and North Korea but recalled that the objective of the international community is that North Korea abandons all nuclear weapons and existing nuclear programmes in a complete, verifiable and irreversible manner, as stated in the 1718 UNSC resolution.

In the light of progress made in the framework of the six-party-talks, and in view of the monitoring by the IAEA of the potential shutdown of nuclear facilities in the DPRK, Joint Action 2007/753/CFSP (of an amount of 1,78 million EUR) which was already adopted on 19 November 2007 by the Council of the EU is now being implemented (cf point 1.5 under “Council Joint Actions in support of the IAEA”).

III. Support for the international Treaty system and international organisations

Support for the international treaty system and international organisations remains a cornerstone of the activities developed by the EU in order to fight against proliferation of WMD. The adoption of UNSC Resolutions 1540, 1673 1810 but also resolutions 1718 (DPRK) , 1696, 1737, 1747, 1803 and 1835(Iran), continue to serve as examples of the UN Security Council's central role in the field of non-proliferation. The EU is fully implementing all the provisions in these resolutions.

The EU considerably strengthened the role and the visibility of the EU within the Conference on Disarmament in Geneva, IAEA , First Committee and other relevant foraby contributing jointly to all items on the agenda.

When the EU support to multilateralism takes the form of Joint Actions implying financial resources in favour of International Organisations (UN, IAEA, OPCW, CTBTO, WHO), such resources are entirely devoted to concrete projects of assistance to beneficiaries and do not constitute an additional contribution to the functioning costs of the organisations through which these Joint Actions are implemented.

1) Nuclear issues

– *IAEA, First Committee UNGA, preparation of NPT Prepcom*

The EU has played an active role in the IAEA general conference and in the first committee of the UNGA and has started preparations for the next NPT Prepcom, including by meeting with its Chair.

– *Multilateral approaches to the nuclear fuel cycle and fuel supply assurances*

Multilateral approaches to the fuel cycle and fuel supply assurances aim at creating an attractive, robust and viable international framework which would make it unnecessary for countries to develop national enrichment and reprocessing technologies and corresponding capacities, without distorting the existing market. Drawing from rich EU experience in the development and management of a multinational nuclear industry, the EU and Member States have provided substantial input to the IAEA as contributions to ideas for developing multinational assurances for access to nuclear fuel.

Against the background of the need to move the discussion from a theoretical debate to a concrete project in order to keep the momentum on this important issue, the EU has launched the process of examining a financial contribution to the project of a nuclear fuel bank which would be managed by the IAEA.

On this basis, the EU has announced during the IAEA general assembly and UNGA that the EU is “seriously considering” a financial participation to the fuel bank once its modalities have been approved by the IAEA Board of governors. It has also highlighted its willingness to pursue an active dialogue with potential beneficiaries.

This process encompasses detailed examination of possible criteria, conditions and financing mechanisms for the functioning of a nuclear fuel bank. The Council is working on conclusions to be adopted in December 2008 conclusions supporting EU action in this regard, indicating that the EU stands ready to contribute by a significant amount. In order to cover the still existing financial gap for this undertaking an amount of 25 Meuro is being considered.

– ***Council Joint Actions in support of the IAEA***

In order to achieve the objective of strengthening the security of nuclear and radioactive materials, a series of assistance projects have been undertaken or are under preparation in countries in the Balkans, Caucasus, Central Asia, the Mediterranean region, Africa and in Southeast Asia. Through a financial contribution of more than 20 million EUR since 2004, the EU has now become the major donor to the IAEA nuclear security fund.

By the end of December 2007, the IAEA has completed the implementation of Joint Action 2004/495/CFSP of 17 May 2004. The implementation phase of Joint Action 2005/574/CFSP of 18 July 2005 is being extended until September 2008. The implementation of assistance activities under Joint Action 2006/418/CFSP, adopted by the Council on 12 June 2006 is making progress. Joint Action 2008/314/CFSP, enlarging the scope of application to countries in Southeast Asia, was adopted on 17 April 2008.

Detailed state-of-play of the implementation of Joint Actions in support of the IAEA:

1.1) Joint Action 2004/495/CFSP

During implementation of this Joint Action from 2005-2007, 11 countries, situated in the Balkans, Caucasus and Central Asia, have received assistance in different areas of nuclear security:

Project 1: Strengthening the Physical Protection of Nuclear Materials and other Radioactive Materials in Use, Storage and Transport and of Nuclear Facilities:
Armenia, Bulgaria, Kazakhstan, Romania, Serbia and Montenegro

Project 2: Strengthening of Security of Radioactive Materials in Non-Nuclear Applications:
Bulgaria, Bosnia and Herzegovina, Croatia, Former Yugoslav Republic of Macedonia, Moldova, Serbia and Montenegro

Project 3: Strengthening of States' Capabilities for Detection and Response to Illicit Trafficking:
Albania, Azerbaijan, Bosnia and Herzegovina, Bulgaria, Serbia and Montenegro

1.2) Joint Action 2005/574/CFSP

Assistance projects in 22 countries have been implemented by the end of September 2008. The following countries benefit from nuclear security assistance:

Project 1: Strengthening the Physical Protection of Nuclear Materials and other Radioactive Materials in Use, Storage and Transport and of Nuclear Facilities:
Algeria, Armenia, Bulgaria, Egypt, Libya, Morocco, Romania and Serbia and Slovenia

Project 2: Strengthening of Security of Radioactive Materials in Non-Nuclear Applications:

Albania, Algeria, Azerbaijan, Kyrgyzstan, Lebanon, Serbia, Tajikistan and Uzbekistan

Project 3: Strengthening of States' Capabilities for Detection and Response to Illicit Trafficking:

Algeria, Jordan, Lebanon, Morocco, Serbia and Tunisia

Project 4: Legislative Assistance for the Implementation of States' Obligations under IAEA Safeguards Agreements and the Additional Protocols:

Armenia, Belarus, Georgia, Kazakhstan, Ukraine and Uzbekistan

1.3) Joint Action 2006/418/CFSP

Assistance projects in 44 countries have been implemented or are in the process of being completed by the end of the year 2008. The following countries benefit from nuclear security assistance:

Project 1: Legislative and Regulatory Assistance:

Angola, Azerbaijan, Botswana, Burundi, Cameroon, Cape Verde, Central African Republic, Comoros, Congo, Croatia, Djibouti, Equatorial Guinea, Gambia, Guinea Bissau, Ivory Coast, Lesotho, Former Yugoslav Republic of Macedonia, Rwanda, Sao Tome, Gabon, Madagascar, Mauritius, Niger, Namibia, Sierra Leone, Swaziland

Project 2: Strengthening the Security and Control of Nuclear and other Radioactive Materials:

Algeria, Armenia, Ghana, Kazakhstan, Kenya, Morocco, Namibia, Niger, Nigeria, Serbia, South Africa, Tajikistan, Tunisia, Turkmenistan

Project 3: Strengthening of States' Capabilities for Detection and Response to Illicit Trafficking:

Benin, Ghana, Namibia, Nigeria, South Africa, Sudan, Tanzania, Uganda, Zambia

1.4) Joint Action 2008/314/CFSP

A Joint Action, which expands the geographical scope of IAEA assistance activities in the nuclear security field to countries in Southeast Asia, was adopted by the Council on 17 April 2008. It will provide additional financial support of 7,703,000 EUR for assistance projects in the field of nuclear security in the regions identified as most vulnerable. The contribution agreement between the IAEA and the Commission has been signed in October 2008 and implementation of the Joint Action is expected to start during second half of 2008.

1.5) Monitoring by the IAEA of the shutdown of nuclear facilities in DPRK

In the light of progress made in the framework of the six-party-talks, and following the monitoring by the IAEA of the shutdown of nuclear facilities in the DPRK, Joint Action 2007/753/CFSP was adopted on 19 November 2007 by the Council of the EU. It provides an amount of 1,78 million EUR to IAEA monitoring and verification activities in the DPRK, thereby contributing to ensure the continuation of the shutdown of nuclear facilities. Following conclusion of the contribution agreement between the Commission and the IAEA in March 2008, this Joint Action continues to be implemented.

- ***EU emergency fund for the securisation of radio-active materials and sources***

The Council is preparing a Joint Action for the establishment of an EU emergency fund for the securisation of radio-active materials and sources. The objective of the activities to be carried out in the framework of this Joint Action is to secure vulnerable/orphan radio-active materials and sources in third countries in case of emergency. The activities under this fund would be carried out in complementarity to the support given in the framework of the IAEA nuclear security programme. It would be used in cases where flexibility and rapid reaction are needed. An (initial) amount of 500 000 EUR could be made available for the fund. Experts from other Member States and the Commission would be associated to individual operations, as appropriate.

- ***Physical protection of nuclear material***

The Commission and Member States are proceeding with the ratification of amendments to the Convention on the Physical Protection of Nuclear Material with a view to its early entry into force. This will result in the strengthening of the physical protection regime within the EU and support the efforts of the EU to ask for early ratification of CPPNM amendments by all states.

- ***European Community activities in Russia and the CIS***

Securing nuclear materials in Russia and the CIS : The Joint Research Centre continues to be involved in the implementation of important programmes to secure nuclear materials in Russia and CIS within the TACIS context. In 2004, it was agreed with the Russian authorities that the new phase of the programme will be more focused on nuclear security with an emphasis on the fight against illicit trafficking of nuclear materials. Seven past and on-going projects in three countries for a total amount of 14.7 millions EUR have been or are being implemented in close co-ordination with other major actors (IAEA, US/DOE, etc.)

For the period 2005-2010, the Joint Research Centre support to the TACIS programme has been estimated to 30 millions EUR and concerns 14 projects: 7 in the Russian Federation, 2 in Ukraine, 2 in Kazakhstan, 2 in Armenia and 1 multi-country project. 15.4 millions EUR have already been committed end of 2005. Major projects aim at improving accountancy/control of hold up and waste as well as implementing measures to combat illicit trafficking of radioactive and nuclear material (border crossing stations, improved capabilities to analyse seized materials).

The progress on relevant TACIS projects: In 2008, the preparatory work to place all necessary service contracts in the beneficiary countries has been finalised. By the end of this year, contracts will be in force in Russian Federation, Ukraine, Armenia, Azerbaijan, Moldova and Georgia. The projects to be implemented before 2013 are aimed, on the one side at enhancing nuclear safeguards and nuclear material accountancy and control and, on the other side at fighting against illicit trafficking of radioactive and nuclear materials and related border monitoring activities.

In parallel, complementary Administrative Arrangements have been signed under the new Instrument for Stability (IfS), to provide necessary equipments and initiate to support Belarus infighting against illicit trafficking.

Finally, preparatory work that will be financed under the IfS and the Instrument for Nuclear Safety Cooperation (INSC) has been conducted to complete the above mentioned work and address new geographical areas in the Mediterranean Basin and South East Asia.

- **the meetings / reports of BMWG:** The Border Monitoring Working Group continue to meet twice a year to coordinate the support program of the IAEA (in particular implementing the Council Joint Actions), the US Second Line of Defence (SLD) and the EC.

The major achievement of 2008 lies in the joint project in Georgia where the SLD and the JRC deploys detection equipment and in a pilot joint training session (IAEA, JRC, SLD) that took place in Ukraine on August 18 -22, 2008. The success of this session, acknowledged by both the three organisations and the recipient institution (State Border Guards Service of Ukraine), will lead to duplicate this training in other beneficiary countries (Georgia planned before end of 2008 or beginning of 2009).

Redirecting scientists work.

In the context of global non-proliferation policy, the Centres' key advantage consists of directly targeting the main actors, namely individual scientists. Direct investment into human scientific capital and the building of trust among scientists via international networks are safeguards against proliferation of scientific knowledge in a different direction than originally intended. At the G8 Summit held on 7-9 July 2008 in Hokkaido (Japan), the Centres' contribution to the achievements of the G8 Global Partnership Initiative were reported. G8 Funding Parties to the ISTC and STCU Agreements reaffirmed their commitment to improve further the effectiveness of the two Centres.

In 2008, the Centres have continuously supported two types of projects, namely, regular projects funded by each of the Parties and partner projects that provide opportunities for the private industry as well as public organisations to fund research in the institutes of the beneficiary countries.

It is aimed to expand partner project activities by attracting further private companies and by supporting the targeted scientific communities to adapt to changes in a business-oriented and more competitive environment.

Early 2008, the ISTC started implementing a new initiative promoting the sustainable redirection of research institutes and their scientists in beneficiary countries. The STCU has elaborated a similar initiative. The Centres assist institutes to make an economic analysis of their activity and scientific competences in order to formulate a plan for long-term sustainability and the development of profitable civilian research activities. A first plan was approved by the ISTC Funding Parties in July 2008.

Given the economic developments in countries where the Centres operate, a new vision and a transformation of ISTC and STCU within their original non-proliferation mission are still under discussion. A consensus has been already reached on the implementation of a programmatic approach which consists of focusing Funding Parties' investment in areas that meet the highest priority non-proliferation objectives. There is also a common interest of the Funding Parties to support various bio-safety and bio-security initiatives.

- ***Technical and scientific assistance to IAEA:***

Examples of support to the IAEA in 2008. The work is carried out through technical projects.

- Analysis by EC-JRC laboratories of Nuclear Samples taken by IAEA inspectors
- In-field technical support and assistance to IAEA inspections (e.g: the Reprocessing plant, Japan. This includes training of IAEA inspectors.

- *Council Joint Action in support of the CTBTO*

Working for an early entry-into-force of the Comprehensive Test Ban Treaty and enhancing its verification system remains an important objective of the EU WMD Strategy.

The EU continues to urge all States that have not yet signed or ratified the CTBT to do so as soon as possible, in particular the few remaining States mentioned in Annex II of the Treaty, whose ratification is necessary for entry into force. The EU has agreed upon an action plan to carry out a comprehensive programme of high ranking démarches in some of the Annex II States and non-Annex II States, during the French, Czech and Swedish Presidencies, in particular against the background of exploring possible political opportunity after the elections in the US. The participation of the Presidency at the Ministerial meeting on 24 September in New York helped to ensure EU visibility.

The Council adopted on 20 March 2006 a Joint Action (2006/243/CFSP) on support for activities of the Comprehensive Nuclear-Test-Ban Treaty Organisation (CTBTO) in the area of training and capacity building for verification. It allows for the development of capacity, through e-learning, for the training of station operators of the stations of the CTBTO monitoring network. Providing them with adequate and timely training can significantly contribute to ensure the credibility and the smooth operation of the verification system. The CTBTO Secretariat has concluded a financial agreement with the Commission in July 2006. Following completion of the procurement process of the CTBTO, implementation of the project is now ongoing.

On 28 June 2007, the Council adopted a new Joint Action 2007/468/CFSP in support of the CTBTO, aimed at enhancing the verification and monitoring capabilities. It focuses on strengthening capabilities in the field of radio-nuclide monitoring, in particular noble gas detection. It contributed to the conduct of the field exercise in the area of on-site inspection carried out in Kazakhstan in autumn 2008. The financial agreement between the CTBTO and the European Commission was concluded in October 2007. Implementation of the projects is proceeding on schedule.

On 15 July 2008, the Council adopted Joint Action 2008/588/CFSP, which provides for continuation of efforts to strengthen capabilities in the field of radio-nuclide monitoring. In addition, it provides for capacity building and technical assistance in African states signatories of the CTBT, aimed at enabling them to fully benefit from and participate in the CTBTO monitoring and verification system. Implementation of this Joint Action is in the process of being launched.

2) Chemical Weapons

– *Joint Actions in support of OPCW*

a) *Joint Action 2005/913/CFSP*

The financial agreement between the Commission and the OPCW Technical Secretariat was extended until 7 December 2008, bringing the total duration of the contract to 33 months. This allowed for the organisation of a EU sponsored day for national authorities in The Hague on 1 December 2008 using the remaining funds available under this Joint Action. The EU sponsored day brought together representatives of the OPCW Member States National Authorities, Chemical associations from EU and non-EU countries and other representatives from the industry.

b) *Joint Action 2007/185/CFSP*

The financial agreement between the Commission and the OPCW Technical Secretariat signed in August 2007 was extended until 31 May 2009 in order to allow for the implementation of foreseen activities such as the organisation of a workshop in the Mediterranean Basin and the Middle East, the award of grants to national authorities, the organisation of an exercise and evaluation meeting in Algeria and the updating of the scheduled chemicals database for verification purposes. Progress has been made under each of the four activities referred.

During the last six months, the Joint Action has allowed for:

- the organisation of outreach activities to local Parliaments in Latin America and Asia.
- bilateral visits to Lebanon and the Bahamas in order to promote their accession to the CWC.
- a technical visit to Uruguay to sensitize parliamentarians about the need to adopt national implementing legislation
- the organisation of visits to Singapore, Belarus, Ukraine and the Russian Federation for inspection of their offers of assistance
- the provision of financial support to the visit of the OPCW Executive Council to the Shchuchye Chemical Weapons Destruction Facility in the Russian Federation in September 2008 to representatives from Algiers, Costa Rica and Pakistan. The aim of this visit, as it was the case for a preceding one to the United States, was to provide regional representatives of the OPCW Executive Council with the opportunity to assess progress and efforts towards meeting the extended deadlines for the destruction of chemical weapons and any measures being taken by the visited State Party.

It is important to note that the number of OPCW Member States is currently 184 (an increase of 17 since the beginning of the EU support for OPCW).

- **Demarches on national implementation of the CWC**

The French Presidency launched a series of demarches to support the reinforcement of the implementation of the CWC at national level. Target countries were divided according to the level of implementation of article VII of the CWC (National Implementation Measures).

3) Biological and Toxin Weapons

- ***Council Joint Action in support of BTWC***

The Council adopted the second Joint Action (2008/858/CFSP), in support of the BTWC. The Joint Action will continue to promote the universality of the convention and its implementation by providing information and legal advice to States parties. In addition, the EU will assist the States parties to increase the level of submission of their CBMs, and will promote the discussion on BTWC intersessional topics in different world regions.

- ***Implementation of the EU Action Plan on BTWC***

In order to set a good precedent for other BTWC States, the EU Member States have agreed to submit to the UN CBM returns on a yearly basis and to up-date the list of relevant experts and laboratories to which the UN Secretary General could resort in order to facilitate any investigation of alleged chemical or biological weapons use. The EU continued to implement EU Action Plan in 2008.

- ***Activities in the area of bio-security and bio-safety through various instruments***

The implementation of the Council Joint Action CFSP/307/2008 in support of WHO activities in the area of bio-safety and bio-security and in the framework of EU Strategy against the proliferation of WMD was launched in autumn 2008. It covers two types of activities:

- a) awareness raising, training and networking activities in a national, sub-regional and regional context (workshops foreseen in sub-Saharan Africa, South America, South and Southeast Asia, East Asia/Western Pacific, Central Asia and Eastern European countries including Russia), aiming at promoting bio-risk reduction practices and awareness and their effective implementation in laboratories and other facilities.
- b) a country-specific technical assistance to develop and implement a bio-risk reduction management plan, particularly concerning laboratory practice and safety, to harmonise it with integrated national preparedness plans, and to strengthen the performance and sustainability of national laboratories by connecting them with regional and international networks).

As far as Community instruments is concerned, the Commission has foreseen a large project focusing on bio-safety/biosecurity in Central Asia for a total of 6,8 million euros to be implemented using ISTC management capacities in the framework of the Stability Instrument.

- ***Physical protection of bio-laboratories in Ukraine***

In November 2008, the EU carried out a fact finding mission to a laboratory facility proposed by Ukraine. The objective was to assess the feasibility of funding two projects in Ukraine to enhance biosecurity in laboratory facilities and to upgrade their physical protection. The outcomes of that fact finding mission are being examined by relevant Council working party.

4) Missiles

– MTCR:

Efforts in support of membership of all new EU Member States in the MTCR were actively pursued bilaterally and during the MTCR Plenary in Canberra in November 2008 . Thanks to the UE action, GCC countries were added to the list of priority outreach destinations and member states have been invited to enhance their work with them on MTCR-related issues.

– HCoC

The EU proposed to HCoC subscribing States the draft UNGA Resolution at their Annual meeting in May 2008 in Vienna. The EU submitted the draft UN GA Resolution on HCoC to the 1st Committee and carried out demarches encouraging support of UN Member States.

The resolution was adopted with wide support as presented by the EU at the UNGA on 29 October. Russia voted in favour.

The EU continue to maintain political dialogue with its main partners to promote the compliance with the Hague Code of Conduct and its universality. . In order to provide practical support to the HCoC, the draft Joint Action is under preparation in relevant Council working party. The Joint Action will focus on three main objectives: implementation, universality and the enhancement of the Code.

5) Security in Outer Space

The EU has pursued an intensive work on a project for an international code of conduct in outer space activities which aims at enhancing confidence building and transparency in outer space activities. It is preparing a draft for a code of conduct and will engage in the work for the way forward of this project.

6) Support for UNSC Resolution 1540 (2004)

Following the full implementation of its first Joint action in support of UNSC Resolution, adopted in 2006, and building on the lessons learnt from the seminars held in 2006/ 2007 concerning the importance of reinforcing export control, border management and more generally training at working level, the Council of the EU adopted on 12 May 2008 a second Joint Action in support of UNSCR 1540 (and 1673, 1810) that aims at strengthening the skills and capacities of third countries' state officials involved in the export control process.

The Joint Action will be implemented by UNODA and foresees six regional workshops (covering South-East Asia, Latin America, Middle East and Arab countries, Central America, Africa and Pacific Islands) with the participation of up to three state officials involved in the export control systems of 8-10 beneficiaries countries invited to the seminar. Seminars are planned in Brazil (end of November 2008) Qatar (January-February 2009) and possibly in Thailand. The Stability Instruments will provide the possibility of national capacity building projects. Synergies between these projects and those financed through CFSP will be sought.

7) Cooperation with the UN

The HR 's Personal Representative on non-proliferation has continued cooperation with the UN ODA in New York (in particular Ambassador Duarte, High Representative on disarmament) and in Geneva as well as with the WHO. She has also maintained contacts with the Chairman of the 1540 Committee. These contacts have been particularly important in the context of the preparation of EU outreach activities related to the implementation of UNSCR 1540 and the BTWC.

IV. Assistance to third countries

- ***Russian Federation: Physical protection of a nuclear site***

In 2004 the Council adopted a Joint Action for the support of the physical protection of a nuclear research centre in the Russian Federation, the Boshvar Institute in Moscow (2004/796/CFSP). Following signature of an agreement between the German government, which under the Joint Action is in charge of its implementation, and the Russian authorities, the implementation of the project was launched. First groundbreaking work by the Russian side has taken place and work on technical planning of the project is making progress. This project aims to enhance the physical protection of an important Russian nuclear research site against possible theft of nuclear material and acts of nuclear terrorism.

- ***Russia: Chemical Weapons Destruction***

The implementation of the existing Council Joint Action in support of Chemical Weapons destruction in the Russian Federation, which provided funding to complete the electricity supply infrastructure at the Shchuch'ye chemical weapon destruction facility, was completed in accordance with schedule. This project complemented the earlier EU project for procurement of electricity supply equipment for Shchuch'ye, both projects were implemented by the UK. The project contributed to the destruction of 1.9 million artillery and rocket munitions containing some 5 500 tonnes of nerve agents, which are stored at Shchuch'ye awaiting destruction. The financial reference amount was EUR 3 145 000.

This Joint Action served to fulfil part of the EU's commitment under the Global Partnership and shall complement and reinforce the value of the earlier project funded by the EU at Shchuch'ye.

V. Export Controls

- *Reinforcing the efficiency of export controls in an enlarged Europe:*

The Council Dual Use Working Party has continued its examination of the December 2006 Commission proposal for a recast Council Regulation setting up a Community regime for the control of exports of dual use items and technology. Further to discussions in a subgroup of the Dual Use Working Party during 2007, considerations are underway in the Commission Services as to the possibility of proposing additional "Community General Export Authorisations" which would facilitate trade in certain less sensitive dual use items to certain "safe" destinations.

Work has continued for the adoption of a Council Regulation amending and updating Regulation (EC) No 1334/2000 which takes into account changes to control lists agreed by the export control regimes in 2007 and 2008.

The EU database for denials has been successfully set up. Information is fed into the data base by the Commission Services, and CDroms containing the most recent version of the data base are handed to Member States during meetings of the Dual Use Working Party. The Commission departments and Member States hope to finalise discussions on the feasibility and practicalities for setting up an online "e-system" for sharing and accessing denials before the end of 2008.

- *Export control training and assistance for states in need of technical knowledge:*

The EU and Member States have held numerous seminars and meetings providing export control training and assistance for states in need of technical knowledge. Such states include the *Western Balkan countries, Ukraine and Moldova*.

In addition, the cooperation and assistance programmes under the 2005 and 2006 Pilot Project programme of the European Commission, implemented by BAFA (Germany's export control agency) with the assistance of national experts from Member States, are being carried forward in *Albania, Bosnia and Herzegovina, China, Croatia, the former Yugoslav Republic of Macedonia, Montenegro, Morocco, Serbia, Ukraine and the United Arab Emirates*. Cooperation and assistance to Russia is also carried forward under the EU - Russia cooperation programme with the same mechanism as for the Pilot programme.

With the conclusion of an additional contract under the Stability Instrument in March this year, continuation of efforts in this field is ensured. The new contract foresees to supplement the above mentioned group of partner countries by four new countries (Tunisia, Malaysia, Georgia and Turkey). In addition the new instrument allows for additional action in the form of ad-hoc missions, one of which took place in August 2008 aiming at exploring the possibility of a co-operation with Thailand.

VI. Non-proliferation in the context of relations with third countries

- *Cooperation with key partners*

The EU has continued to work with the **US** for the implementation of the 2005 Joint EU-US programme of work for the Non-Proliferation of WMD. The HR's PR has pursued contacts with US interlocutors. A CONOP/CODUN Troika took place on 7 November and a meeting on verification and compliance took place on 8 December.

The EU is also keeping up its dialogue with **Russia** on the basis of the External Security Common Space adopted at the 2005 EU-Russia Summit. In addition to political dialogue meetings at various levels, there are regular contacts between the Council Secretariat and the Russian mission in Brussels as well as counter parts in Moscow, in particular concerning the Iranian issue. Contacts also took place in preparation of the NPT PrepCom meeting 2008. A CODUN/CONOP Troika meeting with Russia was held on 8 September 2008 while consultations with Moscow on the EU draft Code of Conduct on Outer Space took place in Geneva on 3 November 2008.

The Joint Statements on Non-Proliferation adopted in 2004 with **Japan** and **China** have also been further implemented through regular contacts, in particular through the continued information exchange between their respective missions in Brussels and the HR's PR on issues like Iran or DPRK and through the PR's recent visits to Japan and China. Regular meetings in the framework of the preparations for the G8 Summit in Hokkaido in July 2008, in particular on the non-proliferation parts of the Summit statement allowed for an intensive exchange of views on all non-proliferation issues on the international agenda. In addition, a CODUN/CONOP troika meeting with Japan was held in *December 2008*.

In the implementation of the WMD Strategy and in support of the strategic partnership between EU and China in the field of non-proliferation, as reflected in the EU-China Joint Declaration issued on 8 December 2004, the CODUN/CONOP troika meeting with China was held on 7 October 2008 in New York. Consultations with China in Beijing on the EU Draft Code of Conduct on Outer Space and on the WMD clause to be inserted into the PCA were held respectively on 29 October and 2 July 2008.

CODUN/CONOP troika meetings also took place with **Brazil** (18 November), **Ukraine** (20 October), and **Republic of Korea** (8 October).

- ***WMD clauses in contractual relations and Neighbourhood Action plans***

The EU has been continuing, according to its WMD Strategy, to mainstream non-proliferation of WMD into its contractual relations with third states. Successful negotiations have been concluded so far with almost 100 States around the world, while ensuring that respective WMD clauses were compatible with the spirit and the content of the WMD standard clause. The Office of the PR WMD has been actively involved in these negotiations.

More specifically the following developments have taken place in the first half of 2008:

- China: Negotiations for a PCA are still ongoing. Substantial agreement on the WMD clause was reached during the last round of negotiations in Beijing in July 2008, in which the PR participated. However, the paragraph of the WMD clause concerning the commitment to take steps to sign, accede and ratify other international instruments, remains still to be agreed on. Discussion on this last issue will be held during the next round of negotiations, expected in Brussels in November/December 2008.
- Negotiations with the Andean Community, Central American States, Thailand, Vietnam are ongoing, including substantial discussions on the WMD clause.
- Negotiating mandates for framework agreements with South Korea and Libya have been agreed and negotiations are about to start with Libya.

The main elements contained in the standard WMD clause have also been included in the relevant parts of the New Neighbourhood Action Plans. Action Plans have been concluded with Ukraine, Moldova, Armenia, Azerbaijan, Georgia, Jordan, Morocco, Tunisia, the Palestinian Authority, Israel, Egypt and Lebanon.

VII. Regional and multilateral issues, non-proliferation initiatives

- *G 8*

The G8, and more specifically the **G8 Global Partnership against the Spread of Nuclear Weapons and Materials of Mass Destruction**, continue to play an important role in the field of WMD non-proliferation. The Office of the Personal Representative and Commission services have attended all relevant meetings held in the first half of 2008 under Japanese Presidency. The EU participated actively in the drafting of the GPWG Summit Report and the non-proliferation parts of the Leaders statement. In particular the EU has contributed actively to the Global Partnership to which the EU remains an important contributor.

At the G8 Summit held in Kananaskis (Canada) in 2002 the Commission made a commitment to contribute EUR 1 billion to the G8 Global Partnership in line with other G8 Members. Today, the European Union has spent over EUR 635 million - mainly on nuclear safety, reconversion of former weapon scientists and nuclear submarines - and more than EUR 955 million are already committed. The EU has continued to finance activities in Russia through Council Joint Actions (CFSP funds) in areas such as chemical weapons destruction (see above), physical protection of radioactive sources and fissile material disposition (plutonium in particular).

The French Atomic Energy Commission (CEA), the French National Institute for Health and Medical research and the Jean Merieux BSL4 Laboratory (France) organised a workshop on bio-safety and bio-security in Lyon on 1-2 October 2007. Its purpose was to bring together G8 Global Partnership members active in international cooperation activities in bio-security and/or bio-safety and to pool their experiences as well as to look into future activities in this area. The meeting was attended by the Council Secretariat/Office of the PR and different organisations from France, UK, Germany, the United States and Canada. Participants agreed to further share information on activities in this area. The need for action in the areas of bio-safety and bio-security was stressed.

– ***India***

Negotiations have started for a FTA with India on the basis of the mandate adopted by the Council, which does not foresee the negotiation of a WMD clause . Instead a clear legal and institutional link shall be established between the FTA and the existing framework agreement and a future parallel political agreement which should cover the WMD aspect. Negotiations have started for a FTA with India on the basis of the mandate adopted by the Council, which does not foresee the negotiation of a WMD clause . Instead a clear legal and institutional link shall be established between the FTA and the existing framework agreement and a future parallel political agreement which should cover the WMD aspect.

– ***Gulf countries***

– ***Pakistan***

Negotiations on an international agreements under Art. 24 TEU. including a WMD clause, been started with Pakistan, but they are now stalled due to political reasons.

– ***PSI***

The Proliferation Security Initiative continues to play an important role as an effective mechanism to counter WMD proliferation.

While the EU does not yet have a specific status as e.g. in the case of GICNT, the Coordinator OPR WMD and the Commission presented various areas of EU's contribution to the PSI activities at the OEG meeting in Paris in September 2008. While the Presidency and EU Member States continued to underline the importance of a recognition of a specific role of the EU in the PSI, Poland invited the EU to regional OEG meeting which will take place in June 2009.

VIII. WMD Centre

As requested by the GAERC (doc. 16694/06), the WMD Centre has continued its work through regular meetings with various actors within the EU, called by the PR as focal point of the Centre.

- Regular meetings have been held during the second semester of 2008, bringing together experts from the Council Secretariat (Geographical desks, Relex, Legal Service, Sitcen, Office of the PR etc.) and the Commission (DG Relex, Sanco, JRC, etc.), who have participated according to the themes on the agenda. The agenda usually focussed on two items: one thematic issue followed by a general exchange of information. The exchange of information has helped to give an overview on various ongoing and planned activities and assistance projects under various financial instruments available to the EU.

- The WMD Centre has continued its activities as focal point in the context of the EU WMD Strategy. Meetings took place on 8 July, 11 September and (OPR/GSC + Commission). The agendas covered issues such as: Multilateral Nuclear Assurances (MNA), follow-up to the list of Priorities adopted by the Council (Joint Actions, Stability Instrument, other Community Instruments), WMD clauses, etc.
