



**COUNCIL OF
THE EUROPEAN UNION**

Brussels, 14 June 2006

10527/06

**PESC 590
CONOP 40
CODUN 20**

COVER NOTE

from : General Secretariat

to : Delegations

Subject : Implementation of the WMD Strategy - Six-monthly Progress Report on the implementation of the EU Strategy against the Proliferation of Weapons of Mass Destruction (2006/I)

Delegations will find attached the Six-monthly Progress Report on the implementation of the EU Strategy against the Proliferation of Weapons of Mass Destruction (2006/I), which was endorsed by the General Affairs and External Relation Council on 12-13 June 2006.

Six-monthly Progress Report on the implementation of the EU Strategy against the Proliferation of Weapons of Mass Destruction (2006/I)

I. Introduction

This progress report on the implementation of the WMD Strategy covers EU activities in the first half of 2006. As in the past, it has been established by the Office of the Personal Representative for non-proliferation in co-ordination with the Commission services. This report is shorter than the previous ones and concentrates on main developments and trends rather than containing an exhaustive repetition of all items mentioned in the Strategy. This progress report is not accompanied by an updated "list of priorities for the implementation of the EU WMD", since the priorities endorsed by the Council in December 2005 are still valid (doc. 5279/06).

II. Support to international Treaty system and international organisations

The support to the international Treaty System and international organisations remains a cornerstone of EU activities in the field of WMD non-proliferation.

1) Nuclear issues

- *Council Joint Actions in support of the IAEA*

In order to meet the objective of strengthening the security of nuclear and other radio-active materials, a series of assistance projects have been undertaken or are prepared to be undertaken in countries in the Balkans, Caucasus, Central Asia and North Africa / Mediterranean regions.

The IAEA is in the process of completing the implementation of Joint Action 2004/495/CFSP of 17 May 2004 and of carrying out the assessment phase for the implementation of Joint Action 2005/574/CFSP of 18 July 2005. A new Council Joint Action which builds on the work currently carried out by IAEA, expands the scope of application in geographic terms - through the inclusion of African countries - and widens the range of activities through the provision of comprehensive legislative and regulatory assistance is ready for adoption by the Council in June.

- *Physical protection of nuclear material*

In parallel, the Commission and the Member States are proceeding with the ratification of the revised Convention on the Physical Protection of Nuclear Material with a view to early entry into force.

- *Community activities in Russia and CIS*

The European Commission 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 Meuros are or have been implemented in close co-ordination with other major actors (IAEA, US/DOE, ...). For the period 2005-2010, the Commission Joint Research Centre support to TACIS program has been estimated to 30 Meuros 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 Meuros have already been committed end of 2005.

- *Council Joint Action in support of the CTBTO*

Working for an early entry-into-force of the CTBT is one important objective of the EU WMD strategy. In the meantime, it was felt necessary to undertake efforts to accelerate the building-up and to ensure the operability of the CTBT verification system. On 20 March 2006, the Council adopted 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. Through the implementation of this project, the operators of the stations of the CTBTO monitoring network will be provided with adequate and timely training which will contribute to ensure the smooth operation of the verification system.

- *EU support for the FMCT*

Within the context of the FMCT focussed debate at the CD, the EU has expressed support for the commencement of negotiations as well as early conclusion of non-discriminatory, universally applicable Treaty banning the production of fissile material for nuclear weapons or other nuclear explosive devices, without pre-conditions, and bearing in mind the special coordinator's report and the mandate for an ad hoc committee contained therein. The EU Member States have actively participated in the debate on the FMCT.

2) Chemical Weapons

The objectives of the EU WMD Strategy are complementary to those pursued by the Organisation for the Prohibition of Chemical Weapons (OPCW), in the context of its responsibility for the implementation of the Chemical Weapons Convention (CWC).

The implementation of the Council Joint Action on support for OPCW activities adopted by the Council on 12 December 2005 started during this reporting period. This Joint Action builds on the results of the previous one adopted in 2004 and implemented during 2005, the results of which have been assessed very positively both by the OPCW and by EU Member States. It has contributed to increasing the numbers of Member States of the OPCW and to promote national legislative activities leading to full compliance and enhanced national implementation: 8 states acceded to the Convention in 2005, including 4 from Asia, 3 from the Caribbean and 1 from Africa. 3 more states acceded in 2006. This brings the total number of States Parties to 178. In total 24 activities were organised in support of the national implementation of the CWC, including demarches, briefing sessions, assistance visits as well as training courses, workshops and target legislative assistance. The continuation of this assistance is necessary in order to pursue the active implementation of Chapter III of the Strategy in the area of CWC.

The new Council Joint Action adopted in December 2005, with a financial reference amount of € 1 697 000, will focus, as the previous one, on the promotion and universality of the CWC, the support for implementation of the CWC by the States Parties and international cooperation in the field of chemical activities. The implementation of the Joint Action will last for 12 months and will also be carried out by the OPCW.

3) BTWC

The Sixth Review Conference of the Biological and Toxin Weapons Convention (BTWC) created a momentum for comprehensive EU action in support of the BTWC, consistent with the EU Strategy objectives, which cover in particular the BTWC universalisation, enhanced BTWC national implementation and compliance as well as reinforcement of the BTWC.

On 27 February 2006, the Council adopted the first Joint Action 2006/184/CFSP in support of the BTWC, which aims at (1) universalisation of the BTWC by targeting mainly States not party to the BTWC and (2) at enhanced national implementation and compliance, by providing legal and legislative assistance to a number of States Parties to BTWC. The activities related to the universalisation project are now well under way, the preparatory phase has been successfully completed and the first regional seminar for Southern and Eastern Africa will take place on 21 - 22 June 2006. While the technical implementation of the Council Joint Action is carried out by the Graduate Institute of International Studies in Geneva, the SG/HR, through his Personal Representative for non-proliferation, is responsible for the political coordination.

In parallel with the Joint Action, the EU agreed on an Action Plan in respect of the BTWC 2006/C57/01 in which Member States undertook to submit by 15 April 2006 CBM returns to the UN and by December 2006 lists of relevant experts and laboratories to the UN Secretary General in order to facilitate any investigation of alleged chemical or biological weapons use.

These concrete actions add credibility to the main objectives of the EU Common Position 2006/242/CFSP related to the 2006 Review Conference of the BTWC, as adopted by the Council on 20 March 2006, namely to strengthen the BTWC and to promote the successful outcome of the Sixth Review Conference. The Presidency established a BTWC experts e-task-force in order to prepare practical and feasible proposals for an effective implementation of the BTWC and its strengthening. The proposals are meant to be submitted to BTWC State Parties in advance of the 2006 Review Conference. The Presidency assisted by other Member States carried out demarches based on the Common position prior to the BTWC Preparatory Committee meeting in April 2006 and this issue was addressed in relevant political dialogue meetings with key partners. Furthermore, demarches were carried out to promote the universality of the BTWC.

4) Missiles

The EU pursued its efforts in support of an early membership of all new EU Member States in the MTCR, including through demarches to relevant third countries and through a Presidency statement on behalf of the EU at the MTCR RPOC meeting in April 2006.

5) Support for UNSC Resolution 1540 (2004)

The EU WMD strategy underlines the need to strengthen the UN system as well as the role of the UN Security Council. In this context, the adoption of the UNSCR 1540 was welcomed. Noting that a number of States did not submit national reports or did not provide the 1540 Committee with the requested additional information, the Council decided to adopt a Joint Action by June 2006. This decision takes into account the recommendations included in the final Report by the UN SC Resolution 1540 Committee on the geographic coverage of further outreach activities (Asia-Pacific, Africa and Latin America) and provides financial support. Seminars foreseen in the Joint Action shall contribute to strengthening national capacities in drafting national reports on implementation of the Resolution in the States which have not yet submitted reports or which have not provided additional information and shall raise awareness about the obligations under the UN SC Resolution 1540 (2004).

II. Assistance to third countries

- Physical protection

On 22 November 2004 the Council adopted a Joint Action for the physical protection of a nuclear site in the Russian Federation (Bochvar Institute). Technical preparations with and in the Russian Federation for the project are continuing whilst administrative steps of the Russian government, necessary for the execution, have still not been completed. This issue has been raised with the Russian side continuously by Germany being in charge of the implementation of the project, at the CONOP/CODUN Troika level and most recently at the PSC Troika in March 2006, as well as at the G8 Global Partnership Working Group which took place in Moscow on 21-22 March 2006. Russia has recently indicated that the administrative hurdles would soon be overcome. The implementation of the project could then start without further delay.

- *CW destruction*

A project proposal for the support to the destruction of Chemical Weapons in the Russian Federation is currently under discussion in Council bodies with a view to its adoption by the Council in the form of a Council Joint Action. The € 3 million project proposal would commit funding in support of the Shchuch'ye Chemical Weapons Destruction Facility as part of the EU's commitment under the G8 Global Partnership. This project would complement and reinforce earlier projects funded by the EU at Shchuch'ye.

III. Export Controls

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

As a follow-up to the Peer Review Process, an Impact Assessment Study on possible options for the modification of the EU regime of the control of exports of dual use goods was conducted on behalf of the Commission Services in the Autumn of 2005. Results and recommendations have been discussed in detail by the Dual Use Working Party and the Article 18 Coordinating Group. The Commission services have also presented results of the study to exporters (20 February 2006) and discussed with them options for reforming the EU regime of export controls of dual use items (21 April 2006).

The Commission Services are currently preparing a Communication (to the Council) which is expected to contain among other issues proposals for amendments to the Dual Use Regulation inter alia and follow-up to the Peer Review Recommendations.

Progress on the EU dual use denials pilot data base project has been made with the active contribution of volunteering Member States supporting the Commission in conformity with the mandate given by the Council Working Group on Dual Uses Goods at its meeting of the 14th October 2005.

In order to ensure full conformity with Member States' obligations and commitments in the international export control regimes, Annexes of the Council Regulation N° (EC) 1334/2000 listing the items controlled have been updated by the Council through amendments to the Commission proposal COM (2005) 498 so as to reflect the changes in the regimes control lists since the last update of the Regulation in 2004. The amended regulation was adopted on 27 February and published in OJ L 74 of 13 March 2006. It entered into force 11 April 2006.

- *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 Ukraine and the Western Balkan countries. China, Ukraine, the UAE and Serbia-Montenegro have been identified by the Council bodies as key priorities for cooperation and assistance programmes under the 2005 Pilot Project programme of the European Commission implemented with the help of BAFA (Germany's export control agency).

Following informal contacts of the HR's PR with the MFA of Pakistan on 4 May 2006, the principle of a workshop on the implementation of export controls to be held in Islamabad in autumn has been agreed, in conformity with the List of Priorities adopted by the Council in January 2006.

IV. Non-proliferation in relations with third countries

- *Cooperation with key partners*

The EU has continued to work with the US for the implementation of the Joint EU-US programme of work for the Non-Proliferation of WMD, and is stepping up its dialogue on these issues also with Russia on the basis of the External Security Common Space adopted at the last EU-Russia Summit. The Joint Statements on Non-Proliferation adopted in 2004 with Japan and China have also been further implemented through regular contacts during this semester or planned for the second half of the year.

The new EU strategic partnership with India constitutes the framework for the EU-India Security Dialogue which started with a meeting in New Delhi on 22 May 2006.

- *WMD clauses*

The EU has been continuing, according to its WMD Strategy, to mainstream non-proliferation of WMD into its contractual relationship with third states. After the conclusion of negotiations on WMD clauses with Albania, Tadjikistan, Syria, the ACP countries and the GCC, negotiations on WMD clauses have been engaged with Thailand, Singapore, Indonesia and will start soon with China and Iraq. Negotiations of WMD clauses in the SAA with Bosnia-Herzegovina and Serbia-Montenegro have also started. A dialogue has been re-established with Pakistan during the visit of the PR in May in order to restart negotiations of a political agreement (art. 24) containing a WMD clause. Essential elements of this WMD clause have also been included in the relevant parts of the New Neighbourhood Action Plans. After the conclusion of Action Plans with Ukraine, Moldova, Jordan, Morocco, Tunisia, The Palestinian Authority and Israel, negotiations have started now with Egypt, Lebanon, Armenia, Azerbaijan and Georgia and will take place soon also with Algeria.

- *Barcelona*

The PR has kept close contact with Euromed partners in order to finalise the terms of reference for an ad hoc meeting on Non-Proliferation and Disarmament. The principle of this meeting has already been confirmed by Euromed Ministers. Progress has been achieved so far on the substance of the Terms of Reference, and consultations continue.

V. Regional issues

- *Iran*

Since Iran breached its commitments under the Paris Agreement, the SG/HR and his team have continued to be involved in diplomatic efforts with France, Germany and United Kingdom to find a solution to the Iranian nuclear issue. These efforts were supported by all EU Member States. GAERC conclusions have regularly reflected the EU position on this topic. The Political and Security Committee was briefed on developments e.g. in the context of the IAEA and the UNSC.

- *G 8*

The G8 and more specifically the G8 Global partnership continue to play an important role in the field of WMD non-proliferation. The Personal Representative and Commission services have attended relevant meetings held in the first half of 2006 in Moscow under the Presidency of the Russian Federation. Non proliferation constitutes an important section of the final document of the ministerial meeting.

- *WMD Monitoring Centre*

As requested by the WMD Strategy, the PR has prepared a note in close consultation with the Commission services, on how to implement the mandate to set up a "monitoring centre" within the Council Secretariat, which would be entrusted with the "monitoring of the consistent implementation of the EU Strategy". The note has been circulated to Member States.