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NOTE

from : General Secretariat

to : Delegations

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

Delegations will find enclosed the Six-monthly Progress Report on the implementation of the EU Strategy against the proliferation of Weapons of Mass Destruction (2008/I), as endorsed by the Council on 16 June 2008.

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

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 . 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 non-proliferation instruments and international organisations. Attention is drawn notably to the continued political and financial support to relevant International Organisations and multilateral Treaties (UN, IAEA, OPCW, BTWC, CTBTO), through concrete projects including assistance programmes to third Countries.

In particular:

- a) the EU has actively continued to support the programme of activities to mark the 10th Anniversary of the CWC/OPCW;
- b) the Council has adopted in April 2008 a fourth Joint Action in support of the nuclear security fund of the IAEA, making the EU the main contributor to the IAEA Nuclear Security Fund,
- c) the Council continued its support for the CTBTO and has prepared a new Joint Action aimed at enhancing its verification and monitoring capabilities for adoption;
- d) the Council adopted a Joint Action in support of the WHO in the area of bio- safety and bio-security in the context of BTWC,
- e) the Council is to adopt by the first half of 2008 a second Joint Action in support of implementation of UNSCR 1540, focusing in particular on enhancing state officials' capacities in the field of export control;
- f) the implementation of Joint Actions in support of CWC and BTWC continued, with very satisfactory results in terms of additional ratifications and national implementation. A new draft BTWC Joint Action is under discussion among Member States.

B. Report

I. Introduction

This progress report on the implementation of the WMD Strategy covers EU activities in the first half of 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. A new version of the "List of priorities for the implementation of the EU WMD Strategy", as a follow-up to the one adopted in December 2006 (doc.5184/07) has also been prepared, in the light of latest developments.

II. 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 and 1810 but also resolutions 1718 (DPRK) , 1696, 1737, 1747 and 1803 (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 by contributing jointly to all items on the agenda. It has also contributed actively to the 2008 Review Conference of the Chemical Weapons Convention (CWC) on the basis of a Common Position.

When the EU support to multilateralism takes the form of Joint Actions implying financial resources in favour of International Organisations (UN, IAEA, OPCW, CTBTO), 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

- *Council Joint Actions in support of the IAEA*

In order to achieve the objective of strengthening the security of nuclear and radio-active 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:

a) **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

b) Joint Action 2005/574/CFSP

Assistance projects in 20 countries have been implemented or are in the process of being completed during the second half of 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:
Armenia, Bulgaria, Egypt, Libya, Morocco, Romania and Serbia

Project 2: Strengthening of Security of Radioactive Materials in Non-Nuclear Applications:
Subproject 2a): Strengthening the regulatory infrastructure:
Albania, Algeria, Kyrgyzstan, Lebanon, Tajikistan and Uzbekistan
Subproject 2b): Protection of vulnerable radioactive sources
Algeria, Azerbaijan, 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

c) Joint Action 2006/418/CFSP

Implementation of assistance projects (envisaged in 35 countries) underway or in the process of being started:

Project 1: Legislative and Regulatory Assistance :
Angola, Azerbaijan, Botswana, Burundi, Cameroon, Cape Verde, Comoros, Congo, Côte d'Ivoire, Croatia, Former Yugoslav Republic of Macedonia, 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, Niger, Nigeria, Serbia, South Africa, Tajikistan, Tunisia, Turkmenistan

Project 3: Strengthening of States' Capabilities for Detection and Response to Illicit Trafficking:
Ghana, South Africa, Sudan, Tanzania, Uganda, Zambia

d) 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. Implementation of the Joint Action is expected to start during second half of 2008.

e) 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 is now in the process of being implemented.

- *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.

- *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).

Redirecting scientists work. Since 1994, the Community and other Funding Parties (Canada, Japan and USA) have funded the International Science and Technology Centre in Moscow (ISTC) and the Science and Technology Centre in Ukraine (STCU) in order to prevent former weapon scientists expertise from proliferating while redirecting their work towards civil research.

The bulk of 2007 Centres' activities have remained devoted to the management of research projects which have been either funded by the governmental Parties or by partners from the private and industrial sector. The Centres have pursued their effort to expand their activities by attracting further partners and by supporting the targeted scientific communities to adapt to changes in a business-oriented and more competitive environment.

The evaluation of the ISTC and STCU activities and which was performed in 2007 came to the main conclusion that, after more than 10 years of operation, the Centres have proven the relevance and effectiveness of their activities towards the achievement of their original objective. They still represent a unique and valuable international collaboration platform that also falls into the scope of the G8 Global Partnership Initiative and Kananaskis declaration. Nevertheless, critical changes in their political, economic and scientific environment have however led the Centres and the Community to the conclusion that the development of a new vision and transformation is necessary. For the second half of 2007, the Centres' Governing Boards have been discussing the content of a Strategic Planning. Though the discussions are still on-going, the Boards have already identified two main avenues for steering Centres activities: (i) devoting more attention and resources to the goal of sustainable redirection of research institutes, through extending their sources of revenue; (ii) tapping Centres' capabilities to support international priorities in non-proliferation areas through scientific and technological cooperation.

As a new method to meet these challenges, a programmatic approach has also been elaborated to focus Funding Parties' investment in areas that meet the highest priority non-proliferation objectives, e.g. counter-terrorism and global security, nuclear technology and safety, bio-safety and -security. The emphasis would be on targeting projects which will provide a major impact on the mitigation of proliferation risks.

- *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 issue was systematically raised especially with the latter through political dialogue. Following the work carried out during the previous semester, the EU conducted high ranking démarches in some of the Annex II States and non-Annex II States.

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 being launched.

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, and on contributing to the conduct of the 2008 field exercise in the area of on-site inspection. The financial agreement between the CTBTO and the European Commission was concluded in October 2007. Implementation of the projects has been launched and is proceeding on schedule.

The Council is preparing for the adoption of a Joint Action, 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.

- *Multilateral nuclear fuel assurances*

Multilateral Nuclear Fuel 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. The IAEA Board document, issued in June 2007, has taken into account these inputs and will serve as a basis for further discussions. The EU works in the direction to harmonise its position concerning this matter and has developed criteria for the assessment of the different proposals made in this regard. It will participate on this basis in the further discussion within and outside the framework of the IAEA.

2) Chemical Weapons

- *Joint Actions in support of OPCW*

a) *Joint Action 2005/913/CFSP*

The implementation of the Joint Action adopted in December 2005 (2005/913/CFSP) ended in November 2007. This project has allowed, inter alia, for the organisation of a seminar in Algiers in June 2007 in order to promote awareness of the Convention among States in Africa as well as for the proper implementation of the capacity building projects presented by national authorities from the selected countries reported in the second progress report. The current number of OPCW Member States is 183 (an increase of 16 since the beginning of the EU support for OPCW).

b) *Joint Action 2007/185/CFSP*

The financial agreement between the Commission and the OPCW Technical Secretariat having been signed in August 2007, the Joint Action will allow for the provision of sustained technical support to States Parties that request it for the establishment and effective functioning of national authorities, and for outreaching activities to local Parliaments. Furthermore it will strengthen the States Parties' capacities to respond and develop assistance and protection programmes against chemical weapons. The project will allow to establish a freely accessible database which will permit national authorities and industry an easy identification of chemicals contained in the schedules of the Annex on Chemicals to the CWC. Analytical development courses for chemists will be organised in The Hague.

The Joint Action has also allowed for:

- the organisation of the OPCW Industry and Protection Forum in the framework of the 10th anniversary of the OPCW, which took place in The Hague in November 2007;
- financial support for the visit of the OPCW Executive Council to Anniston Chemical Agent Disposal Facility (United States), which took place on 21-24 October 2007.

c) *Preparation of the CWC Review Conference*

The EU has actively participated in the 2008 Review Conference of the Chemical Weapons Convention (CWC). Member States had agreed to coordinate their positions in advance of this Conference.

To this effect, on 28 June 2007, the Council had adopted an EU Common Position relating to the 2008 Review Conference of the Convention on the Prohibition of the Development, Production, Stockpiling and Use of Chemical Weapons and on their Destruction (2007/469/CFSP), which was published in the Official Journal L 176 of 6 July 2007.

3) **Biological and Toxin Weapons**

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

The implementation of the Joint Action (2006/184/CFSP), adopted by the Council on 27 February 2006, continued until the end of April 2008. This allowed to carry out remaining activities under this Joint Action.

Project on the universalisation of the BTWC: The universalisation of the BTWC stagnated for some time, the last accession to the BTWC was recorded in 2003. Since the adoption of the EU Council Joint Action a good number of States ratified/acceded to the BTWC (Montenegro, Kazakhstan, Trinidad and Tobago, Gabon, Zambia, Madagascar) or launched their ratification process. Most of the new States Parties to the BTWC participated in the EU regional seminars or have been demarched by the EU Presidency and maintained contact with the EU. The EU organised a fifth regional seminar to promote the ratification/ accession to the BTWC among the States from the Middle East region on 16-17 April 2008.

Project on national implementation of the BTWC: The EU has provided technical assistance (legal drafting) to states which are party to the Convention in order to ensure that the provisions of the BTWC are effectively transposed into their national legal system. The assistance was channelled either through an internet-based Information and Collaboration Management System (operational from March 2007 with the public site accessible via www.btwc-euja.eu), or through visits of experts to target states, which took place in Nigeria (27-28 March 2008) and Peru (22-24 April 2008).

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

In order to set a good precedent for other BTWC States, the EU Member States had 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.

- ***Joint Action in the area of bio-safety and bio-security***

The Council adopted on 14 April 2008 a Joint Action CFSP/307/2007 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. The implementation of this Joint Action started in April 2008. Two types of activities are envisaged:

- a) awareness raising, training and networking activities in the 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 a deeper understanding of bio-risk reduction practices 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 (countries to be determined).

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

The Council Working Group on Global Disarmament and Arms Controls agreed to task the Office of the PR to explore the possibility of carrying out a fact-finding mission to Ukraine, in order to assess the requests made by Ukraine in the area of physical protection of bio-laboratories. These requests were repeated also during the last CONOP/CODUN Troika with Ukraine. Contacts have been established with the Ukrainian administration to define the contents of such a mission.

4) Missiles

Efforts in support of membership of all new EU Member States in the MTCR were actively pursued during the MTCR RPoC in Paris in April 2008 but without success so far.

The EU carried out demarches encouraging compliance with the Hague Code of Conduct in Washington and Moscow.

5) Security in Outer Space

EU Member States drafted a document on CTBMs for outer space activities and envisaged to start to consult key partners with the view to submit a consolidated version for consideration of CD and COPUOS at a later stage. ESA and the Commission were involved in the process.

EU Member States have been reflecting on the ways how to support security and confidence building in outer space.

6) Support for UNSC Resolution 1540 (2004)

The EU co-financed two additional sub-regional workshops in Jordan and Jamaica on the basis of the Joint Action in support of the implementation of UNSC Resolution 1540(2004), adopted by the Council in June 2006. One of the major lessons learnt from the seminars held in 2006/ 2007 is the importance of reinforcing export control, border management and more generally training at working level. The Council of the EU has adopted on 14 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 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 Ambassador Burian, 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.

III. 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 provides funding to complete the electricity supply infrastructure at the Shchuch'ye chemical weapon destruction facility, has started, following the conclusion of the financial agreement between the British Government in charge of the implementation and the European Commission. The Project will contribute 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.

This Joint Action forms part of the fulfilment by the EU of its commitment under the Global Partnership and shall complement and reinforce the value of the earlier project funded by the EU at Shchuch'ye. The financial reference amount is EUR 3 145 000.

IV. 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.

Further to changes to control lists agreed by the export control regimes in 2007 and 2008, on 21 May 2008 the Council Secretariat forwarded to the Commission Services a draft updated version of Annex I to Regulation (EC) No 1334/2000, which had been agreed by the Dual Use Working Party. The Commission Services were invited to table a proposal for a Council Regulation amending and updating Regulation (EC) No 1334/2000 on the basis of this draft.

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 are currently finalising discussions on the feasibility and practicalities for setting up an online "e-system" for sharing and accessing denials.

- ***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 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.

Long-term assistance activities are under preparation under the Stability Instrument.

V. 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 inter alia through meetings with Staff members of the US Congress on 11 Jan. 2008 and in the framework of the Conop/Codun Troika meetings on 3 Dec. 2007 and 11 April 2008.

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.

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 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 Personal Representative held consultations with her new counterpart in China, Director General Cheng on 19 February 2008.

- *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 now ongoing. The parties will continue discussing in the next round the content of the WMD clause.
- Ukraine: Negotiations for a New Enhanced Agreement continue and agreement on the WMD clause has already been reached in principle.

- Iraq: Negotiations for a framework agreement started and an agreement on the WMD standard clause has already been reached in principle.
- Negotiations with the Andean Community, Central American States, Thailand, Vietnam started. Substantial discussions on the WMD clause are ongoing.
- Negotiating mandates for framework agreements with South Korea and Libya are being discussed by the relevant Council Working Parties in view of starting negotiations with these countries in the following months. The draft mandates contain a clear reference to the insertion of WMD clauses.

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.

VI. 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 participates 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 G-8 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.

- **Iran**

The EU continues to pursue a twin track approach concerning the Iranian nuclear issue: implementation of sanctions while leaving the door open to negotiations if Iran complies with UNSCR 1696, 1737, 1747 and 1803 (2008). The continuing diplomatic efforts, and in particular the specific role played by HR Solana, continue to be supported by all EU Member States as well as USA, Russia and China. HR Solana continued his efforts to work with Iran towards the opening of negotiations, based on the far reaching offer made to the Iranian side in June 2006, and had various meetings and contacts with Iranian interlocutors to that effect, the last one in Brussels on 23 January, following the 22 January E3/EU plus 3 meeting at ministerial level. HR Solana was given a mandate in UNSCR 1803 to pursue contacts with the Iranian side to explore possibilities for creating the conditions for the opening of negotiations. The EU is in the process of implementing UNSC Resolution 1803 through a Common Position and an EC Regulation to be adopted by the Council.

The Political and Security Committee was briefed regularly on developments e.g. in the context of the IAEA and the UNSC. The Iranian nuclear issue was regularly discussed by EU Foreign Ministers at meetings of the GAERC.

- **Middle East**

The Personal Representative held consultation with her counterpart in Egypt on 6 February 2008. A Seminar on Middle East Security and WMD was organised in cooperation with the EU-ISS in Paris on 19/20 June 2008.

- **DPRK**

The EU continues to support the Six-Party talks on the basis of the September 2005 Beijing Joint Statement, the "Initial Actions for the Implementation of the Joint Statement" and the following agreements of 3 October 2007 on **Second-Phase Actions for the Implementation and** reaffirmed its readiness to contribute to its successful implementation.

The EU continued to monitor the six-party-talks. DPRK's preparedness to make concrete progress towards denuclearisation through a verified disablement of its activities at the Yongbyon nuclear site, is an important first element to move the overall process forward. The Personal Representative participated in a troika mission of regional directors to Pyongyang on 12/13 December. 2007 to explore EU possibilities of support for the process in the field of non-proliferation.

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. The necessary financial agreement between the IAEA and the Commission was agreed on 31 March 2008, allowing for the disbursement of an amount of 1,78 million EUR to the IAEA for monitoring and verification activities in the DPRK, thereby contributing to ensure the continuation of the shutdown of nuclear facilities (*as already reported above under point II B 1e*).

Concerning KEDO, after several years of project suspension, the KEDO Executive Board decided respectively in 2006 and 2007, in view of the DPRK's continued non compliance with its international non proliferation obligations, to terminate the KEDO Light Water Reactor Project, and to retain KEDO as an "empty-shell" for financial liability and asset protection. The EU will remain a member of KEDO during the process of winding-up the Organisation, in accordance with the Euratom/KEDO Agreement and the Council Common Position 2007/762/CFSP of 22 November 2007.

- ***GICNT***

The EU is participating as an observer in the Global Initiative to Combat Nuclear Terrorism (GICNT), as decided at the G8 Summit in Heiligendamm on 6-8 June 2007.

The Office of the PR and the Commission services have participated in the 4th annual meeting of the Initiative on 16-18 June 2008 in Spain. The Council has adopted on 30 May 2008 a statement in support of the Initiative, soon after all Member states had become Partners to GICNT.

- ***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 Council Secretariat/OPR and the Commission intends to participate at the 5th Anniversary meeting of the PSI in Washington on 28 May 2008. The Presidency and EU Member States continued to push for an official status for EU institutions in the PSI.

VII. 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 first 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.
- A meeting of the WMD Centre with the participation of the POC's of Member States took place on 29 February 2008. It covered the following issues: List of Priorities for the implementation of the WMD Strategy, CBRN risks and bio-preparedness, mainstreaming non-proliferation into relations with third countries.