

***SECURITY AND NONPROLIFERATION***

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**Dear Reader!**

Hot Summer 2006

This year's political summer really proved hot and troublesome. In many regions of the world the political life thermometer and barometer columns have been reaching extremes or sometimes even defying them. Intensified tension around Iran's nuclear program, escalation of the armed conflict at the Middle East, North Korean ballistic missile launches, bloody terrorist acts in Iraq and India, terrorist threats to transatlantic flights from the United Kingdom. The world seems to have taken a month-long timeout for this year's World Championships in football only to vigorously plunge back into the whirlwind of economic, religious and political conflicts that had grown so acute someplace that they ended up in military action that always entails sufferings and deaths among civilians above all.

In addition to basically predictable but unscheduled events, political events took place over the period, which, despite being regular, are always a focus of attention for the whole world and which are lively commented on by politicians and analyzed by political reviewers and experts worldwide. Such events certainly include the Saint Petersburg G8 Summit that is paid a great deal of attention to in this issue of *Security and Non-Proliferation*. The most pressing issues on the Summit agenda included global energy security and war on terrorism, non-proliferation of weapons of mass destruction. The fact of their relevance was vividly demonstrated by those political events that accompanied the annual meeting of the leaders of 8 major world powers.

It is a reality that a great deal of critical issues referred to in the adopted summit documents implicitly or explicitly affect Ukraine, whose geopolitical role in European energy security can hardly be overestimated. Therefore, the political events in our country were also focused on by leading countries of the world. The twists and turns of the complicated process of forming the majority in the parliament and a coalition government based on it during a transition to the parliamentary/presidential rule was eyed by many capital cities worldwide; some concerned, some sympathetic, some maliciously joyful.

The political compromise was born in painful throes. Its outcomes are, no doubt, quite controversial for all the parties. None of the political powers avoided casualties, primarily on the ideological front, now that they had to concede to their ex-"adversaries", and those forces that once represented "faithful allies" ended up being labeled traitors by some active participants of those events.

The coalition government does not look like a team of like-minded people, serious performance problems can be predicted, but what evokes some optimism is the intent to reach a compromise between the key political forces secured in the *Universal*, the new government's declaration on continuity of the foreign policy course. The "barricade" rhetoric and calls for civil disobedience may be justified when people revolt against their suppressors, but not when the West on one side of the barricade is opposed by the East on the other one. It will be fair if Ukrainian people judge Ukrainian government by "its fruits". The role of Ukraine in assurance of global security will certainly substantially grow when its foreign and domestic policies acquire stability, consistency and predictability. And we, together with you our readers, are hopeful that will be the case.

**Deputy Editor-in-Chief Sergiy Kondratov**

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### **Ukraine's euroatlantic integration and problems of defense-industrial cooperation**

It has been some time now since the National Security and Defense Council adopted a policy decision on Ukraine's strategy with respect to NATO. The Action Plans for 2003, 2004 and 2005 were implemented. The 2006 Plan has now been adopted, which defines the main goals of cooperation with NATO. It is quite often that we discuss political criteria for gaining NATO membership, take multiple measures to disseminate knowledge (objective information) about the Alliance, form the public opinion to that effect. But what has until now eluded our attention is a very complicated problem, i.e. military-technical & defense-industrial component of Ukrainian euroatlantic integration.

Ukraine has gained some experience of military-industrial cooperation with countries of the West. As we know, the first project associated with our military-transport aircraft An-7Kh unfortunately failed to be implemented and that was a severe blow for Ukrainian manufacturers of military-industrial products. It resulted in a drastic drop in optimism regarding the prospects of defense-industrial cooperation with NATO.

Another strategic area of cooperation with countries of the West that Ukraine developed was aimed at keeping on military-industrial cooperation with Central European States being NATO members already, now that we actually had common defense-industrial (Soviet) basis and produced identical weapon patterns. On this path certain progress is observable while errors made being quite a few as well. Set on gaining NATO membership, our neighbors – Central European countries—understandably subjected their military-industrial cooperation priorities to military-political interests of the Alliance. That made it difficult for Ukrainian manufacturers to develop cooperation with them as appropriate. It is therefore another area where little if no success has been achieved, which evokes a great deal of pessimism as to development prospects of military-industrial cooperation with NATO countries.

It must be noted that our prospects on the Russian direction are not that radiant either, however ponderable the basis for cooperation development may be since it used to be one defense-industrial complex (DIC) under the USSR. And Ukrainian DIC development strategy consisted in preserving the historic ties in this area as much as possible. We have had a certain freedom of action remaining a non-bloc State, the political factor being not so much negative as, for instance, was the case for Western countries. Difficulties of military-industrial cooperation with Russia were caused by economic troubles, insufficient defense industry funding in particular. Both in Russia and in Ukraine such problems were due to very limited budgets for arms development and purchases. They were also dependent on the world market competition. But at this point we should clearly realize that once we make the decision to join NATO, we will find ourselves in a totally different political situation. It will certainly affect military-industrial cooperation development. Therefore, we should think, in what aspect such a policy of cooperation with the European Union and NATO is productive and to what degree we can develop cooperation with Russia if we are oriented towards NATO?

Such political restrictions will certainly complicate the relations between Ukrainian weapons manufacturers and Russian ones. And we must be well aware of that. Russia considers military-industrial cooperation with Ukraine primarily as a means to pursue its military-political interests and geopolitical ambitions. As analysis demonstrates, Russia's economic and defense-related interests in its military-industrial cooperation with Ukraine are secondary. Priority to military-political interests is codified in Russian law. The Law *On Military-Technical Cooperation between the Russian Federation and Foreign States* refers to “strengthening the Russian Federation military-political positions worldwide” (Clause 3) as the principal and primary objective of military-

technical cooperation, and defines military-technical cooperation itself as such that is driven by “Russian military-political interests” (Clause 4). Prospects of Ukraine/Russia military-industrial ties are seen by Moscow from the perspective of how to fit Ukrainian military industry into Russian geopolitical interests.

Placed second in degree of importance among the tasks that Moscow identifies with military-industrial cooperation with Ukraine is assurance of Russian defense capacity. Ukrainian military enterprises supply sizeable amounts of spare units and parts for military equipment that is still part of the Russian Federation Armed Forces arsenal. They are involved in its maintenance as well.

From the economic perspective, such a policy of one-sided propensity for cooperation with Russia is also without prospects. Russia does not need to use Ukrainian production capacity since its own capacity is not fully engaged by defense-related and civil orders. The surplus of Russian DIC production capacity is the reason why 70% thereof is not engaged as designed. Therefore, this part of Russian DIC potential is not part of military-industrial cooperation at all.

If Ukraine were considered as a sales market for Russian DIC products, it would warrant no special economic interest for Russia either. Ukraine imports Russian military products worth about USD 11 million. Hence in Russian military export the Ukrainian portion does not exceed 0,25%. Such a low figure does much to place economic interests third-rate in Russia’s priority list for its military-industrial cooperation with Ukraine.

The aspects discussed above determine Russia’s policy of military-industrial cooperation with Ukraine. This policy features:

- Pumping scientific discoveries and novel design developments in the area of military equipment and arms from Ukraine to Russia;
- Arranging the full cycle of production of new types of military equipment developed in Ukraine at Russian enterprises;
- Buying up (through privatization) the stock of strategically critical major enterprises manufacturing competitive high-tech products unparalleled in Russia;
- Relocating to Ukraine the production of some spare units while retaining full control by Russia over production and sales of finished products.

The one-sided propensity towards Russia will not raise military-industrial production in Ukraine since Russia is making a transition to new nomenclature of arms and seeking to introduce new technologies that are missing in Ukraine. Therefore, as Russia progresses in implementing those tasks, it will be losing its interest in Ukraine as a commercial partner.

In addition, we have no experience in involving Western countries into our defense industry liaison. Numerous books have been published that discuss the prospects of Russian defense-industrial complex development. Issued predominantly in the West, they affirm that RF is unable to keep up the former, quite high military-engineering level and, consequently, will be seeking new partners. Shall we be of any interest for Russia in this respect? Unlikely. Because Russia is in need of innovative technology and investment in its military-industrial production. Already at this point Russians are seen to prefer liaising with Western defense concerns. Yet those concerns are closely consolidated. They represent a whole network of powerful transnational companies, have concerted programs and keep optimum balance between their own resources and shared participation in arms production and purchases. This system is hard enough to join in. Even for Russia! Besides, Western NATO countries are not interested in involving Russians in their defense industry cooperation.

In developing military-industrial cooperation with Western countries Russia seeks to accomplish two key tasks: catch up on its technology development lag and draw Western investment in Russian defense industry.

But the main challenge in reaching these goals is that the West does not exhibit any particular interest for Russian military industry products. Even more, military-political and military-strategic interests of the West interfere with development of such cooperation.

The Russian defense-industrial complex is technologically incompatible with the European defense industry. The European defense industry is consolidated. It represents a network of major transnational companies managing a number of concerted intergovernmental programs that ensure optimum balance of financial and material resources among the countries involved in this European cooperation. For the reasons above Russia cannot be an equal partner in cooperation with the West. The West is interested in it primarily as a source of raw material and a market of cheap labor. And it is in terms of this interest that Russia may have a chance for development of military-industrial cooperation with the West.

Russia's policy in the development of military-industrial cooperation with the West has undergone changes.

It is the proposed sale of best Russian weapon specimens to the armed forces of European countries that can be considered the first step in the development of Russia's military-industrial cooperation with European countries. But that attempt was not much of a success.

Another, more successful step was cooperation with the German firm *Dairules Chrysler Aerospace* in upgrading Russian-made MiG-29 fighters being part of the German arsenal to conform to NATO standards.

Russian purchases of specific spare parts and units to create certain types of military products from the Western countries and U.S. can be considered the third step in Russian military-industrial cooperation with the West. Thus Russia manufactures aircraft engines with assistance provided by *United Technologies Corp. Pratt and Whitney* supplies engines for Russian helicopters. When creating electronic systems for new arms specimens, foreign-made elements are widely used, their proportion reaching 50%. To date, no specimen of Russian weapons is totally covered by the domestic elemental basis.

The fourth cooperation step opening to Russia the biggest prospects out of all options possible is associated with getting involved in cooperative production of the military-transport aircraft A-400M. Russian financial industrial group *Kaskol* concluded an agreement with aircraft building company *Aerbus*, whereby Russian enterprises will produce specific units for this company's aircraft as well as the military-transport aircraft A-400M. Another Russian company *Russian Aluminum* supplies aluminum for defense concern EADS. 30% of this concern's demand of aluminum will be taken care of by Russia.

Ukraine evaluates its chances in this business primarily with reference to Russia. As for Ukraine, the prospects of military-industrial cooperation with the West still remain not too comforting. The West does not exhibit any special interest for Ukraine for the same reasons it is the case for Russia. Nor does Ukrainian government believe in good prospects of such cooperative ties with Western countries. The problem here apparently lies in the fact that Ukrainian government has never had and does not have at this point an understandable strategy for independent development of its military-industrial cooperation with the West. It has always considered it possible to develop its military-industrial cooperation with Western European concerns to produce one type of military equipment or another only provided Russia is involved in this production as well.

With such a one-sided propensity toward Russia, Ukraine will ultimately end up squandering the chance to take root in the system of Western European military-industrial cooperation even as a supplier of spare parts and units for military products produced by Western European defense concerns. In this situation it is only through Russia that Ukraine will be able to access Western European technologies and credits and only if Ukrainian manufacturers act as subcontractors under Russia's efforts to meet Western European defense-related spare parts production orders placed with Russian defense enterprises.

And this seems to make our strategy flawed. Therefore the point is that we should seek a new strategy for Ukraine's military-industrial and military-technical cooperation with countries of the West as a component of our euroatlantic course. And that component will be extremely expensive and such that can very much complicate the development of our defense-industrial complex. Today we are facing more questions than answers here.

The action plan to achieve compatibility of our arms specimens with the NATO specimens of weapons and military equipment is absolutely natural: if we become NATO members we will have to meet the Alliance's political and military requirements. In this respect the military-technical industry is confronted with two challenges.

The first one is to be able to contribute to collective defense. What weapons shall we do it with? The second one is whether these weapons are consistent with the NATO standards? Well, it is clear that if key weapon specimens are incompatible the effectiveness of collective defense is compromised.

On the other hand, questions arise not only with regard to our ability to contribute to collective defense, but also to any model of national armed forces meeting the requirements. Above all, it means that a balance in armaments should be reached among the branches of armed forces.

Therefore, our Armed Forces should first have the complete range of armaments. Secondly, when we join the NATO we have to deal with distribution of responsibilities. By what segment of its DIC will Ukraine contribute to collective defense? By what weapons? And how many of those will keep the balance in armaments among the national armed forces? We will have to decide what model of armaments will be most acceptable for Ukraine. If it relies on its own national production, then the defense-industrial complex must produce the complete range of armaments and it will require an immense budget, which questions the acceptability of this model.

The second model (applied by underdeveloped or semi-developed countries) is to purchase weapons. Of course, it doesn't require a developed defense-industrial complex. Nor does it need investment in military-industrial production. However, it does call for a huge budget as well. Plus, if we opt for this model, we will be facing the question whose weapons to buy – of the United States, Russia or other countries? This question is currently of high relevance for the Czech Republic and Poland seeking to initiate tenders to reach an optimum conclusion to that effect.

The third model is to combine the two principles discussed above. We have a quite powerful defense-industrial complex, and it is in our interest to preserve it though it is clear that it is impossible under the current conditions to retain all the segments of this complex. Despite the fact that our government adopted a concept to that effect in 2002. Therefore, the mixed approach appears to be the best one. But if it is a mixture, then what shall we produce ourselves and what shall we order from other manufacturers and who will be those manufacturers? Considering the prerequisites present in Ukraine, our key focus in developing weapons programs has been on Russia. But will it represent a reliable arms supplier if we become part of NATO?

This is a very important political question. Probably if we become NATO members this mixed model must combine both domestic production, and purchases of armaments, and cooperation with other countries. But how realistic is it? Where are ways to be found to implement such a model? It is also obvious that a transition to a mixed model will narrow the domestic market for national arms manufacturers and orient them towards international arms development trends to reach foreign markets. In addition, due to armed force reductions and related funding cuts, the domestic demand for armaments and military equipment will be insignificant. Projections for domestic orders placed by Ukrainian Ministry of Defense with respect to tentative budgets for arms purchases for each branch of armed forces, will not exceed 2–3 combat and 1 military-transport aircraft, 1–2 ships of the “frigate-corvette” class and about 30 tanks and armored vehicles per year.

Development trends in the area of defense industry and production of military products will depend on: changes in the international environment, modifications in the nature of military threats and in the system of foreign and domestic economy relations.

The key feature of the modern international situation is the globalization process that generates the following military-industrial production trends:

- Concentrating the production of high-technology types of weapons in economically powerful and most developed countries as they secure key segments of the world weapons market for themselves;

- Consolidating and internationalizing the production of military products within industrial unions and transnational corporations which absorb national defense industries of medium and minor countries;
- Increasing international investment and its concentration on the production of high technology types of military-industrial products.

The specifics of modern military-political situation under the unipolar world being formed is reflected in a reduced probability of a large-scale war and a change in the nature of military threats, which, in turn, gives birth to trends as follows:

- Reductions in the armed forces and amounts of weapons;
- Reduced demand for traditional types of armaments that represented means of deterrence, resulting in a shrunken capacity of domestic weapons markets;
- Military technologies becoming more complex and growing costs for their development and maintenance of research institutions and design bureaus;
- The core of scientific and engineering revolution in the military business shifting to the area of computer and information technologies, enlarged weapon targeting range and precision.

One should also outline the trends related to the manufacture of military-industrial products, caused by changes in the system of foreign and domestic economy relations:

- Lesser role of the State in the defense sector of industrial production and intensified commercialization processes within the defense-industrial complex along with privatization of defense-industrial enterprises;
- Decreased number of industrial enterprises and concentration of military-industrial production in major companies and concerns specializing in both military and civilian products;
- Curtailed State-budget funding for the defense industry sector and research costs;
- Increased production of dual-use products;
- Increased number of affiliates of foreign defense concerns and establishment of joint enterprises with a large share of foreign capital.

Overall, now that highly technologically developed countries are involved in a predominant majority of military conflicts, and high precision weapons are employed by air-, sea- and land-based carriers, it results in a number of predictable trends in the production of armaments and military equipment.

*In the production of armored vehicles:*

- Lower demand for tanks and armored vehicles created on their basis;
- Enlarged production of engineering equipment and civilian equipment (means of combat engineer reconnaissance, armored vehicle-launched bridges, facilities to create water obstacles, combat vehicles for mine clearing and controlled mining, etc.)

*In the production of aircraft:*

- Creation of unmanned aircraft of the strategic operations level;
- Development of unmanned aircraft for intelligence and radio-electronic warfare missions;
- Creation and expansion of production of military-transport aircraft of operative-strategic and strategic purpose;
- Production of aircraft for patrolling facilities and areas and for land surveillance.

*In shipbuilding:*

- Increased demands for combat and surveillance ships and medium and minor boats: frigates, corvettes, patrol boats, coastal guard boats, hydrofoil and air-cushion ships and boats.

*In the production of radio-electronics:*

- Development of optical location systems and passive radars;
- Creation of millimeter-range radar systems, surface wave radars and mid-range radars for detection of small targets;
- Enlarged production of laser and heat-vision location and targeting systems;
- Development of new means of radio intelligence and radio electronic warfare, and of a counter-weapons to high-precision weapons.

Along with widespread production and application of high precision weapons, the leading countries will retain a substantial segment of the conventional weapons market in the third world countries.

Against the background of all those trends in cooperative ties on the Russian direction, Ukraine's accession to NATO will create favorable military-political conditions for military-industrial cooperation between Ukraine and Western countries.

Ukraine's membership in NATO first will provide access to the database of the Alliance's military and procurement programs and will thus enable participation in tenders for production of military equipment. Secondly, it will provide a potential for improved competitiveness of defense enterprises. Thirdly, it will facilitate a higher level of cooperation with Western defense concerns producing high technology weapons, thereby making such technologies accessible for Ukraine. And fourthly, this altogether will assist in the transition to common standards in developing and producing weapons.

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## **Nuclear Deal of the Century**

The outcome document package of the 16 July 2006 Saint Petersburg G8 Summit included a Statement on Non-Proliferation. It reaffirmed the commitment of the High Signatory Parties to the Treaty on the Non-proliferation of Nuclear Weapons (NPT), called on all States to comply with their NPT obligations including IAEA safeguards, and urged all States not party to NPT to accede to it. It is of note that the following separate Statement was made with respect to India that is not party to NPT but de facto possesses nuclear weapons: “We look forward to reinforcing our partnership with India. We note the commitments India has made, and encourage India to take further steps towards integration into the mainstream of strengthening the non-proliferation regime, so as to facilitate a more forthcoming approach towards nuclear cooperation to address its energy requirements, in a manner that enhances and reinforces the global non-proliferation regime.” Now that G8 comprises four out of five States possessing nuclear weapons de jure (U.S., United Kingdom, France and Russia –Founding Fathers of NPT), this wording apparently reflects indirect approval of the last year’s sensational agreements between India and U.S. on cooperation in peaceful uses of nuclear energy.

Resulting from India’s Prime Minister’s visit to U.S.A, joint Statement by Dr. Manmohan Singh and U.S. President George Bush, Jr. was made 18 July 2005, which included a reference to nuclear energy-related agreements reached. That Statement surprised and upset both politicians of those two countries in particular, and nuclear non-proliferation experts, since U.S./India cooperation intents would contravene NPT principles, U.S. national legal requirements and international agreements under the Nuclear Suppliers Group (NSG)<sup>1</sup>.

According to a fundamental NPT principle, each State Party to the Treaty shall commit not to transfer nuclear fissile material, technology and equipment for peaceful nuclear industry to States that are not party to NPT and, accordingly, not covered by the IAEA safeguards system<sup>2</sup> intended to prevent diversion of nuclear energy to military ends.

From the perspective of NPT principles, nuclear proliferation essentially began with India becoming the first country to test a nuclear explosive device after 1 January 1967, namely – in May 1974 (immediately whereafter NSG was established, may we be reminded). To tell the truth, they did affirm they were testing a “peaceful nuclear device”, but NPT does not make such a distinction. NPT Article IX.3 defines a nuclear-weapon State as “one which has manufactured and exploded a nuclear weapon or other nuclear explosive device prior to 1 January 1967.” It entailed imposing an embargo on nuclear energy-related materials, equipment and technologies to be supplied to India, and U.S. became one of the most ardent supporters of adherence to the sanctions regime.

The U.S./India agreements reached in summer 2005 were followed up during U.S. President G. Bush’s visit to New Delhi in March. 2 March 2006 another U.S./India joint statement was published

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<sup>1</sup> NSG was established in 1974 to comprise states exporting nuclear technology and material, which committed to having no involvement in the spread of nuclear arms through exporting nuclear and dual-use technology; its current membership totals 45 members.

<sup>2</sup> IAEA safeguards are applicable to all source or special fissionable material in all peaceful nuclear activities within the NPT Member State territory and are a mechanism to ensure nuclear non-proliferation. Observance of commitments is monitored by IAEA based on accountancy and control of nuclear material whose inventory quantities shall be regularly reported to the Agency, and through inspections of nuclear facilities located in the State in question by IAEA inspectors.

as a result of talks between Indian Prime Minister Manmohan Singh and George Bush. The Statement refers to an agreement reached as to plans for bilateral practical implementation of cooperation and trade in peaceful use of nuclear energy. According to the official White House press release, a historic agreement was signed that meets India's ever-growing energy demand for its developing economy. The Bush Administration claims that the agreement with India will strengthen the non-proliferation regime nuclear by moving India into the front ranks of the regime. According to the details of the plan presented in the U.S. Department of State information release, India committed to placing 14 civil nuclear reactors out of the 22 available along with their supporting facilities under IAEA control. India agreed to shut down in 2010 its research reactor CIRUS built as a joint effort by Canada, U.S. and India. (Where plutonium was obtained for the "peaceful nuclear explosion" in 1974 and which apparently continues to contribute to the military nuclear program) Other India's commitments notably include the following: negotiations with IAEA regarding the Protocol Additional to the Safeguards Agreement and its signature, strengthening the national export control system, including observance of the Missile Technology Control Regime (MTCR) and NSG, as well as cooperation with U.S. in concluding the multilateral Treaty to Ban the Production of Fissile Material for Nuclear Weapons and Other Nuclear Explosive Devices. The plans for full-scale U.S. cooperation with India include nuclear fuel supplies and involvement in the construction of nuclear units in this country. U.S. Congress is currently reviewing amendments to the national law to lift the restrictions of nuclear cooperation with India. They have already been approved by key U.S. Senate Committees, and the issue of their approval by Congress is under discussion with prospects of final approval either before or after the parliamentary recess, but this year anyway. At the G. Bush, Jr./M.Singh bilateral meeting during the 17 July Saint Petersburg Summit, Mr. Bush informed his counterpart on the progress of amendment discussions at Congress and expressed his confidence in their approval.

As U.S. Secretary of State Condoleezza Rice submitted a draft law in April 2006, she called upon Congress to eliminate existing obstacles impeding the development of nuclear trade between U.S. and India by approving an amendment, as applicable to India only, to the U.S. Atomic Energy Act, to qualify India as a country that observes the international nuclear non-proliferation regime for purposes of trading in nuclear technology and material. Mrs. Rice claimed that the civil nuclear cooperation agreement would have no effect on NPT, but would bring India closer to non-proliferation regime observance despite India's status of a State yet to sign NPT. Having rejected criticism, specifically comments that the nuclear agreement should envisage freezing of the Indian nuclear arsenal, the Secretary of State emphasized that India should not be expected to agree to it in the absence of similar steps taken by other States of the region, such as Pakistan and China. Apart from strengthening the non-proliferation regime, the U.S./India agreement is believed by the U.S. Administration to enhance energy security and improve environmental protection along with strengthening and developing strategic and economic partnership between the two countries.

Yet a large number of analysts disagree with such a judgment and charge U.S. with applying double standards towards Iranian and North Korean nuclear policies on the one hand, and the Indian one on the other. These experts believe U.S. has created a dangerous precedent that undermines the non-proliferation regime, causes a grave imbalance in the relations among the States of this region and ultimately strips U.S. of the moral right to require NPT observance from other countries. While making an exception for India that is outside of NPT, U.S. is putting enormous pressure on the NPT member Iran, trying to discourage it from enriching uranium within its territory as part of its nuclear fuel production for Busher NPP. Experts are concerned that India will be joined by Pakistan. The U.S./India agreements, as can be seen from the recent events, have intensified the nuclear resolve of Iran and North Korea. For such countries as Saudi Arabia, Egypt, Japan, South Korea and Taiwan there is a reason to contemplate manufacturing their own nuclear bomb. "We cannot play favorites, breaking the rules of the nonproliferation treaty, to favor one nation at the risk of undermining critical international treaties on nuclear weapons," Ed Markey, a member of the U.S. House of Representatives from Massachusetts (Democratic Party), believes. He is supported by another Democrat Joseph Biden who warned that if the nuclear deal with India by accident undermined the existing non-proliferation regimes that would be a "terrible legacy to leave".

Many NPT member States are far from being happy with the U.S./India nuclear agreements. In late May a NSG meeting was held in Brazil that has played a major role in the 30-year history of NPT. The Indian question— whether India is eligible for assistance in developing its peaceful nuclear program while remaining outside of NPT? – split the NSG members into three groups. Four nuclear-weapon States stood for a nuclear amnesty for India (U.S., France, United Kingdom, RF). The only country possessing nuclear weapons de jure, which expressly did not welcome the agreement, was China. Experts believe that China's position stems from the hope to promote the idea of making new exceptions in the future, specifically for Pakistan. The agreement was opposed to by Ireland and New Zealand, Austria, Norway and Sweden. As Indian journalist P. Chodhuri acidly wrote in *Hindustan Times*, the degree of negative attitude of States towards U.S. lenience for India is “inversely proportional to their dimensions”. The remaining twenty countries adopted an intermediate position. Brazil and South African Republic that formerly had military nuclear programs (South Africa even created nuclear weapons once but voluntarily renounced them to become an NPT member), have most solid reasons to be unhappy about the U.S. double standards with respect to New Delhi. U.S. as supported by France and United Kingdom tried to persuade the rest of group members to include in the outcome press release a paragraph that would positively evaluate the U.S./India agreement. But Ireland and New Zealand with support of Austria and Norway began to insist that the proposed paragraph contain wording of NSG being “concerned” with this agreement and those non-nuclear-weapon countries ultimately reached their goal.

The agreement implementation will have serious consequences in the geopolitical aspect as well. Experts consider the U.S./India agreements as a drastic change in priorities of the U.S. regional policy in South Asia since Pakistan was believed to be U.S. principal ally for a long time. But times change and at this point it is India that poses a larger interest for U.S., being a State that, due to a rapid economy development, is currently ranked fourth among world's leading economies. India has made progress in its society democratization, has responsible political elite and is a candidate to permanently join the UN Security Council, potentially to become part of the elite G8 soon. Pakistan considers the U.S. decision to lift the restrictions in nuclear cooperation with India as discriminative and upsetting the established balance. Taking into consideration the conflict between India and Pakistan, which has been lingering for almost 60 years, the fact of such an agreement signed hardly contributes to alleviating the tension between the two countries.

Besides, U.S. staked on India to create a counterbalance to China, whose influence in this region and worldwide grows year-by-year proportionally to the growth of its economic and military-political power, as well as to curtail Russia's influence on Central Asia States. And finally, India being a U.S. ally is important for stabilization and setting up relations with the Muslim world, especially from the perspective of those failures that have until now plagued the strategic concept of Middle East democratization.

In signing that agreement, U.S. had a few objectives in mind, political ones above all. The economic aspect was a major factor as well.

The world market of nuclear material and technology has long become an arena for bitter contention among exporter countries. The struggle for sales markets promising multibillion revenues has been resulting in not very meticulous reviews by supplier States of buyers' intentions and programs (as was the case, for instance, with Iraq, North Korea, Iran, Libya, Israel, Pakistan and India itself). Exporters were not deterred even by news of military developments underway in some countries. Pressure applied by one supplier country on another to make it cut down supplies to one country or another is reasonably considered as attempts to oust a competitor from the market and secure the resulting vacancy for oneself rather than efforts to strengthen the non-proliferation regime. In 1994 U.S. together with South Korea and Japan succeeded in disrupting Russia's nuclear energy cooperation with North Korea under the pretext of addressing the threat of Pyongyang creating nuclear weapons on this material basis. Yet they wasted no time in concluding a contract to build there an NPP of the very same type, but under their control. That project entitled *The Korean Peninsula Energy Development Organization* was frozen and North Korea overtly resumed its military nuclear program and withdrew from NPT in 2003. Russia learned lessons from that story

and did not yield to Washington's pressure applied to make it quit participating in the construction of an NPP in Buser (Iran) according to the Russian design.

Now that India has a long-term comprehensive nuclear industry development program through 2050 and plans to build up to 40 nuclear reactors of various types over a few decades (pressurized heavy water, light water, fast neutron and thorium-based reactors), increasing the portion of nuclear electricity production in its energy balance from today's 3% to 25%, it is understood that U.S. has secured this promising market for itself for years ahead. The U.S./India agreement will substantially limit the activity scope for other countries and Russia that until now has been the only State cooperating with India in nuclear energy industry back from the Soviet times. It is not hard to realize that Russia would open another front of warfare to retain its positions and historic influence on the formerly reliable partner India.

We are living in a world of rapid change, hence it is understood that such a dynamic country as India cannot remain sanctioned for ever. It seems, however, logical that, prior to signing an agreement between U.S. and India on peaceful nuclear cooperation, it would be appropriate to encourage India to accede to NPT and all treaties ensuring that its military program is frozen. The proposed path is not an easy one and would require lengthy negotiations, but such a path should be followed through to the end for the sake of retaining and strengthening the nuclear non-proliferation regime that is currently experiencing a hard time (judging by the results or, rather, resultlessness of the May 2005 NPT Review Conference in New York).

The U.S. furthering its interests while totally neglecting other countries' interests is the reason why NPT member States split, mutual suspicions pile up and States in unstable regions are encouraged to acquire or create weapons of mass destruction. All States that currently de facto possess nuclear weapons or intend to acquire them are situated in regions of conflict and are facing a difficult political situation at home. They have created neither a reliable defense alarm system nor control systems, therefore the risk of first or preventive attack and unauthorized use of nuclear weapons is higher for these States than that for the "Nuclear G5". Yet even these circumstances are not crucial in this case. The likelihood of terrorists in those countries grabbing hold of materials or fabricated nuclear explosive devices drastically increases due to their specific foreign policies and domestic situations, corruption in governmental and military organizations, low reliability of security services and means to protect nuclear facilities and of nuclear material controls. Therefore, further nuclear proliferation is perfectly possible with enough reasons to believe that the next proliferation step may result in an exponential growth of the risk of using nuclear weapons.

India, however, has every reason to be proud of its diplomatic accomplishments. When drafting the outcome documents of the Saint Petersburg G8 Summit, the majority of experts were skeptical with respect to India's attempts to get them to include a reference to the "nuclear deal of the century". But the experts were wrong and Indian diplomats can be congratulated on their next victory on the path of international recognition of their country as a nuclear-weapon State and a full member of the world club of nuclear-weapon States.

### **Iran tries G6's patience again. To be continued...**

There is nothing better for a journalist than uncertainty. It gives him or her open space for dreaming and a favorable occasion to show his or her own analytical ability. Especially "valuable" is an uncertainty in case of so-called "explosive" situations, which force the world community to observe its development with bated breath.

The situation around the Iranian nuclear program could be a typical example.

Since the UN Security Council received on April, 28th this year the Iranian nuclear file from the IAEA Director General Mohamed ElBaradei and Iran again refused to comply with any requirements, even those related to suspending the national nuclear program, newspaper reports all around the world have been providing numerous versions of future situational developments.

It is necessary to recall, that the report provided to the UN Security Council states that Iranian scientists are already enriching uranium up to the grade, necessary for NPP fuel manufacturing and proceeding with nuclear research. Moreover, Iran has ignored all appeals to halt enrichment of uranium and resume the full-scale cooperation with the IAEA within the assigned period of 30 days. Thus, until now it is not clear, whether Iran has carried out peaceful nuclear research.

US mass media have proved to be the most pessimistic ones. For example in April this year a popular periodical "The New Yorker" published an article by Seymour Hersh alleging that Washington was going to solve the crisis by means of military invasion, bombing of Iran, probably, even using tactical nuclear weapons. Soon afterwards according to another article, the House of Representatives of the United States Congress has approved the decision to oblige the Pentagon's officials to submit for consideration to the Congress a secret report on possible military enforcement measures against Iran. The report should include all military scenarios that could be realized by the United States and justification of such armed forces use, and also any obstacles and restrictions that could occur as well.

Next day after the decision of the House of Representatives Russian "The Independent Military Review" published a detailed plan of the US military campaign against Iran. Simultaneously the magazine "US News & World Report" informed on staff training that had happened in the USA Military Land Forces College and gathered the Department of State, the Ministry of Justice and USAID. During the training coalition troops under the US leadership entered by force to the virtual, industrial, oil-producing "Red" Islamic State and supported a southeastern European Federation - imaginary by the Pentagon union of states which required economic and ideological support. A response from Tehran was given immediately. With reference to the Iranian diaspora abroad the Italian mass-media reported that in case of invasion of Iran "the Ayatollah' Regime" has prepared so call "Doomsday" plan. The plan consists of four items:

1. Use of missiles against American troops in the Persian Gulf.
2. Involvement of so-called "suicide bombers" for attack on American facilities (bases, diplomatic representatives) in the Middle East. It is said that a number of suicide bombers is some 40 thousand. Acts of terrorism at oil enterprises are not excluded as well.
3. Mobilization of al-basiji<sup>3</sup>, Islamic volunteers, fighters of "Revolution Guard Corps" and "al-Quds" Brigades<sup>4</sup> in Iraq territory.
4. "Hezbollah"<sup>5</sup> would begin the military action in northern part of Israel, and use of thousand jet shells.

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<sup>3</sup> Al-basiji (in Farsi means "together") – semi legal-semipublic but power unit, as inseparable part of the "Revolution Guard Corps" military group and existed in parallel with standing army and has the comparable influence. Both Al-basiji and Guard Corps appeared in Iran when imam Homenei came to power. Both participated in the war with Iraq. One of the Al-basiji leaders that time was Mr. Mahmoud Ahmadinejad, the President of Iran. Overall strength of the army is about 10 million people, in great numbers of women.

<sup>4</sup> al-Quds Brigades (in Arabian "al-Quds – Jerusalem") – military wing of Islamic jihad.

Indeed, the terrifying plan can cool down any fighter for world peace!

Probably, through promulgation of above information the US mass media have started to predict an inefficiency of possible attack against Iran, based on reports of CIA, the Department of State and advisers, submitted to the President Bush. There are some quotes.

“In case of attack on Iran we cannot count on international support and our image is to be seriously deteriorated. But the main problem consists in reciprocal measures against Iran”. “ We can destroy already revealed nuclear facilities, probably... But for full confidence, probably, numerous strikes or tactical nuclear strike be required. Besides we should bombard tens of enterprises but many of them are located in residential zones... Collateral losses will be huge”. “ Mister President... You and the Republican Party should incur full political responsibility for all that will take place. Oil prices risks to rise above 100 dollars for a barrel”<sup>6</sup>.

A passion was calmed down by the next round of six-sided negotiations concerning the Iranian file between the USA, Russia, China, France, the Great Britain and Germany which took place in June, 1 in Vienna.

Ministers of Foreign Affairs of these countries gathered in the Austrian capital to agree on a common position, taking into consideration interests of all parties and inadmissibility of infringement of non-proliferation regime.

The sensational statement of Condoleezza Rice before the Viennese meeting has relieved the tension for certain time and enabled the world community which were already going to observe one more fight of the United States against “ forces of a harm ” to calm down.

“ In order to emphasize our favour to the diplomatic decision and to increase chances of success in case that Iran completely and definitely stops enrichment of uranium, the United States and " the European three ” will start a negotiation with the Iranian party ”, - said the State Secretary of the USA.

The statement has been regarded as radical turn in Washington’s policy toward Iran.

It has been decided to send the US appeal to the Iranian leadership through the Ambassador of Switzerland in the USA, bearing in mind that Washington broken off diplomatic relations with Tehran since Iranian students seized the US Embassy in the Iranian capital in 1979.

At the same time Ms.Rice has noticed, that mitigation of tone of the American administration does not mean at all readiness of Washington in the future to use only a “carrot but not stick”. “If the Iranian regime continued the previous policy, it would cost to Iran a pretty penny”.

The American initiative has been supported not only by the Atlantic partners, EU and Japan, but both Russia and China which more and more by then separated from the USA remaining reluctant to impose sanctions on Iran.

The only one State which has publicly opposed the USA offers was Iran. Making comments on event, national mass media have named Ms.Rice’s statement as “an American propagation”. Official Tehran on behalf of the Minister of Foreign Affairs Manouchehr Mottaki has admitted an opportunity to start direct negotiations but only if the USA as the preliminary condition didn’t demand refusal of uranium enrichment.

One more surprise during negotiations in Vienna became that the American delegation suggested taking off a part of the unilateral economic sanctions against Iran within limits of a package of proposals given to Iranian on behalf of all participants of the G6. In particular, “ the USA are ready not only allow the European Union to sell Iran passenger planes, but to deliver them own “Boeings”.

The package of proposals agreed during negotiations has been transmitted for studying to the Iranian officials. It is necessary to specify, that it is not a question of refusal of Iranian civil nuclear power. The G6 insists on curtailing of works on uranium enrichment, aimed at creation of the

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<sup>5</sup> Hezbollah, a Shiite Lebanese movement

<sup>6</sup> Philipp Gordon, “Corriere delle Sera”, <http://www.otherside.com.ua/news/detail.php?id=3751>

nuclear weapons. In case of resumption of the uranium moratorium the European Union offers Iran light water nuclear reactors, Russia - the joint enterprise on enrichment of uranium on the Russian territory, and the United States - significant economic preferences.

Within 5 weeks Russia, the USA, China, the Great Britain, France and Germany had been waiting the answer from Iran without any results. On July 12 it has been decided to return the Iranian file to the UN Security Council. In Paris late night after long negotiations heads of foreign policy departments of the mentioned countries invited journalists, and the Minister for Foreign Affairs of France Philipp Dust-Blasé, has read the message for a press. It was stated that Iranian have not given any proofs of their readiness to discuss of the given proposals, therefore participants of the G6 have not other choice, except to return to the UN Security Council.

It is necessary to note, that the first warning to Iran was sent one week prior to the described events. The Department of State of the USA strongly declared: Washington expects the answer of Tehran before July 12, the meeting of the G6 in Paris; otherwise the US will try to convince other international intermediaries to come back to discussion of the Iranian problem in the frame of the UN Security Council.

Moscow and Beijing, in turn, again tried to soften the situation, advising Teheran to submit prior the certain date at list long-awaited positive "signal". There is nothing for answer.

Up until now, while disputing around of the Iranian nuclear program Russia and China even if supported the USA and the Europe, but did extremely irresolutely. But such open ignoring of "defenders", and also the United States offers concerning large-scale cooperation in the field of nuclear energy can change the situation drastically. A few days before the a G8 summit in St.-Petersburg there was information soon confirmed by the White House, that Washington offers Moscow favorable cooperation in nuclear area in exchange for Russian support in the conflict with Iran.

According to the USA plan, Russia in the future could recycle spent nuclear fuel delivered by the United States. Up to now attempts to conclude such type of an agreement were unsuccessful as the White House had doubts concerning standards of safety of Russian NPPs. The same time cooperation between Moscow and Tehran has caused uncommon irritation of the USA.

Obviously, insisting on a "soft" position Russia is trying in line with its policy to limit global domination of the USA and at the same time to keep business relations with Iran. In fact if the conflict with Teheran was resolved in favour of sanctions, Russia and China that are interested in the Iranian energy supply would lose more than others. In turn the American offers in this case could be as an indemnity to Russia.

So, it is necessary to ascertain, that Iran continues with persistence, worthy for better application, to be engaged in political hooliganism. What to do the other members of the international community? Whether to give additional time the Iranian for the answer, to refuse negotiations, to inflict sanctions or to apply military actions? Again uncertainty...

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## **Challenges of creating a “second line of defense” in Ukraine in the context of integration processes**

Despite the declared non-bloc status when Ukraine gained independence, our country just as that fairy tale hero actually found itself at the crossroads facing the stone with an inscription like: “turn left to unite with Russia (currently the European Economic Area - EEA), turn right to reach NATO (EU?), go straight ahead to be a neutral non-bloc state.” And though Ukraine seems to have legally chosen the latter option, all the years of our independent statehood testify that the hero seems to have gotten an extremely obstinate horse, which time and again returns to the same stone and makes the rider repeatedly face the challenge of choice.

But turning from the process of geopolitical orientation of our country’s development back to the topic of this article, I would like to note that no option whatsoever can afford ignoring the modern challenges to national security. The world community has referred terrorism and proliferation of weapons of mass destruction (nuclear weapons above all) to the most hazardous threats.

Under the present-day circumstances the world is becoming ever “smaller” and more vulnerable in terms of global threats, and even such a superpower as U.S. cannot guarantee that physical protection system shortcomings somewhere in east Europe may not result in the use of nuclear materials stolen in this country to manufacture a nuclear explosive device for committing a terrorist attack on U.S. This raises the question of securing borders through strengthening border controls.

In doing so, it should be borne in mind that under globalization processes it is quite a difficult task to set up effective border controls in terms of national and international security since such controls must not interfere with legal international commercial contracts which are an inseparable part of the processes mentioned above.

In fact, the international community was first confronted with illicit trafficking in nuclear and other radioactive material in the first half of 1990s, when “tectonic” processes were underway due to the breakup of the Soviet Union and associated destruction of the bipolar model of the world. The list of negative consequences resulting from those processes included an essential loss of control over nuclear and radioactive material on the post-Soviet terrain. All that occurred against the background of an unprecedented growth of international terrorism, extremism and separatism threats.

This situation imposed a particular responsibility on U.S. and Russia that possessed the mightiest nuclear arsenals, huge stockpiles of nuclear material, weapon-grade one in particular, and it drove the governments of those States to be quick to initiate cooperation in developing and implementing emergency measures aimed at countering the threats of nuclear terrorism and nuclear proliferation.

The so-called *Second Line of Defense (SLD)* program developed by the U.S. Department of Energy in 1998 to be implemented primarily in Russia along with some other countries was an important result of the U.S. government’s realization of the need to create reliable barriers against illicit trafficking in nuclear and other radioactive material predominantly there, where the most serious nuclear proliferation risks emerge.

The overall objective of the SLD program is to implement a series of long-term measures aimed at reducing the risk of nuclear proliferation and preventing nuclear terrorism. Other objectives include:

⇒ Strengthening the potential of relevant agencies in Russia (and other countries involved in the program) in detecting and disrupting illicit trafficking in nuclear and radioactive material;

⇒ Reducing the risk of illicit transfers of nuclear and radioactive material across the borders of Russia and other States including strategically important and transit checkpoints<sup>7</sup>.

To accomplish its goals, the program envisaged equipping the strategic points of transit and border-crossing including airports and seaports with technical means of radiation monitoring and related communications; creating infrastructure for effective organization of control over nuclear and radioactive material; ensuring maintenance for radiation monitoring equipment; developing necessary regulatory basis; and preparing and implementing joint training programs.

The particular attention that this article pays to SLD implementation in Russia is explained by the fact that since 1998 our Big Northern Neighbor has accumulated a lot of program implementation experience, and it would be unwise for our governmental authorities to neglect this experience despite all situational differences between our country and Russia. The specifics can be outlined as follows:

⇒ Long before the SLD program initiation in Russia, a specialized division (service) within the governmental authority system was established, responsible for organization and execution of customs control over fissile and other radioactive material<sup>8</sup>;

⇒ The nuclear-weapon status made sure that Russia has retained the substantial nuclear scientific and engineering potential, providing the basis for a quite successful development of instrument-making in the area of radiation and dosimetry monitoring;

⇒ By the time the negotiations on SLD implementation in Russia started, the Russian Side basically had either well-formed elements of infrastructure necessary to implement the program or well-defined legal basis for their formation and integration into the consolidated border radiation monitoring system.

As for SLD implementation in Ukraine, Ukrainian governmental authorities, unlike the Russian ones, began to shape up their position with respect to implementation options for this program only as, in the aftermath of September 2001, the U.S. government extended to our country a specific offer to provide assistance in setting up a radiation monitoring system at the State Border.

Problems of nuclear nonproliferation and suppression of nuclear terrorism had not been placed high on the national security priorities list by the then political leadership of the country, and thus we can say that such an offer was a bit of a surprise to Ukraine. Indeed, it took the Ukrainian Side more than six months to get identified as a recipient of technical assistance, during which authorized representatives of U.S. governmental authorities held a number of consultations and meetings to study the situation in Ukraine. As a result, it was the State Border Guard Service (SBGS) that assumed the responsibility for SLD implementation on behalf of Ukraine, thus becoming the recipient of technical assistance.

When identifying SLD implementation approaches as well as governmental authorities and other organizations to be involved in the program, the U.S. and Ukrainian Sides sought to incorporate the experience of SLD implementation in Russia, but lack of appropriate infrastructure, a weaker scientific and engineering potential in this area as compared to that of Russia, uncertainties in the governmental authorities' position regarding optimum ways of SLD implementation in Ukraine made it impossible to do it to the fullest extent and caused significant delays in the program initiation<sup>9</sup>.

Of course, the tasks that U.S. and Russia face on the one hand and Ukraine on the other hand, are drastically different in scope, but this does not mean that we can fully ignore the experience of

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<sup>7</sup> Second Line of Defense: Outcomes of International Cooperation in the Area Covered by the Astrakhan Customs office, E. Shadrina, *Yaderny Kontrol*, №3, 2005, PIR-Center.

<sup>8</sup> In May 1995, the Service of Control over Fissile and Radioactive Material was instituted within the State Customs Committee of the Russian Federation. The same year, regional customs offices began to establish related departments.

<sup>9</sup> Setting up a "second line of defense" has been included in the Ukraine/NATO target plans since 2003. – *Author's note.*

countries that are on the forefront of the war on terrorism. This experience along with the situation that has developed, specifically as regards identifying the manufacturer of stationery (portal) radiation- monitors to be installed at Ukrainian border checkpoints as part of U.S. assistance, again highlighted the key concern in this area, namely the lack of appropriate national infrastructure to ensure a proper level of interaction and information exchange among relevant governmental authorities.

In fact, under the program the U.S. Side offered to supply to Ukraine portal monitors manufactured by *TSA Company* (U.S.), which is a world leader in the manufacture of such equipment. But this offer was not welcomed by Ukrainian officials and experts, who favored installing portal monitors made in Ukraine. They had reasons as follows:

- ⇒ Limited (however big) amount of U.S. assistance that would not fully cover the Ukrainian needs in establishing SLD at all sections of the State Border;
- ⇒ Difficulties arising in maintenance and repair of foreign-made equipment;
- ⇒ Earlier negative experience of installing and operating *TSA* systems at some Ukrainian locations, when the specific conditions under which those systems would be used had not been factored in.

In the meantime U.S. experts insisted that it would be reasonable to install *TSA* portal monitors, referring to the company's high international reputation based on extensive experience of working in various countries of the world as well as to the inconsistency of Ukrainian-made equipment with modern requirements, etc.

Fortunately, the variance in positions held by the Sides did not become a fatal obstacle to making a positive decision to involve Ukrainian manufactures, since both Sides were definitely interested in successful implementation of the program. But it caused another significant delay in the practical implementation of the program due to spending plenty of time on comparing technical characteristics and results of tests on the equipment manufactured by different companies, discussing certification issues etc.

In passing, it should be noted that in 1994–1995 the responsibility for radiation monitoring was passed by SBGS over to the Environmental Inspectorate, a structure within the environmental protection ministry<sup>10</sup>. Therefore, the issues of radiation monitoring at the border remained outside of the SBGS scope for a long time, and understandably it is now a real challenge for SBGS to solve the scientific and engineering problems of SLD development, associated with the use of novel technologies and complex engineering solutions.

If we also bear in mind that SLD implementation calls for development of appropriate regulatory framework to ensure radiation monitoring system functioning of the border, formation of consolidated approaches and effort coordination in the process of SLD creation, constant review and decision-making on administrative issues associated with implementation of this program, then it appears perfectly reasonable to take certain systemic action at the State level, specifically to support SBGS.

Gaining awareness of the modern trends and reviewing international experience demonstrates that effective interaction, effort coordination and information exchange are key to a successful solution of problems in this area. The main efforts by States that tend to respond to current challenges are focused on exactly this direction.

This statement can be illustrated by the fact that in early 2005 the White House announced the establishment of a new office within the U.S. Department of Homeland Security to coordinate efforts in detecting nuclear material and organizing research of new technologies in this area, to identify the most acceptable locations to accommodate radiation detectors and to manage federal response to detections of nuclear and other radioactive material in illicit trafficking. The office was

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<sup>10</sup> The name, structure and scope of this ministry has changed a number of times, hence its exact name is not given here.

made up by representatives of a few governmental agencies such as the Department of Defense, Department of Energy, Department of State, and FBI.

As far as Russian experience is concerned, by the time the SLD implementation began, as it was noted above, Russia had managed to create the main elements of the state radiation monitoring system to monitor transfers of nuclear and other radioactive material, in which the key role was played by the Service of Control Over Fissile and Radioactive Material within the State Customs Committee of the Russian Federation.

Owing to this agency being active along with major achievements in developing related equipment the Russian Side was able to convince the U.S. partners that it would be reasonable to get Russian manufacturers to manufacture portal monitors under the program. A tender for the supplier of technical means of nuclear and other radioactive material monitoring, involving more than 20 companies, was awarded to the Scientific & Production Center *Aspect* founded in 1991 under the Joint Institute for Nuclear Research (JINR) in Dubna.

The clear position held by RF governmental authorities with respect to SLD implementation, availability of necessary infrastructure, and support to the Russian manufacturer resulted in a successful completion of the SLD program and the fact that Russia is currently considered a world leader in organization of radiation monitoring at the State Border.

In the author's opinion, it is advisable for relevant Ukrainian governmental authorities to study the experience of U.S./Russia cooperation in this area and utilize it to identify those cooperation mechanisms and procedures that would ensure maximum protection of Ukraine's national interests not only a short-term perspective, but also a long-term one and would encourage seeking optimum ways of border control infrastructure development in our country.

Indeed, it is only if one's own manufacturing and repair capabilities are available that it will be possible to apply a unified approach to equipping all border checkpoints with radiation monitoring devices and facilities, which is technically imperative if one is to build an integrated national computerized system of radiation monitoring, which is the ultimate goal of SLD implementation. Along with that, it is clear that SLD cannot "hang in the air" and must be built in the relevant governmental infrastructure. To create that infrastructure is an imperative need realized by most governmental officials, scientists, experts and industry representatives that deal with suppression of illicit trafficking in nuclear and other radioactive material.

Summarizing our review of the SLD creation concerns, we can largely attribute them to the underdeveloped infrastructure resulting in poor coordination of efforts, interaction and information exchange among governmental authorities as well as in lack of necessary expert support to relevant agencies, the State Border Guard Service above all.

To improve the performance of Ukrainian governmental authorities and to ensure that U.S. assistance is used in the most cost-effective manner, the following practical steps can be suggested:

- Adopt a Cabinet of Ministers of Ukraine regulation identifying the organization to provide scientific and technical support in creating the radiation monitoring system ("second line of defense") at the State Border<sup>11</sup>;
- Develop a program of technical support to governmental authorities in countering the threats of nuclear terrorism and nuclear proliferation including that relative to creation of the radiation monitoring system ("second line of defense") at the State Border;
- Institute an interagency expert task force for the suppression of illicit trafficking in nuclear and other radioactive material (nuclear nonproliferation) to facilitate

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<sup>11</sup> This issue can be best addressed, in the author's opinion, by extending the authority of the NASU Institute for Nuclear Research to cover SLD establishment issues, since the Institute has already been appointed as the main expert organization to research and identify the characteristics of radionuclide sources of ionizing radiation, which have been removed from illicit trafficking.

interagency information exchange, work out consolidated approaches to addressing the current challenges, propose development of regulations as necessary and form an expert community in this area.

In a medium-term perspective, considering the modern trends of ever growing threats of terrorism and proliferation of weapons of mass destruction, it appears advisable to create a unified State system of response to emergencies including those caused by terrorist acts, and a reliable monitoring system at the border must be one of the elements (subsystems) of such a system.

## **Outcomes of the G8 Summit in Saint Petersburg**

(Saint Petersburg, RF, 15 – 17 July 2006)

Over the recent period, G8 or the “Group of 8” (the name used in this organization’s official documents) summits have been steadily growing in importance. This is the case not only because meetings of the 8 leading States of the world are devoted to the most pressing challenges of modern times and seeking possible ways to address them, but also because these annual meetings increasingly tend to gain a symbolic meaning, turning into very expensive events with features like those in the show business and attracting attention of millions or even billions of people worldwide. Well aware of this symbolic aspect, it is antiglobalists as well that get ready for those summits and would regularly seek to interfere with their problem-free conduct by active protests and skirmishes with the police in charge of security and public order during those events.

The Saint Petersburg Summit was held against the political background featuring: an extreme aggravation of the situation with the Iranian nuclear programme, North Korean ballistic missile launches, bloody terrorist acts in Mumbai (India), and escalation of the armed conflict in the Middle East. All those events affected the Summit in one way or another, yet the main documents adopted referred to the Russian Presidency priorities, specifically: global energy security; development of modern educational systems; fight against infectious diseases. Also raised were issues concerning international trade globalization and challenges faced by Africa.

In the discussion of the issues mentioned above, the G8 Leaders were joined by the leaders of Brazil, China, India, Mexico, South Africa, Chairman of the African Union, Chairman of the Council of the Heads of State of the CIS, International Energy Agency, International Atomic Energy Agency, United Nations, United Nations Educational, Scientific and Cultural Organization (UNESCO), World Bank, World Health Organization, and World Trade Organization.

The Summit adopted 20 documents including those of concern for bilateral relations. The following documents and joint statements can be referred to as conceptual documents of the Summit<sup>12</sup>:

- Global Energy Security
- Education for Innovative Societies in the 21st century
- Fight against Infectious Diseases
- Trade
- Combating IPR Piracy and Counterfeiting
- Fighting High Level Corruption
- Update on Africa
- G8 Summit Declaration on Counter-Terrorism
- G8 Statement on Strengthening the UN’s Counter-Terrorism Programme
- G-8 Declaration on Cooperation and Future Action in Stabilization and Reconstruction
- Statement on Non-Proliferation
- Middle East
- Report on the G8 global partnership (Annex A)
- Report of the Nuclear Safety and Security Group
- Global Initiative to Combat Nuclear Terrorism: Joint Fact Sheet
- Joint Statement by U.S. President George Bush and Russian Federation President V.V. Putin announcing the Global Initiative to Combat Nuclear Terrorism

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<sup>12</sup> Texts of these documents in Russian and English are available at the Summit’s official website [www.g8russia.ru](http://www.g8russia.ru).

This article is intended to brief the reader “hot on the traces” of the Summit and its key documents that are of high relevance for the dominant topics consistently discussed on the pages of *Security and Non-Proliferation*, with the primary focus on the forefront document – *Global Energy Security*.

### ***Global Energy Security***

The focal document of the Saint Petersburg G8 Summit outcome set is the *Global Energy Security. Saint Petersburg Action Plan*, whose preparation had lasted during the year in advance of the Summit.

Development of common approaches to ensuring energy security is warranted by new challenges that have emerged lately. As the document states, those include:

- high and volatile oil prices;
- growing demand for energy (estimated to rise by more than 50% by the year 2030, approximately 80% of which would still be met by fossil fuels, which are limited resources);
- increasing import dependence in many countries;
- enormous investment requirements along the entire energy chain;
- the need to protect the environment and to tackle climate change;
- the vulnerability of the critical energy infrastructure;
- political instability, natural disasters and other threats.

G8 plan to enhance global energy security through actions in the following key areas:

- increasing transparency, predictability and stability of global energy markets;
- improving the investment climate in the energy sector;
- enhancing energy efficiency and energy saving;
- diversifying energy mix;
- ensuring physical security of critical energy infrastructure;
- reducing energy poverty;
- addressing climate change and sustainable development.

These areas make up the document sections detailing actions aimed at reaching the goal.

Free, competitive and open markets are essential to the efficient functioning of the global energy system. It is emphasized that transparent, predictable national energy policies and regulatory environments facilitate development of efficient energy markets. The International Energy Forum is welcome to study ways of broadening the dialogue between energy producing and consuming countries, including information exchange on their medium- and long-term respective policy plans and programmes. G8 attach great importance to efforts to make management of public revenues from energy exports more transparent, including in the context of the Extractive Industries Transparency Initiative (EITI) and the IMF Guide on Resource Revenue Transparency (GRRT), considering it as a critical tool in the fight against corruption.

In order to reduce barriers to energy investment and trade, it is essential that companies from energy producing and consuming countries can invest in and acquire upstream and downstream assets internationally in a mutually beneficial way and respecting competition rules. It is market-based investment flows between and among nations that will also enhance energy security by increasing confidence in access to markets or sources of supply. It is also important to facilitate capital flows into construction of transmission lines, develop interregional energy infrastructure and facilitate exchange of electrical power, including trans-border and transit arrangements.

Global energy security can be enhanced by reducing power consumption through improved energy efficiency and energy saving. A comprehensive approach should be implemented to include:

strengthening and elaboration of the system of national and multilateral energy efficiency statistics; considering national goals for reducing energy intensity of economic development to be reported by the end of the year; taking necessary measures, including financial and tax incentives at home for the promotion of energy-efficient technologies, and the actual use of those available technologies on a wide-scale basis; demonstrating leadership at the national level by incorporating energy efficient technologies and practices in government buildings and drawing upon alternative energy resources to help power them; raising public awareness about the importance and benefits of energy efficiency and energy saving. G8 believe that the energy sector itself is quite capable of increasing energy saving and efficiency primarily by reducing losses in production and transportation of energy. Thus the priority measures in this area will include:

- raising the environmental and efficiency levels for processing hydrocarbons;
- reducing gas flaring to minimal levels and promoting utilization of associated gas;
- improving energy infrastructure, including minimizing oil and oil products losses in transportation and gas emissions from gas systems;
- using methane otherwise released in the atmosphere from coal mining, landfills, and agricultural operations.

Since 2/3 of world oil is consumed by the transportation sector, efforts should be focused on making transportation more energy efficient and environmentally advanced. To this end, countries that identify with the Global Energy Strategy should develop programmes to provide incentives for consumers to adopt efficient vehicles and introduce on a large scale efficient public hybrid and/or clean diesel transportation systems; promote diversification of vehicle energy systems, including significant sourcing from biofuels, compressed and liquefied natural gas, and synthetic liquid fuels; promote wider use of modern technologies (hydrogen fuel cells).

In the *Diversifying Energy Mix* Section the emphasis is on alternative, cleaner energy industry including hydrogen-based and nuclear energy, renewable energy sources and innovative energy technology.

The document states, “Those of us who have or are considering plans relating to the use and/or development of safe and secure nuclear energy believe that its development will contribute to global energy security, while simultaneously reducing harmful air pollution and addressing the climate change challenge.” The development of innovative nuclear power systems is considered an important element for efficient and safe nuclear energy development. In this respect, the credit goes to the efforts made in the complementary frameworks of the INPRO project and the Generation IV International Forum. Until advanced systems are in place, appropriate interim solutions could be pursued to address back-end fuel cycle issues in accordance with national choices and non-proliferation objectives. It is particularly highlighted that “independent effective regulation of nuclear installations is essential for the development of infrastructure supporting safe and secure nuclear energy”. One should further reduce the risks associated with the safe use of nuclear energy, which must be based on a robust regime for assuring nuclear non-proliferation and a reliable safety and security system for nuclear materials and facilities. Ensuring full implementation of the international conventions and treaties in force today is a prerequisite for a high level of safety and a basis to achieve a peaceful and proliferation-resistant nuclear energy use. It is the responsibility of all nations to support the IAEA work.

As a follow-up to the 2004 G8 Action Plan on Non-Proliferation, a commitment was made to apply additional joint efforts to ensure reliable access to low enriched uranium for power reactor fuel and spent fuel recycling, including, as appropriate, through multilateral mechanisms provided that the countries adhere to all relevant international non-proliferation commitments and comply with their obligations. The IAEA initiatives regarding multilateral fuel supply assurances, as well as the proposals made by Russia and the U.S., are aimed at further development of peaceful nuclear energy in a manner that promotes counter-proliferation at all stages of the nuclear fuel cycle.

It was for the first time that a G8 Summit document considered ensuring the security of critical energy infrastructure. It is understood that the world energy infrastructure is connected and mutually dependent and no country can insulate itself from danger elsewhere. The parties support a coordinated international process to assess risks to energy infrastructures, and a more effective means of sharing energy infrastructure security best practices and expertise. The attendees made a decision to instruct their experts to meet as necessary to examine and make recommendations on addressing the many challenges in securing energy infrastructure and deliver to the Russian Presidency at the end of this year a comprehensive report on:

- defining and prioritizing the most important vulnerabilities among energy infrastructure sites, and share methodologies for assessing and mitigating them;
- assessing potential risks of terrorist attacks;
- developing a compendium of effective security response best practices across all energy sectors within G8 countries;
- developing, implementing, and providing to other countries a checklist for the physical security of critical energy infrastructure;
- encouraging international cooperation on R&D for technologies to enhance critical infrastructure protection;
- continuing to advocate the adoption of export controls on radioactive sources and new initiatives to prevent terrorists' access to radioactive sources.

The *Reducing Energy Poverty* Section claims that without addressing the challenge of energy poverty it is impossible to drastically reduce general poverty, including by providing clean drinking water and sanitation and more productive agriculture. G8 declared their commitment to helping the poorest population layers in vulnerable countries overcome the macroeconomic shocks related to soaring energy prices. Proposed measures to overcome energy poverty include: development of national and local institutional capacities and management improvements in the area of energy policy and related infrastructure needs; facilitation of public participation in and public understanding of, energy policies and practices; expansion of existing frameworks, such as the EU Energy Initiative (EUEI), the MEDREP, GBEP, the Global Village Energy Partnership (GVEP); the Renewable Energy and Energy Efficiency Partnership (REEEP), for private-public partnerships to foster investment that increases access to affordable energy services for poor and vulnerable customers.

The last section of the document is devoted to addressing climate change and sustainable development. Noting positive achievements associated with the Framework Convention on Climate Change, agreements and initiatives that form the foundation of current efforts to address climate change, it is concluded that an inclusive dialogue on further action in the future, including the period beyond 2012, should be initiated.

The parties welcome the progress made by the World Bank and the IEA on developing a framework for clean energy and sustainable development and on identifying alternative energy scenarios and strategies to support and implement elements of the Gleneagles Plan of Action.

For the next Environmental Ministers' meeting in October 2006, the plans are to continue identifying opportunities for greater collaboration to tackle climate change, while pursuing energy security and sustainable development through deployment of cleaner, more efficient and low-carbon energy technologies, finance and market mechanisms, including, as appropriate, Clean Development Mechanism, Joint Implementation, emissions trade, and adaptation.

### ***G8 Summit Declaration on Counter-Terrorism***

In their declaration the G8 Leaders categorically denounced terrorist attacks worldwide and expressed their deepest sympathy with all victims of these attacks. It is declared that terrorism as global threat requires a global response. Coordinated action will reduce the likelihood of attacks and

address their terrible consequences. To that end, the G8 Leaders committed to enhance cooperation among themselves and with other States in the following priority areas:

- supporting and strengthening the United Nations' counter-terrorism efforts and to enhance the role of the entire UN system in coordinating its important work in this area;
- enhancing G8 cooperation in countering terrorist and other criminal attacks on critical energy infrastructure facilities;
- adopting a plan of action to secure global critical energy infrastructure, including defining and ranking vulnerabilities of critical energy infrastructure sites, assessing emerging and potential risks of terrorist attacks, and developing best practices for effective security across all energy sectors within G8 countries;
- working closely with private sector partners in the efforts to counter terrorism and to bolster capacity to protect citizens and businesses as they pursue their work and leisure, and associated support to the Global Forum for Partnerships between Government and Businesses to Counter Terrorism, to be held in Moscow in November 2006.

The G8 Leaders reaffirmed their commitment to collaborative work with their international partners to combat the terrorist threat, including:

- improving the international legal framework on counter-terrorism;
- ensuring national legislation is adapted, as appropriate, to address new terrorist challenges;
- suppressing attempts by terrorists to gain access to weapons and other means of mass destruction;
- engaging in active dialogue with civil society to help prevent terrorism;
- effectively countering attempts to misuse cyberspace for terrorist purposes;
- preventing any abuse of the migration regime for terrorist purposes while at the same time facilitating legitimate travel;
- promoting supply chain security, based on existing international standards and best practices;
- promoting international cooperation in subway, rail and road security and in raising standards in aviation, and maritime security;

as well as other measures bringing those guilty of terrorist acts to justice in accordance with obligations under international law and ensuring respect for international law in all counter-terrorism efforts, etc.

The G8 Leaders also declared their collective determination to prevent terrorism and to ensure peace and freedom for their citizens and the people of the world while protecting fundamental rights and liberties. They reaffirm their unshakable belief that terrorism will not succeed.

### ***G8 Statement on Strengthening the UN's Counter-Terrorism Programme***

In that statement the G8 Leaders refer to the Gleneagles summit where they denounced all terrorist acts as criminal ones for which there can be neither excuse nor justification. The document renewed their commitment to work with UN partners and in other international and regional fora.

Recognizing at Evian the key role of the UN in the global fight against terrorism, the G8 Leaders agreed to support the UN Security Council's Counter-Terrorism Committee (CTC) in a variety of ways to broaden its reach and enhance its effectiveness. To develop successful capacity to fight terrorism, G8 also created the Counter-Terrorism Action Group (CTAG) to focus on building political will and coordinating capacity building assistance while working closely with the CTC.

The G8 Leaders, condemning terrorism in all its forms, underscore the unique status of the UN as the only truly world body with the stature and reach to achieve universal agreement on the condemnation of terrorism.

While pointing to the crucial role of the UN Security Council in responding to terrorism, the G8 Leaders believe that other UN organs, organizations and bodies must strengthen their efforts as well, contributing to the broader counter-terrorism effort through capacity building, education, economic development and by addressing the facilitating factors that may breed terrorists. Enhanced UN counter-terrorism capacity will have far-reaching benefits.

Noting that since 2001 the number of UN counter-terrorism-related programmes has considerably grown, the G8 Leaders, however, point to overlapping monitoring and capacity-building efforts. G8 pledge to work with the UN to ensure that the impact of each programme is maximized and that subsidiary bodies and their staffs are streamlined and engage with each other and with other relevant international bodies with increased cooperation and systemic coherence.

They warmly welcome the emphasis on capacity building in the Secretary-General's recommendations for a global counter-terrorism strategy. The UN must make the best use of limited resources by focusing on the most vulnerable States and identifying and meeting priority needs, working with the donor community. It must engage proactively specialized organizations and agencies, with particular regard to the International Civil Aviation Organization (CAO), World Customs Organization (WCO), International Maritime Organization (IMO), as well as relevant regional organizations and international financial institutions.

The G8 Leaders agreed with the Secretary-General that there must be standards of accountability - against which the compliance efforts of each State can be measured with a view to ensure the implementation of the international counter-terrorism obligations.

In order to help States meet their obligations under UNSC counter-terrorism resolutions, the Statement encouraged the Council to endorse on an expedited basis the counter-terrorism-related recommendations developed by international bodies such as IAEA, ICAO, IMO, and WCO, as well as the FATF.

The Statement calls upon all States to ratify the *International Convention for the Suppression of Acts of Nuclear Terrorism* and looks forward to its early entry into force. Furthermore, the G8 Leaders reiterate their call for the UN General Assembly to promptly finalize the draft Comprehensive Convention on International Terrorism. In their turn, G8 commit to work constructively with all UN Member States in concluding their deliberations on the Secretary General-proposed draft UN strategy as soon as possible.

The G8 Leaders also pledge adherence to international law in fighting terrorism and call upon all States to join G8 efforts seeking to “ensure that the UN makes a significant and long-lasting contribution to the global counter-terrorism effort with the ultimate goal of eliminating the terrorist threat.”

### ***Statement on Non-Proliferation***

In this document the G8 Leaders reaffirmed the fact that “proliferation of weapons of mass destruction (WMD) and their means of delivery, together with international terrorism remain the pre-eminent threat to international peace and security.” In this connection, the Statement highlights G8's determination and commitment to fulfill their arms control, disarmament and non-proliferation obligations and commitments under relevant international treaties, conventions and multilaterally agreed arrangements. The G8 Leaders call on all States not Party to the Treaty on the Non-proliferation of Nuclear Weapons (NPT), the Chemical Weapons Convention (CWC), the Biological and Toxin Weapons Convention (BTWC) and the 1925 Geneva Protocol to accede to them without delay and those States that have not yet done so to subscribe to the Hague Code of Conduct Against Ballistic Missile Proliferation.

The biggest section of this Statement refers to ***nuclear non-proliferation***. It indicates G8's full commitment to all three pillars of the NPT. The G8 Leaders called on all States to comply with their NPT obligations, including IAEA safeguards as well as developing effective measures aimed at preventing trafficking in nuclear equipment, technology and materials.

The Statement stresses the importance of the IAEA safeguards system and reaffirms the G8 pursuit of universal adherence to IAEA comprehensive safeguards agreements for the effective implementation of Article III of the NPT and to the Additional Protocol. G8 countries are actively engaged in efforts toward this goal, with a view to make comprehensive safeguards agreements together with an Additional Protocol the universally accepted verification standard. In addition, the G8 Leaders would work together vigorously to establish the Additional Protocol as an essential new standard in the field of nuclear supply arrangements.

A prominent part of the Statement is devoted to securing the inalienable right under Article IV of the NPT of all the Parties to the Treaty to develop research, production and use of nuclear energy for peaceful purposes. The G8 Leaders stress that “an expansion of the peaceful use of nuclear energy must be carried forward in a manner consistent with nuclear non-proliferation commitments and standards. In this regard, it is important to develop and implement mechanisms assuring access to nuclear fuel related services to States as an alternative to pursuing enrichment and reprocessing activities.” In this respect, due appreciation was expressed of the recent Initiative of the President of the Russian Federation on multinational centres to provide nuclear fuel cycle services and the Initiative of the President of the United States on the Global Nuclear Energy Partnership as well as the recent initiative tabled at the IAEA by France, Germany, the Netherlands, the Russian Federation, the United Kingdom and the United States regarding a concept for a multilateral mechanism for reliable access to enrichment services for nuclear fuel.

A special Statement section dwells on *uranium enrichment and spent nuclear fuel reprocessing technologies*. In accordance with approaches agreed upon at the G8 Summits at Sea Island and in Gleneagles, G8 countries support the development of measures to prevent transfers of sensitive nuclear equipment, materials and technologies to States that may seek to use them for weapons purposes, or allow them to fall into terrorists’ hands. Enhanced vigilance will be exercised with respect to the transfers of nuclear technology, equipment and material, whether in the NSG Trigger List, in the dual-use list, or unlisted, which could contribute to enrichment-related and reprocessing activities. The Statement reaffirms the G8’s commitment to export sensitive nuclear equipment, materials and technologies only pursuant to criteria consistent with global non-proliferation norms. Over the last two years significant progress has been made in the development of such criteria and G8 welcome the Nuclear Suppliers Group commitment to work actively with a view to reaching consensus on this issue by 2007.

In aid of this process the G8 Leaders agreed that it would be prudent in the next year not to inaugurate new initiatives involving transfer of enrichment and reprocessing technologies to additional States. The Statement calls upon all other States to adopt this strategy of prudence.

A special section of the Statement is dedicated to reinforcing the partnership with *India* encouraged by the G8 Leaders to take further steps towards integration into the mainstream of strengthening the non-proliferation regime. It would facilitate a more forthcoming approach towards nuclear cooperation with India in order to address its energy requirements in a manner that enhances and reinforces the global non-proliferation regime.

Separate Statement entries concern *BTWC*, *CWC*, United Nations Security Council *Resolution 1540*, and *HCOC*. The G8 Leaders reaffirmed their commitment to the *Proliferation Security Initiative*, which constitutes an important means to counter trafficking in WMD, their delivery means and related materials.

The Statement expressed a serious concern over the proliferation implications of *Iran’s nuclear programme* and supported the Paris Statement of the Foreign Ministers of China, France, Germany, Russia, the United Kingdom, the United States of America issued on July 12, which urged Iran to positively respond on the substance of the proposals presented to Iran on June 6, 2006.

A generous portion of the Statement addresses *DPRK*. The G8 Leaders welcome the unanimously adopted UN Security Council Resolution 1695 representing the clear and strong will of the international community and condemn the launching by the Democratic People’s Republic of Korea (DPRK) of multiple ballistic missiles on 5 July 2006. G8 call on the DPRK to reestablish its

preexisting commitments to a moratorium on missile launches and to refrain from contributing to missile proliferation. The Statement stresses that those missile launches intensify the G8 Leaders' deep concern over the DPRK's nuclear weapons programmes. G8 strongly urge the DPRK to abandon all nuclear weapons and existing nuclear programmes and expeditiously return to the Six-Party talks.

### ***Report on the G8 Global Partnership***

In their Report the G8 Leaders reaffirm their commitment to the Global Partnership against the Proliferation of Weapons and Materials of Mass Destruction as set out in the 2002 Kananaskis G8 Summit documents. 14 States have joined the Global Partnership since then. G8 reaffirm their openness to further expansion of the Partnership to recipient countries, including those from the CIS, and donor countries, which support the Kananaskis documents.

The destruction of chemical weapons, dismantlement of decommissioned nuclear submarines, employment of former weapons scientists, and disposal of fissile material were identified as priorities at Kananaskis. Russia considers the first two areas of cooperation as being of primary importance for the implementation of the GP projects in Russia. G8 reaffirm their commitment to raise up to \$20 billion through 2012 to support priority projects under this initiative, initially in Russia.

The Report contains a brief overview of progress made in the programme implementation priorities – destruction of chemical weapons, comprehensive dismantlement of decommissioned nuclear submarines, employment of former weapons scientists, and disposal of fissile material. It is specifically mentioned that since 2002 more than 1400 research projects have been funded through the International Science and Technology Center (ISTC) in Russia and the Science and Technology Centre in Ukraine (STCU) by the US, the EU, UK, Canada, Japan, and other countries, involving more than 17,000 former weapon scientists.

The Statement highlights the importance for G8 of addressing physical protection of fissile materials as set out in the G8 Gleneagles Statement and the Sea Island G8 Action Plan on Non-Proliferation. G8 appreciate the positive beginnings in this area now that a number of donors have established programmes with Russia and Ukraine to upgrade the physical protection of and account for nuclear materials. These include the US, UK, Germany, Canada, Norway, Sweden, and the EU.

The document also commends increasing cooperation among those engaged in securing radiological sources. A number of donors, including the US, Norway, Denmark, the Nordic Environmental Finance Corporation (NEFCO), Germany, Canada, and France are supporting dismantling, storing and replacing some 700 highly radioactive radioisotopic thermoelectric generators (RTGs) which have been used to power Russian lighthouses.

As far as Ukraine is concerned, the Report accounts for the United States cooperation with Russia and Ukraine on the dismantlement of strategic weapons systems, and enhancing the security of weapons transportation. Furthermore, in Ukraine, a further step towards nuclear safety has been made with the replenishment of the Chernobyl Shelter Fund providing the necessary financial resources for completion of the new shelter. A number of donors are engaged in projects with Ukraine to enhance export control and border security systems to help prevent the illicit trafficking in WMD across national borders.

Main Global Partnership implementation achievements include the following:

- improved coordination and transparency of partnership activities;
- expanded legal basis for the Global Partnership;
- progress in resolving issues related to access to cooperation facilities;

- amendment introduced by the Government of the Russian Federation to its national legislation to improve the system of tax exemption for organizations receiving foreign assistance for the destruction of WMD.

### ***Report of the Nuclear Safety and Security Group***

The Report's General Note maintains that the nations now forming the G8 have initiated and monitored major national and international programmes to resolve urgent nuclear safety and security needs and to establish partnership relations on this issues. Nuclear conventions and associated peer reviews in the field of safety, effective national regulatory infrastructures, current nuclear safety standards and security guidelines as well as review services under the IAEA constitute important prerequisites for the world's community to establish a global nuclear safety and security regime.

The Report welcomes the summary report of the 2nd Review Meeting of the Contracting Parties to the *Joint Convention on the Safety of Spent Fuel Management and on the Safety of Radioactive Waste Management* and the conclusions herewith contained. G8 also call upon all States to become parties, as soon as practicable, to the two most recent universal instruments to combat nuclear terrorism; namely, the *International Convention for the Suppression of Acts of Nuclear Terrorism* and the *Amendment to the Convention on the Physical Protection of Nuclear Material*.

Also noted are the results of the IAEA International Conference "Effective Nuclear Regulatory Systems", re-affirming the importance for national regulators to have sufficient authority, independence, and competence.

A considerable part of the Report has to do with *Chernobyl*. The Report maintains that "the Chernobyl NPP accident became a crucial point of large-scale re-evaluation of Nuclear Power Plants safety issues, identification of new approaches to safety culture and further development of international cooperation on nuclear safety." The G8 group of nations will continue to support measures to enhance nuclear safety, security and regulatory best practices to avoid reoccurrence of such an accident.

This section states that out of the numerous bilateral governmental and non-governmental efforts and initiatives amounting to several billion US\$, the G8 nations together with the European Union and other donors through the EBRD have pledged funds to implement safety and security projects at the Chernobyl site through the Nuclear Safety Account and the Chernobyl Shelter Fund. G8 remain resolute in their undertakings to Ukraine, both within the framework of EBRD programmes and under former G7 summit declarations and memoranda of understanding. The Report also expressed continuous support to the work on a New Safe Confinement and necessary pre-decommissioning activities in respect of safe radioactive waste and spent fuel treatment. G8 reassert their confidence in the EBRD to administer the funds that have been donated under both the Chernobyl Shelter Fund and the Nuclear Safety Account

A special portion of the Report deals with *radioactive sources*. Relative to the Evian Summit resolution to improve controls on radioactive sources and to prevent their unauthorized use, the Report notes much progress made, particularly due to the adoption of the *IAEA Code of Conduct on the Safety and Security of Radioactive Sources*. Work is currently underway to put into place the controls over the import/export of radioactive sources at the earliest possible date. G8 welcome the fact that 83 countries have committed to implement the IAEA Code of Conduct and urge all other States to adopt the Code. G8 welcome the consensus adoption by the UN General Assembly of Resolution 60/73 on the prevention of the risk of radiological terrorism.

A dedicated section of the Report refers to ensuring that the Armenia Nuclear Power Plant can operate in a safe manner until it can be shut down and decommissioned.

*Joint Statement by U.S. President George Bush and Russian Federation President V.V. Putin announcing the global initiative to combat nuclear terrorism*

In their Joint Statement the U.S. and Russian Federation Leaders re-affirm their commitment to combating the threat of nuclear terrorism, which is one of the most dangerous international security challenges. The Presidents announce their decision to launch the Global Initiative to Combat Nuclear Terrorism. This Initiative will pursue the necessary steps with all those who share their views to prevent the acquisition, transport, or use by terrorists of nuclear materials and radioactive substances or improvised explosive devices using such materials, as well as hostile actions against nuclear facilities. These objectives are reflected in the *International Convention for the Suppression of Acts of Nuclear Terrorism*, the *Convention on the Physical Protection of Nuclear Material and Nuclear Facilities* as amended in 2005, the *Protocol to the Convention for the Suppression of Unlawful Acts Against the Safety of Maritime Navigation*, and other international legal frameworks relevant to combating nuclear terrorism.

Together with other participating countries and interacting closely with the IAEA, the United States and Russia are taking steps to improve participants' capabilities to: ensure accounting, control, and physical protection of nuclear material and radioactive substances, as well as security of nuclear facilities; detect and suppress illicit trafficking or other illicit activities involving such materials, especially measures to prevent their acquisition and use by terrorists; respond to and mitigate the consequences of acts of nuclear terrorism; ensure cooperation in the development of technical means to combat nuclear terrorism; ensure that law enforcement takes all possible measures to deny safe haven to terrorists seeking to acquire or use nuclear materials; and to strengthen their respective national legal frameworks to ensure the effective prosecution of, and the certainty of punishment for, terrorists and those who abet them.

The Statement stresses that the Global Initiative builds on the International Convention for the Suppression of Acts of Nuclear Terrorism, which the Russia and the United States were the first to sign on September 14, 2005. Full implementation of the provisions of UNSCR 1540, adopted in 2004 and being an important non-proliferation instrument aimed at preventing weapons of mass destruction (WMD) from entering "black market" networks remains a priority objective. Another priority referred to by the Presidents is full implementation of UNSCR 1373, including the sharing of information pertaining to the suppression of acts of nuclear terrorism.

The Joint Presidential Statement notes the importance of and supports IAEA activities in implementing the Convention on the Physical Protection of Nuclear Material and Facilities, as amended and its Plan entitled *Physical Nuclear Security - Measures to Protect Against Nuclear Terrorism*.

The United States and the Russian Federation reaffirm that issues related to safeguarding nuclear weapons and other nuclear facilities, installations and materials used for military purposes remain strictly the national prerogative of the nuclear weapons state parties to the NPT.

The U.S. and Russian Federation Leaders pledge in their Statement that their countries will act in the spirit of the Joint Statement on Nuclear Security adopted in Bratislava, stating that the requirements to security of nuclear facilities in the United States and Russian Federation must be constantly enhanced to counter evolving terrorist threats. The document is hopeful that the other nuclear weapon state parties to the NPT will also ensure a proper level of protection for their nuclear facilities, while taking into account the constantly changing nature of the terrorist threat.

In addition to the Joint Presidential Statement, issues of *the Global Initiative to Combat Nuclear Terrorism* are under discussion in the *Joint Fact Sheet* detailing some of the Initiative provisions and quoting U.S. President George Bush and Russian Federation President V.V. Putin statements on combating international terrorism including its most dangerous form, nuclear terrorism.

**Igor Nikiforov**

*Member of delegation of Ukraine at Plenary session  
of the Australia Group*

### **Participation of delegation of Ukraine in the Australia group Plenary**

The Australia Group met for its annual Plenary in Paris from 12-15 June 2006. The Australian Group is an informal gathering for the control over the international transfers of the goods of dual use that could be applied to the development of chemical and biological weapons (further - the Regime). It was the first event for Ukraine since joining in the Australia Group on April, 21st, 2005. The delegation was headed by Mr.V. Belashov, the Director of the Directorate General for Armaments Control and Military-Technical Cooperation of the Ministry of Foreign Affairs of Ukraine, including representatives of the Council of National Safety and Defense of Ukraine, State Service of Export Control of Ukraine (SSECU) and Security Services of Ukraine.

The Australia Group is an informal organization which activity is devoted to minimization of risk of spread of chemical and biological weapons (CBW). The main task of the Group member-states is to use licensing system of export activity for maintenance of more rigid control over export of certain kinds of chemical substances, biological agents, and also chemical and biological technologies and dual-use equipment, which can be used for production and distribution of chemical and biological weapons. Tasks of the Australia Group in this area are achieving on the basis of agreed by member-states policy in the field of export licensing. Basic components of export licensing policy could be defined as measures on restriction of export in order to be:

- Efficient in terms of prevention of chemical and biological weapons production (CBW);
- Practical as themselves and reasonably simple for implementation;
- Easy for ordinary trade by goods and the equipment which are allowed to use according to the existed legislation.

All States participating in the Australia Group activity (at present the total number of Australia Group members are 39 countries) are also the parties to the Chemical Weapons Convention (CWC) and the Biological and Toxin Weapons Convention (BTWC).

After opening of the Australia Group Plenary the chairman congratulated participation of Ukraine in its work and expressed confidence that our country will make a useful contribution to increase of efficiency of its activity. Further the floor was given to the head of the Ukrainian delegation. Mr.V.Belashov expressed gratitude to the state-participants for support of Ukraine in joining of the Australia Group. He also emphasized that our country carried out its commitments under international regimes, particularly the Biological and Toxin Weapons Convention (BTWC). The stress has been made on the uttermost support by the government of Ukraine of basic principles of the Australia Group activity. Implementation of the effective control over transfers of substances, the equipment and the technologies according to the Australia Group control lists, reduces risk of terrorist threat with application of chemical and biological weapons. It was noted, that Ukraine invariable and consistently adheres to a foreign policy in the field of the control over arms and non-proliferation, adapted its national legislation to the requirements of the Regime and implemented the reliable system of the export control recognized by the international community. To confirm stated earlier Ukrainian representative stressed that Ukraine - unique among countries of the former USSR – takes part in all existing international regimes of the export control. The head of the Ukrainian delegation emphasized intention of our country to take an active part in the Australia Group activity and aspiration to make efforts for increase of its efficiency.

The Australia Group worked in a format of sessions of working bodies - Consultative group, Group on information exchange, Group of national experts on legislative maintenance, and also Plenary session. In this regard many of important issues were discussed for the working bodies' sessions.

One of priority issue was joining the Regime of new members. In this regard it has been noted, that some countries stated intention to join the Australia Group, in particular Croatia and Chile. Both countries should submit in the near future official applications for joining the Australia Group. The opportunity of their acceptance has been supported by the overwhelming majority of delegations, in particular the members-states of the European Union (EU). The willingness of the mentioned countries to join in the Australia Group was supported. Steps undertaken at a national level on adaptation of the legislation in sphere of the export control over Australia Group requirements were positively noted. At the same time some delegations expressed the necessity of further improvement of national systems of the export control and existed legislation in the respective sphere. The final decision on acceptance of Croatia and Chile to Australia Group will be made at following Plenary session.

The problem issue which remains in the center of Australia Group attention is introduction of the strict control over technologies appear recently, particularly on production of micro-and biological reactors. According to the Group experts' estimations, they represent the increasing threat because can be used for production of chemical and biological weapons, and also to become property of so-called increased risk countries, in particular Iran, Syria, Northern Korea. In order to increase efficiency of the export control and ability of adequate reaction to new challenges and threats, participants have exchanged the relevant monitoring information. It was noted imperfect system of the export control in separate countries of Southeast Asia resulted more easy access to dangerous materials and pathogen which can be applied for CBW production. At the same time the Australia Group welcomed China efforts on improvement of its national system of the export control.

In line with the consideration of above issues the Plenary has paid appropriate attention to obligations fulfillment under the Chemical Weapons Treaty for countries possessing chemical weapons. Insufficient progress in the field of chemical disarmament (i.e. destruction only 18, 7 % of quantity of chemical weapons, declared by state owned) has been indicated by a delegation of the Netherlands where the Headquarters of the Organization for the Prohibition of Chemical Weapons (OPCW) is located. Considering mentioned above, the State Parties to the CWC have expressed their concern in occasion of possible non-compliance by Russia and the USA, owners of the greatest stocks of chemical weapons, with the time frame of its destruction (till 2012).

Libya makes active efforts for destruction of stocks of chemical weapons. At present 24 metric tons of yperite and 20 metric tons of precursors are liquidated, construction of facilities on destruction of chemical weapons (city of Dzhufra) is conducted.

In Albania the preparatory work for facility operation aimed with chemical weapons destruction is carried out. The beginning of its utilization is planned for August this year. The USA provides an active support to this state for improvement of physical protection of stored chemical weapons.

Liquidation of chemical weapons stocks on the second facility in India which was put into operation last year has been completed. Activity of India in the field of chemical disarmament has received a positive estimation. India is remained as a leader among other states-owners of chemical weapons, in terms of destruction of its weapons according to the outlined CWC timeframe.

Informing on the OPCW activity since last Australia Group Plenary session, the delegation of the Netherlands has acquainted the participants with the OPSW activity according to article X of the Chemical Weapons Convention („the help and protection”). In this respect information on successful carrying out of multinational training „Joint Assistance 2005” in Ukraine in last October has been announced.

It was also announced that, since this year, the OPSW established new tradition - to commemorate on 29 April as a Day of Memory of the Chemical Weapons Victims. It is envisaged in 2007 to celebrate 10-anniversary of coming into force of the Chemical Weapons Convention (CWT).

The Plenary recognized the important role of the Group in improvement of awareness of the non-members states of the Australian Group with requirements of the Regime. In particular, cooperation of Bulgaria and Hungary within the frame of the General plan of actions for the countries of the Western Balkans, and also launching by the European Union this year of two new projects (“ Pilot

Project ” and “TACIS”) in the field of the export control was emphasized. These measures will serve as a reliable basis for the beginning of wide and long cooperation with such countries-partners, as China, Serbia and Montenegro, the United Arab Emirates and the Russian Federation. During the Plenary the European Commission representative has drawn attention to common for all Australia Group member-states problem – the existence of several names for one chemical which creates certain difficulties for implementation of the customs control and registration.

Participants of the Plenary have been familiarized with last update of the Australia Group web-page and welcomed the online availability of ‘common control lists’, with translations into Arabic, Chinese and Russian.

The Plenary approved changes and supplement to control lists of the goods, the decision on which had been accepted during the intersessional period. Thus, after receiving official message of the Secretary of Australia Group on modification of control it will be necessary for Ukraine to provide respective alterations into national legislation in the field of the export control.

The delegation of Ukraine used the Plenary for undertaking bilateral contacts with representatives of the states-members and Australia Group Secretary. For this purpose there were provided meetings with delegations of Bulgaria, Estonia, Latvia, Poland, Switzerland, and the USA. The counterparts were informed on the tasks assigned to State Service of Export Control of Ukraine, and measures carried out at a national level for appropriate implementation of CWC and BTWC, particularly to conform the national legislation to their requirements.

At the end Plenary has noted the important role of the Australia Group in introduction of appropriate mechanisms of reaction to new calls and threats connected with not authorized distribution of the dual-use goods which can be applied to creation of chemical and bacteriological weapon. The state-participants have confirmed the obligations on maintenance of such conditions which will not interfere with lawful trade and technical cooperation in chemical and biological areas.

Next Plenary of the Australia Group will takes place in Paris on June, 4-7th, 2007.

## **Zoya Chamata**

*Scientific and Technical Center on the Export and Import of Special Technologies Hardware and Materials*

### ***Training course starts***

3 - 14 July, 2006 the special training course entitled “Export control over the international transfers of the military purpose products and dual use products, nonproliferation of weapons of mass destruction and devices for its delivery” was conducted in Kiev. Specialists on the export control were invited to this course. The program for the course was developed by the State Service of Export Control of Ukraine in cooperation with the Kiev University of Law of the National Academy of Sciences of Ukraine and nongovernmental organization - Scientific and Technical Center on the Export and Import of Special Technologies Hardware and Materials (STC) under the support of the Swedish Inspectorate on Nuclear Energy (SKI).

Representatives of leading Ukrainian enterprises –exporters many times asserted the necessity of development and organization of such a course. For example, interrogation of participants of the one-day seminar, made by STC on October 12, 2005 showed keen interest of enterprises on the advanced training of their experienced staff and professional development of beginners. Two appropriate training programs in this field have been developed for the enterprises staff (30 hours) and for beginners (60 hours) as the result of industry needs examination.

The purpose of this course is to give participants knowledge on legal regulations and international approach to the organization and implementation of export control in Ukraine, structure and interaction of components within the export control system in Ukraine and to assist in implementing of the received theoretical knowledge into practice of their activity. This course was provided by leading specialists of the Kiev University of Law of the National Academy of Sciences of Ukraine, the State Service of Export Control of Ukraine and STC. At the end of the course participants have passed the tests and received appropriate Certificate, issued by the Kiev University of Law of the National Academy of Sciences of Ukraine.

The best and, probably, the most objective appraisal of the event are the comments of the participants of the course. There are some impressions on the two-weeks training from specialist of experience in the export control issues and completely inexperienced one.

### **Bratsjuk Svitlana Oleksandrivna, specialist on export control of the State Enterprise NAEK “Energoatom”, four years of experience in the area of export control:**

“The special training course on export control and WMD nonproliferation has enabled not only to obtain a status of certified specialist in the field of export control, but also has allowed us better and more deeply to understand a subject and systematize all the received knowledge. Particularly it is necessary to mention high level of skills of lecturers, their willingness to offer a deep insight into subject and also goodwill and frankness. As a whole the course was a significant system of preparedness and gave an opportunity to understand the system of export control more widely compare to such of enterprise, and at last to recognize the importance and a role of export control system inside the country and on the large scale.

### **Maslenitsyna Larysa Mykhaylivna, employee of the Brovary State factory for powder metallurgy, no experience in the field of export control:**

I want to express my sincere thanks for the organization and preparation of the training seminar “Export control over the international transfers of the military purpose products and dual use products, nonproliferation of weapons of mass destruction and devices for its delivery” provided according to the special program. Two weeks of training in Kiev from 3 to 14 July 2006 participants from different districts of Ukraine have received such huge amount of “encyclopedic knowledge” on the almost all main issues of export control. I am personally had not any experience in this branch before, but finally have gotten a grounding in theory on all issues discussed according to the program of the training and in practice because all possible adjustments and shading sets were

discussed as well. We were learned to manage internal compliance program software as it is much easier to identify the commodities and paper work that is necessary for corresponding permit of the State Service of Export Control of Ukraine on international transfers.

Unexpectedly at the end of the training I was able to discuss most of the issues of the training program with other participants that have a huge experience in this field.

I want to express my gratitude to the highly educated lecturers – experts of the State Service of Export Control of Ukraine, the Kiev University of Law of the National Academy of Sciences of Ukraine and STC, all those shared their experience and knowledge in the atmosphere of close and warm relationships with all participants, no passing over any issue of all meeting attendants.

I would like to thank organizers of this training - the Scientific and Technical Center on the Export and Import of Special Technologies Hardware and Materials as managerial procedure were solved in time and quickly taking into account all requests and suggestions of the participants of the training.

Only one thing that saddened is farewell with the nice people that I met during the training. The next training on issues of export control is planned for the October 2006.

The Kiev University of Law of the National Academy of Sciences of Ukraine is planning to teach personnel for qualification in export control over the international transfers of the armament products and dual-use items and WMD nonproliferation. Certainly apart from such specific subject there is the strict necessity to develop and publish special textbook (manual). Such manual has already existed in the USA and the Russian Federation.

It is a pleasure to wish all success in this not easy work on export control and WMD nonproliferation for peace in the whole world.