

Statement by Ian Downing to the Inter Parliamentary Conference on the Non Proliferation and Disarmament Co-operation Initiative, Strasbourg, 20-21 November 2003

Chair, Ladies and Gentlemen it gives me great pleasure to make a statement today about the progress the UK has made in tackling non proliferation and disarmament in the FSU in the nuclear and chemical areas. While we have made excellent progress driving forward our G8 Global Partnership commitments made at the Kananaskis summit in June 2002, the UK had been active for some years before that in providing a wide range of assistance to the FSU, focused on non proliferation and disarmament issues . For example:

- In the early 1990s the UK provided specialist vehicles and containers worth some £37m for transporting nuclear warheads from Belarus, Kazakhstan and Ukraine to Russia;
- In 1998 we accepted nuclear material from Georgia to reduce the risk of its going astray;
- We contributed funds for decommissioning of nuclear power plants in Lithuania, Bulgaria and Slovakia;
- We contributed £23m to the Chernobyl Shelter Fund;

- We assisted Georgia, Lithuania and Uzbekistan in upgrading their physical protection systems;
- We contributed to the International Atomic Energy Agency initiatives to provide security advice in Russia, Kazakhstan and Armenia

In 2000, we provided new funding for assistance with chemical weapon destruction and biological non-proliferation, and very substantially increased our funding for nuclear assistance.

Since the Kananaskis G8 summit and the commitment of \$750 million by Prime Minister Blair, we have:

- completed our first project in the field of support for chemical weapons destruction, and started our second;
- put comprehensive project management delivery structures in place for our nuclear programme;
- successfully negotiated with the Russian Federation legal Agreements covering liability, taxation and access issues relating to nuclear assistance;

- successfully negotiated with the Russian Federation a model contract which will form the basis for all our grant aid nuclear projects with Russia.
- established the first portfolio of high priority projects in partnership with the Russian Federation covering nuclear legacies

In addition, both the nuclear agreement and model contract should provide a firm base for establishing further projects with other FSU countries covering non proliferation and disarmament priority projects.

We believe we should share the results of our work establishing these programmes over the past two years. To this end we will be publishing this report (*hold the G8 report up*) in the next couple of weeks. A key feature of the report is a summary of the key lessons learned in establishing our programmes, in the areas of communication and information sharing, expertise and management requirements, legal agreements and approvals, together with access to sites and using local contractors.

We hope these lessons will be of assistance to other donor countries in establishing and refining their programmes, so we can fast track our collective assistance to the Russian

Federation and other FSU countries to help them tackle their WMD legacies.

As I speak, contracts for a number of our nuclear projects are being signed in Murmansk, to follow a number already underway or close to completion. Projects worth a total of some £40 million are expected to get underway by the end of this year alone, with more to follow next year.

Our work supporting construction of the Chemical Weapons Destruction Facility at Shchuch'ye was our first major project to get underway in 2002. As part of this major project, funded by Russia, the US, Canada, Italy, the European Union, Norway, and the Czech Republic, the UK funded the construction of the water supply for the facility. We completed this project early this year, using Russian sub contractors. The UK is now implementing a second project, involving procurement of electrical supply equipment to support for the facility. The UK is leading this project, for which the UK is providing some £6m, and the European Union and Norway some £1.5M each, with a contribution also from the Czech Republic. This represents an excellent example of partnership between a number of countries, pooling their resources to address legacy issues in a single joint project.

And I am delighted to report that yesterday in Moscow, the UK signed an agreement with Canada under which Canada will

provide funding of some C\$33M for construction of the railway which will transport chemical weapons to the Shchuch'ye destruction, and the UK will manage the project on Canada's behalf.

Our nuclear projects are also getting underway, now that we have the necessary legal agreements in place to cover essential issues such as liability, taxation and access to sites where projects are being carried out.

Key projects include:

- The construction of a new Spent Nuclear Fuel storage facility at the Atomflot site in Murmansk. This facility will enable the safe storage of icebreaker SNF for some 50 years. This project, currently being developed, will cost over £5 million and provide safe storage for at least 20 casks in the first instance. The UK has also agreed to support a further project to enhance the physical protection of the perimeter of the Atomflot site. This will ensure the security of this important SNF storage and handling facility in the Russian Federation.
- The dismantling of two Oscar class submarines and associated projects at the Sevmash and Zvezdocha shipyards – cost some £11.5 million

- A portfolio of projects focused on Andreeva Bay, costing up to £5 million, to prepare for the eventual safe removal and subsequent storage of 21,000 spent nuclear fuel assemblies from the site. A key feature of this work is to ensure the best **engineering and environmental** options are identified to undertake this work. **The UK is fully committed to assisting the Russian Federation in the long term to clean up Andreeva Bay and its Spent Nuclear Fuel legacy.**
- AMEC – Arctic Military Environmental Cooperation Agreement – we joined in June and alongside Norway, US and Russia are committed to supporting a £5 million portfolio of projects to address environmental concerns associated with submarine dismantlement.
- A portfolio of projects focused on nuclear closed cities and communities formerly dependent on nuclear power plant operation to develop new opportunities and skills far removed from weapons production and nuclear power. Such projects offer considerable potential to reduce proliferation of nuclear expertise, especially if the international community can work together to support work in these areas.

These are some of the major projects we are supporting and more are in the pipeline. Key areas where we are preparing to expand our programme include nuclear security and nuclear safety.

Perhaps I could add a footnote here on our bilateral nuclear co-operation activities. I wish to stress that these are **not** a vehicle for recycling UK tax payers money into UK industry. From the outset we have set ourselves the target of spending at least 80% of our money on local contractors and subcontractors in client counties. We believe that this approach embodies the concept of true partnership. Besides providing best value for money, it also encourages the full commitment of Russian and other collaborators. Further, in so far as we need to engage western contractors or suppliers (on project management monitoring activities for example) all such contracts are tendered internationally through the European Journal.

The UK very much welcomes the opportunity to work with others in the international community to deliver successful projects. The UK is prepared to take the lead in a number of areas, now that we have project delivery structures in place. Our work on CW destruction is a good example here. Similarly, there will be other areas where we be prepared to consider making contributions to projects/programmes led by others.

Our support for a number of International Atomic Energy Agency activities is a good example here.

Our programme represents a major political commitment to combat the spread of weapons and materials of mass destruction. We have made a good start, but there is much still to do, and we look forward to working with other partners to address these vital issues.