
**Preparatory Committee for the 2010 Review
Conference of the Parties to the Treaty on the
Non-Proliferation of Nuclear Weapons**

7 May 2007

Original: English

First session

Vienna, 30 April-11 May 2007

Cluster two: non-proliferation and safeguards**Working paper submitted by Canada**

1. As set forth in articles I and II, and supported by the verification provisions of article III, one of the three pillars of the NPT is to prevent proliferation. Unfortunately, the Treaty has faced serious proliferation challenges in recent years, which include, but are not limited to: revelations of undeclared nuclear activities by Iran, the disclosure and renunciation of a nascent nuclear weapons programme by Libya and, most seriously, the nuclear test undertaken by the Democratic People's Republic of Korea last October. Equally alarming was the discovery of an active black market network directed by A. Q. Khan of Pakistan that provided material assistance to several of these countries over a number of years.

Safeguards

2. The safeguards system implemented by the International Atomic Energy Agency (IAEA) pursuant to article III of the Treaty provides assurance that States are complying with their undertakings and assists States in demonstrating their compliance. Canada is a strong supporter of IAEA safeguards and their universalization. We continue to be concerned that 31 non-nuclear-weapon States parties have yet to bring into force a Comprehensive Safeguards Agreement, as required by the Treaty. While 112 countries have signed Additional Protocols, they are in force in only 78 States. The Preparatory Committee should call on all countries that have not yet done so to sign, ratify and implement a Comprehensive Safeguards Agreement and an Additional Protocol pursuant to their obligations under article III. Efforts should also be continued to help those States that need assistance in order to conclude these agreements. In addition, since a Comprehensive Safeguards Agreement together with an Additional Protocol to that agreement provides the basis for increased confidence about declared nuclear materials and activities and about the absence of undeclared nuclear material and activities in a given State, the Preparatory Committee should recognize that this represents the current verification standard pursuant to article III of the Treaty.

3. Just as threats and capabilities evolve, so must the safeguards system evolve in order to deal effectively with new and emerging challenges. Canada has been a



strong supporter of strengthened safeguards and these efforts must continue. In this regard, Canada supported the establishment of and participated actively in the work of the new Committee on Safeguards and Verification established by the Board of Governors. We are disappointed, however, that a consensus has not emerged in the Committee on further steps to strengthen safeguards at this time. We look forward to the completion of the Committee's work during the next several months. We also welcome the new arrangements agreed to last year at the IAEA on the Small Quantities Protocol. The Preparatory Committee should encourage all States with a Small Quantities Protocol that have not already done so to take the steps necessary to adopt the revised Protocol without delay.

4. Canada has welcomed and actively supported the important work being undertaken by IAEA in the development of State-level approaches to safeguards evaluation and implementation and in the development and implementation of State-level integrated safeguards approaches. These efforts are necessary in order to achieve a system of verification that is more comprehensive, adaptable and effective than the traditional approach. The Preparatory Committee should encourage the continued development and implementation by IAEA of State-level integrated safeguards.

5. We are pleased to note that in September 2005, after five years of extensive collaborative efforts by IAEA, the Canadian Nuclear Safety Commission and the Canadian nuclear industry, IAEA reached the broad conclusion for Canada on the non-diversion of declared nuclear material and the absence of undeclared nuclear material and activities. This broad conclusion provides the highest level of confidence that Canada is in compliance with its peaceful use commitments and is a necessary condition for the transition to integrated safeguards, which are now being developed by Canada. We expect no less from all other non-nuclear-weapon State parties.

6. Finally, Canada has played a leading role in the Generation IV International Forum and in the IAEA International Project on Innovative Nuclear Reactors and Fuel Cycles in the development of methodology to evaluate the proliferation resistance of next generation nuclear reactors. However, improved proliferation resistance is not a substitute for robust multilateral verification. Consideration of safeguards requirements early in the design stage of new facilities is important to enhance safeguards effectiveness and efficiency.

Export controls

7. Export controls are a key tool in our non-proliferation tool box. No State party should transfer any nuclear-related items to any recipient whatsoever unless the recipient is in full compliance with its safeguards obligations and the other provisions of this Treaty. Second, now that a Comprehensive Safeguards Agreement, together with an Additional Protocol, represents the verification standard for NPT safeguards, the Preparatory Committee should adopt this standard as a condition of supply. Furthermore, the Preparatory Committee should require that transfers only take place if the recipient State has in place an effective system of nuclear security, adequate physical protection, measures to combat illicit trafficking, and controls on retransfers.

8. Multilateral export control regimes play a crucial role in setting common standards and creating an international environment conducive to encouraging

legitimate nuclear trade among States while respecting non-proliferation commitments. Canada continues to value the importance of the Zangger Committee as a means for providing guidance for States parties in meeting their obligations under article III, paragraph 2, of the Treaty. The Preparatory Committee should encourage all States to adopt the Understandings of the Zangger Committee in connection with any nuclear cooperation. The Zangger Committee should continue to play this useful role. Canada also places great value on other efforts to coordinate national export control policies and practices. The Nuclear Suppliers Group continues to play a particularly useful role in this regard.

9. Transfers of proliferation-sensitive nuclear equipment and technology, particularly for enrichment and reprocessing, must continue to receive special attention because such technologies could be used in the production of fissile material for weapons. Canada continues to believe that the development of a stringent set of internationally agreed criteria for such transfers represents the best approach.

10. Canada reiterates the importance of Security Council resolutions 1540 (2004) and 1673 (2006). Under resolution 1540 (2004) all States are obligated to establish domestic controls to prevent the proliferation of nuclear weapons, including effective national export, trans-shipment and re-export controls over nuclear-weapon-related items. The Preparatory Committee should urge all States parties that have not yet done so to submit their implementation reports, bring into force national legislation as required by the resolution, and develop national implementation plans to ensure and enhance implementation.

11. The important contribution of other activities, such as the Proliferation Security Initiative, which seek to prevent the proliferation of nuclear weapons and related material should also be recognized by the Preparatory Committee.

Physical protection and illicit trafficking

12. The effective physical protection of nuclear material and facilities and the maintenance by all States parties of the highest standards of physical protection is of paramount importance. Canada underlines the importance of the Convention on the Physical Protection of Nuclear Material (CPPNM) and welcomes the adoption by consensus in July 2005 of an important amendment which substantially strengthens the Convention. Canada is actively working towards ratification of the amendment to the CPPNM. The Preparatory Committee should urge all States parties that have not yet done so to sign, ratify and implement both the CPPNM and the amendment thereto. The Preparatory Committee should also call on all States to apply, as appropriate, the recommendations on the physical protection of nuclear material and nuclear facilities contained in IAEA document INFCIRC/225/Rev.4 (Corr.), and in other relevant international instruments. In this regard, last November Canada put in place amended Nuclear Security Regulations that are in line with the recommendations contained in INFCIRC/225/Rev.4 (Corr).

13. Canada is a world leader in the production and use of radioisotopes, and we played a leading role in the development of the Code of Conduct on the Safety and Security of Radioactive Sources and its accompanying Guidance on the Import and Export of Radioactive Sources. The Preparatory Committee should encourage all States parties to act in accordance with the Code and the Guidance on a harmonized basis. Canada is implementing both and, in accordance with these standards, has

recently implemented a sealed source tracking system and a national registry that allows stronger control over the use and movement of sealed sources. Effective 1 April, Canada also began full implementation of an enhanced export and import control programme for risk-significant radioactive sources covered by the Code. Canada has also put in place an enhanced security inspection programme to ensure facilities that process, use and store high-risk sealed sources have the required physical protection in place. In addition, in the spring of 2008 Canada will be hosting a workshop on systems for the physical protection of high-risk radioactive sources and on national systems for accounting and control of such sources.

14. The black market network managed by A. Q. Khan was a very serious challenge to the NPT. Canada has strongly supported the work by the IAEA to identify the supply routes and sources of the technology, equipment and materials involved and we look forward to the Director General's eventual report on the matter. The illicit trafficking database maintained by the IAEA and the Agency's other activities in this area are also of vital importance. Enhanced coordination among States parties and among international organizations is essential to prevent, detect and respond to the illicit trafficking of nuclear and other radioactive materials. The Preparatory Committee should encourage efforts to prevent the emergence of another clandestine black market.

Nuclear terrorism

15. If we do not sustain our efforts, then we may one day face the prospect of nuclear terrorism or a radiological "dirty bomb". Canada has signed and ratified the Convention for the Suppression of Acts of Nuclear Terrorism, which is an important addition to international defences against nuclear terrorism, and the Preparatory Committee should call upon other States parties to do the same. Canada also actively supports the Global Initiative to Combat Nuclear Terrorism, another important initiative aimed at developing joint efforts to combat this threat under the relevant international legal frameworks.

Cooperative threat reduction

16. One of the largest and most important multilateral efforts under way in support of the non-proliferation, arms control and disarmament objectives of the NPT is the Global Partnership Against the Spread of Weapons and Materials of Mass Destruction. The Global Partnership initially focuses its activities in the Russian Federation and the former Soviet Union. Canada has committed up to 1 billion Canadian dollars (\$) over 10 years to this initiative, which is to help prevent terrorists and countries of proliferation concern from acquiring nuclear, chemical and biological weapons and related materials. In the nuclear sector, Canada is funding the dismantlement of 12 decommissioned nuclear submarines, physical protection upgrades at Russian facilities with nuclear material, and multiple projects to secure and safely manage highly radioactive sources and to secure key border crossings, such as in Ukraine, to prevent nuclear trafficking, working on some of this via the IAEA. As a member of the International Science and Technology Centre in Moscow and the Science and Technology Centre in Ukraine, Canada is also funding a number of projects and other activities through which former weapons scientists are being redirected towards sustainable peaceful employment opportunities.

17. The IAEA plays a particularly important role in this area through its Nuclear Security Fund and its Nuclear Security Action Plan. Canada is a strong supporter of the IAEA's efforts. We have contributed over \$8 million to the Nuclear Security Fund, making us the second largest bilateral donor. The Preparatory Committee should call on all States parties to make a substantial contribution to nuclear security.

Financial measures

18. We note Security Council resolutions 1718 (2006), 1737 (2006) and 1747 (2007), which impose financial measures to combat proliferation. Canada has fully implemented these measures, as already reported to the 1718 (2006) and 1737 (2006) Committees, and calls on the Preparatory Committee to encourage States parties to do the same.

Recourse to the United Nations Security Council

19. Lastly, Canada reiterates the important role that the United Nations Security Council must continue to play to reinforce the integrity and credibility of the NPT and its key instruments, including IAEA. In accordance with its statute, the IAEA must continue to have access to the Security Council and to other relevant organs of the United Nations, particularly though not exclusively in cases of non-compliance. In this regard, the Preparatory Committee should encourage States parties to endorse the proposal made by the former United Nations Secretary-General to regularly invite the Director General of IAEA to brief the Council on the status of safeguards and other relevant verification processes. The Preparatory Committee should also underscore the mandate of the Security Council, in accordance with the Charter of the United Nations, to continue to ensure and uphold compliance with the Treaty and with safeguards agreements, and to take appropriate measures in cases of non-compliance with the Treaty and with safeguards agreements when notified by IAEA of non-compliance, as it has done recently in the case of Security Council resolution 1718 (2006) concerning the Democratic People's Republic of Korea and resolutions 1737 (2006) and 1747 (2007) concerning Iran.