

2002 Kananaskis Final Compliance Report Arms Control and Disarmament

Commitment:

The G8 calls on all countries to join them in commitment to the following six principles to prevent terrorists or those that harbour them from acquiring or developing nuclear, chemical, radiological and biological weapons; missiles; and related materials, equipment and technology.

Background:

Denying terrorists and rogue states access to weapons of mass destruction (WMD) has become a priority of paramount importance in the post-September 11th world. At the same time, it has become clear that, unlike disarmament proper where bilateral negotiations are the preferred formula, successful non-proliferation strategies are best implemented through collective and concerted actions. Starting with the 1992 Munich summit, the annual G7/8 summits have proved to offer an expedient forum for the forging of collective arms control initiatives, but by the end of the 1990s it was clear greater commitment was required. The Global Partnership against the Proliferation of WMD, unveiled at the 2002 Kananaskis summit, came at the end of a decade of irresolute efforts aimed at assisting Russia and the former Soviet Republics in decommissioning their excess nuclear, biological and chemical weapon stashes. In addition to pledging unprecedented financial and technical assistance for the dismantlement of WMD capabilities and related production facilities, the G8 resolved to help the former communist countries to develop adequate capacity to safeguard the vast WMD arsenals inherited from the former Soviet Union.

As with nearly all arms control initiatives over the past 60 years, it was the United States that took the lead in this issue area. Recognizing the great danger posed by potential proliferation of decommissioned Soviet WMD technology, matériel and laid-off scientists to rogue states, the passage of the landmark 1991 Nunn-Lugar Act in the United States pioneered what are now known as “threat reduction programs.” Subsequently espoused by the rest of the G7, these efforts have involved pressing the CIS countries to relinquish all WMD capabilities by either destroying them or handing them over to Russia. In turn, Moscow has pledged to dismantle all unnecessary or proscribed WMD’s. Until Kananaskis, financial aid intended to alleviate the prohibitive disarmament costs for Moscow has come mainly through US, EU and other bilateral programs. In 2002 the G8 countries for the first time resolved to pool and coordinate their arms control and non-proliferation foreign aid and administer it on a multilateral basis. The Global Partnership is expected to provide critical support for the chief components of the “threat reduction” programs already pursued by the US, the EU and some European countries:

- disposal of decommissioned nuclear submarines and warheads;
- programs for re-integration and re-employment of sensitive (esp. nuclear) scientists;

- technical cooperation for the training of customs, intelligence and police officials from CIS countries aimed at strengthening these countries' capacity to protect sensitive material in their possession and intercept the transit of suspicious materials.

The Global Partnership framework, with its bold \$20-billion commitment (for comparison, the total funds expended by G8 members on WMD non-proliferation and disarmament in Russia over the past 10 years have amounted to less than \$7 billion) and multilateral coordination approach, was designed to address the need for better management and greater financial commitments, inaugurating a new era in WMD non-proliferation and disarmament. The six practical principles underlying the G-8 declaration were first developed by the G-8 Non-Proliferation Expert Group. The G-8 foreign ministers then endorsed these principles at their summit in Whistler and referred the document to their leaders' consideration at Kananaskis. Many observers, however, remain sceptical about the implementation prospects of such an ambitious program. While the US can be feasibly expected to live up to its expected \$10-billion contribution (it has been traditionally spending \$1 billion per annum on disarmament aid to Russia), it is doubtful whether the European G7 members and Japan will be able to raise the matching \$10 billion. As of now, a little less than \$5 billion of this "matching contribution" has been assured and that has already caused budgetary strains on the EU.

Assessment:

| Country | Lack of Compliance -1 | Work in Progress 0 | Full Compliance +1 |
|---------------|--------------------------|-----------------------|-----------------------|
| Britain | | 0 | |
| Canada | | 0 | |
| France | | 0 | |
| Germany | | 0 | |
| Italy | | 0 | |
| Japan | | 0 | |
| Russia | | | 1 |
| United States | | | 1 |
| Overall | | 0 | +0.25 |

Individual Country Compliance Breakdown:

1. Britain: 0

Britain has not fully complied with this commitment. However, it is doing work in progress. London took part in the proceedings of the a conference held in Hague in November 2002 and signed, together with the other G8 members, the ground-breaking International Code of Conduct against Ballistic Missile Proliferation (ICOC)—an instrument that will strengthen the international non-proliferation Missile Technology

Control Regime. The Exchequer has already announced the earmarking of some \$750 million towards Great Britain's commitment under the Global Partnership framework¹²². Together with France, the US and Russia, London helped several Central Asian governments conclude 5 years of negotiations by signing, on September 27, 2002, the Samarkand Nuclear Weapons Free Zone (NWFZ) Agreement. As part of the Open Skies initiative, Britain allowed a one-week Russian verification mission to fly over its territory and inspect its ground installations. Britain played an active role for the adoption of UNSC Resolution 1441 calling for the total and unconditional disarmament of Iraq, and took part in the coalition that enforced a long series of UNSC resolutions and disarmed the Saddam Hussein regime in March-April 2003. Britain has expressed its alarm with North Korea's withdrawal from the Nuclear Non-Proliferation Treaty (NPT) and the professed resumption of reactor fuel reprocessing in Yongbyon.

2. Canada: 0

Canada has not fully complied with this commitment. However, it is doing work in progress. Canada was one of the first G8 members to earmark \$650 million towards its Kananaskis 2002 commitment under the Global Partnership¹²³. Pursuant to the Russo-Canadian agreement for the destruction of chemical weapons of November 25, 2002, Ottawa announced it would give Russia US\$ 5 million for chemical weapons destruction¹²⁴, as well as US\$ 100 million to aid Moscow's disposal of radioactive waste disposal and decommissioned nuclear submarines¹²⁵. The Canadian government plays an active role in setting up the new G-8 Nuclear Safety Group, and agreeing the specific budgetary details for the upcoming fiscal year. Canada was a signatory to the above-mentioned Hague ICOC, and has actively sought to strengthen the international non-proliferation regime by urging India to sign the Comprehensive Test Ban Treaty (CTBT) and engaging Moscow in strategic partnership in non-proliferation discussions. Canada also indicated its resolve to see UNSC Resolution 1441 fully complied with and has lent its full diplomatic support to the UNMOVIC weapons inspections. Ottawa also expressed its regrets over North Korea's decision to reopen its nuclear plants and remove IAEA monitoring equipment therefrom.

3. France: 0

France has not complied with this commitment. However, it is doing work in progress. Under France's able leadership, the Senior Officials Group, the body charged with the practical implementation of the Kananaskis agreement, has met 5 times since the summit and has achieved progress in agreeing on substantive priorities (proposed by Russia and centred on the disposition of decommissioned nuclear submarines and chemical weapons)

¹²² *Arms Control Today* (November 2002): www.armscontrol.org

¹²³ *Arms Control Today* (November 2002): www.armscontrol.org

¹²⁴ Interfax news agency, Moscow, in English 14:37 GMT, 25 Nov 02 (Accessed via BBC Monitoring Service)

¹²⁵ Interfax news agency, Moscow, in English 10:58 GMT 25 Nov 02 (Accessed via BBC Monitoring Service)

and procedural issues (Russian concessions on exempting foreign aid under the Global Partnership from taxes, as well as promises to provide unfettered access and security clearances). The central problem of producing the concrete project proposals mandated by the Global Partnership, however, remains. In March 2003, at a joint press conference M. Dominique de Villepin, France's minister for foreign affairs, announced that Paris is pledging a \$750 million contribution for the Global Partnership. In addition to signing the above-mentioned ICOC in November 2002, Paris helped negotiate the Samarkand NWFZ Agreement and joined the international community in issuing very strong statements "deploring" North Korea's rescinding of its voluntary moratorium on nuclear weapons development. Paris has expressed serious concern over Russia's announcement that Moscow would provide assistance to Iran in building a civilian nuclear power plant. France opposed the coercive disarmament of Iraq.

4. Germany: 0

Germany has not fully complied with this commitment. However, it is doing work in progress. Germany should be commended on committing \$1.5 billion towards the \$10 billion budget target of the Global Partnership¹²⁶. In August, 2002, experts from the German *Bundeswehr* carried out Open Skies verification mission in Russia. On August 21, 2002, Russia opened its first chemical weapons destruction plant at Gorny, which was financed largely by the German government (cost reported at \$39 million)¹²⁷. In December, Adolph Birkhofer, the Director of the German Centre for Nuclear Safety, met with the President of Armenia to discuss nuclear safety issues¹²⁸. Germany also signed the ICOC along with its G8 colleagues, but opposed the coercive disarmament of Iraq.

5. Italy: 0

Italy has not complied with this commitment. Italy announced its intention to commit \$400 million towards the Global Partnership budget. The programmatic details of the Partnership's initiatives (submarine decommissioning and chemical weapons destruction) were the topic of ministerial Russia-Italy talks on September 17, 2002¹²⁹. Rome has been strongly supportive of the US-led Iraq disarmament initiative: in August, the Italian Prime Minister took a solemn step in making its acceptance of an invitation to visit Iraq conditional on Baghdad's acceptance of international inspections¹³⁰. More progress is needed, however.

¹²⁶ Testimony of Kenneth Luongo, Director of RANSAC, before the Senate Foreign Relations Committee (www.senate.gov)

¹²⁷ *Arms Control Today* (September 2002): www.armscontrol.org

¹²⁸ Armenian News Agency, December 3, 2002.

¹²⁹ Russian MFA daily press bulleting, same date.

¹³⁰ *La Stampa*, Turin, in Italian 11 Aug 02

6. Japan: 0

Japan has not complied with this commitment. However, it is doing work in progress. Japan announced it is committing \$200 million for the Global Partnership¹³¹ (mainly consisting of the \$168-million assistance package for submarine decommissioning that was withheld in FY02 because of a temporary fall-out between Moscow and Tokyo). More funding is needed, as Japan's present commitments fall short of G8 expectations. In light of Pyongyang's alarming reopening of its nuclear program, understandably Tokyo considers the strengthening of the global non-proliferation and disarmament regime a top priority. In partnership with the IAEA, Japan hosted a two-day international conference (December 9-11, 2002) on safeguard measures against the proliferation of nuclear weapons¹³². Japan also signed the above-mentioned ICOC and has taken strenuous steps in strengthening of the Vienna-based non-proliferation regime, as well as in pushing for an intensified implementation of the Additional Protocol signed by 67 countries and already in effect for Tokyo. Japan and Russia discussed progress on the implementation of the Global Partnership during the annual Consultations on Strategic Stability held in Tokyo in mid-March 2003.¹³³ Japan has protested vehemently North Korea's decision to renew nuclear weapons development, but has also gone a step further by meeting with senior N. Korean leaders and engaging Pyongyang in constructive dialog in the hope of reversing North Korea's alarming decision.

7. Russia: +1

Russia has complied with this commitment, albeit not fully. Moscow is in the unique position of bearing the responsibility for its own compliance as well as for the facilitation of its G-8 partner activities in this vein. Russia deserves credit for its understanding that the era of East-West confrontation is over, and the new security threats it faces along with the other G-8 members make them all equally vulnerable, and call for new cooperation of unprecedented scale. Russia collaborated with the US, the UK and France to facilitate the signing of the Samarkand NWFZ. On December 23, 2002, the Russian Atomic Energy Ministry announced that the higher security of its sites and training of its personnel for the prevention and handling of possible terrorist acts would be its highest priorities in 2003¹³⁴. In 2002, the Ministry held two large command-and-staff drills at Rostov-on-Don and Krasnoyarsk, testing these two sites' vulnerability to a potential terrorist attack. Per the Global Partnership commitments and its direct talks with the US, in 2002 Russia scrapped 17 nuclear submarines. Its FY2002 weapons disposal budget (at US\$ 59.76 million) has been the biggest ever, but the FY2003 one is expected to be even larger¹³⁵. Russia exhibited great flexibility by disclosing sensitive information, concluding landmark understandings (such as the Canada-Russia Memorandum of Understanding on

¹³¹ Asahi News Service, June 29, 2002.

¹³² Kyodo News Service, Tokyo, in English 0959 gmt 3 Dec 02

¹³³ RIA-OREANDA (Economic News), March 12, 2003.

¹³⁴ Interfax news agency, Moscow, in English 0923 gmt 23 Dec 02

¹³⁵ Interfax-AVN military news agency web site, Moscow, in English 0812 gmt 23 Dec 02

Cooperation in the Peaceful Use of Nuclear Energy of November 25, 2002), and cooperating with the G-7 donors to put together a concrete framework for implementation of the six principles underlying the Kananaskis declaration. In August 2002, Russia opened its first chemical weapons disposal facility at Gorny. Also during that month, Moscow collaborated with the US in evacuating 48 kg. of highly-enriched uranium (HEU) from a Serbian research facility to the safety of a supervised military base in Russia. Moscow was the first and only G8 country to float a set of concrete proposals for projects to be funded under the Global Partnership (at the January 2003 Senior Officials Group meeting in Paris)¹³⁶ for nuclear submarines disposition and destruction of chemical weapons stashes. Furthermore, even at the height of the Iraq crisis, Russia strove to keep the Global Partnership dialogue alive: US Secretary of State Colin Powell and Russian Foreign Minister Igor Ivanov discussed the implementation progress on the Global Partnership framework during their two telephone conversations in April, 2003. In addition to the issues around the tax exempt status of the disarmament aid under the Global Partnership (which was resolved in April 2003 when Russia did grant this concession¹³⁷), another persistent problem whose resolution is wholly contingent on an action by Moscow is the obstruction of verification and assessment inspections. Russia has been granting such access to chemical weapons facilities only reluctantly, has been very uncooperative in according access to its “forbidden” nuclear cities, and has outright refused to allow foreign experts in its suspected secret biological facilities. In a more troubling development, the Russian Parliament (the *Duma*) postponed ratification proceedings on the May 2002 US-Russia Arms Reduction Agreement. To be deemed in full compliance with the Global Partnership commitment, Russia needs to seriously improve on these concerns.

8. United States: +1

The United States has complied with its commitment, albeit not fully. Being the main initiator of the Global Partnership, the US undertook to bear the brunt of the financial burden of the WMD disarmament and arms control activities: The US Administration asked Congress to authorize \$1 billion dollars for FY03¹³⁸. Washington was also at the forefront of establishing a new G-8 Nuclear Safety Group, which will not supplant the existing G-8 Non-Proliferation Group, but will rather expand the existing G-7 NSG, and agreeing on the concrete budget details at the September ministerial meetings. On October 23, 2002, President George W. Bush waived the disclosure compliance requirement under the Cooperative Threat Reduction Program (also known as the Nunn-Lugar Act) thereby releasing significant funding for chemical weapons destruction at the Shuchuch`ye facility that had been withheld because of Russia’s failure to provide destruction verification and access to the facility. On September 20, 2002, President George W. Bush unveiled a landmark National Strategy against the Proliferation of

¹³⁶ BBC Monitoring International Reports (February 2003).

¹³⁷ ITAR-TASS (April 11, 2003)

¹³⁸ John Wolf’s remarks on the Global Partnership. Accessed October 9, 2002 (www.state.gov/t/np/rls/rm/14277.htm)

WMD. Washington also played an instrumental part in forging the ICOC and the Samarkand NWFZ Agreement, as well as financed the evacuation of 48 kg. of HEU from a Serbian scientific facility. The U.S. Administration also secured the passage of the Russian Federation Debt for Non-Proliferation Act of 2002 as part of the Congressional FY03 Foreign Relations Authorization Act; the Act will allow the President to trade up to \$2.7 billion in Russian land-lease and agricultural debt for equivalent amounts of non-proliferation investment¹³⁹. The U.S. Non-proliferation and Disarmament Fund (NDF) was expanded and played an instrumental role in financing and overseeing the destruction of several hundred Bulgarian Soviet-era SS-23 missiles. As part of the Second-Line Defence Kazakh-US program, the United States also sponsored the specialized training of Kazakh customs officers and police officials in better detecting and interdicting WMD transits¹⁴⁰. Influential circles, led by Sen. Richard Lugar have called on Congress to ratify the May 2002 US-Russia Arms Reduction Agreement. The United States also led an international coalition to enforce the disarmament of Iraq, long suspected of possessing and developing illicit WMD. In April 2003, Washington also engaged in the bilateral dialogue with North Korea requested by Pyongyang in the hope of reversing that country's decision to withdraw from the NPT and reinstate its nuclear weapons program. But, in a stark departure from the vertical non-proliferation principles implied in the Global Partnership's pledge to strengthen the international arms control regime, on May 9, 2003, the US Senate Armed Services Committee voted to repeal a 10-year-old ban on the development of small nuclear arms (limited-effect nuclear weapons that some argue could be used for tactical purposes without causing an ecological and humanitarian disaster).¹⁴¹

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¹³⁹ Testimony of Kenneth Luongo, Director of RANSAC, before the Senate Foreign Relations Committee (www.senate.gov)

¹⁴⁰ *Kazakhstanskaya Pravda*, Almaty, in Russian 21 Dec 02, p6

¹⁴¹ *New York Times* (May 9, 2003).