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Non-Proliferation of Nuclear Weapons**

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Cluster three: peaceful uses of nuclear energy**Working paper submitted by Canada****Non-proliferation context for peaceful uses**

1. Peaceful nuclear cooperation is one of the foundational “bargains” upon which the Treaty on the Non-Proliferation of Nuclear Weapons was established. At the outset, the Treaty drafters recognized the potential value of peaceful nuclear cooperation to all NPT States parties, especially developing States. However, access to nuclear energy for peaceful purposes was, in article IV of the Treaty, explicitly linked with conformity to the non-proliferation requirements of articles I and II. While article III is not specifically mentioned in article IV, it is nevertheless relevant as it directly identifies the means by which the article I and II commitments of States parties are verified. This relationship has been further endorsed by NPT States parties at successive review conferences, most recently in the Final Document of the 2000 NPT Review Conference. These endorsements make clear that rights must be seen in the context of obligations; with the “inalienable right” to nuclear energy comes the responsibility to fully implement the non-proliferation requirements of the Treaty.

2. Since the 2005 Review Conference, a notable number of States have expressed an interest in obtaining the benefits of nuclear power, while several more are expanding existing nuclear programmes and refurbishing existing reactors. Additional peaceful applications of nuclear energy in the areas of health, agriculture and industry are also being discovered. In the light of this growing interest in the peaceful applications of nuclear energy, Treaty members must address serious proliferation and non-compliance challenges. Thus, as NPT States parties, we stand at a moment of great opportunity but also of great risk. At this juncture, the value of the NPT is reconfirmed for us and we are reminded of the need to preserve the inherently delicate balance between the pillars of the Treaty, and also between its rights and obligations.

3. As States parties move forward towards what has been called a nuclear renaissance, with all the promise it holds, we must ensure that all necessary steps are taken to ensure that there is no increased risk of weapons proliferation associated with the expansion of nuclear energy.



4. Fortunately, the infrastructure necessary to facilitate expanded peaceful nuclear cooperation while addressing non-proliferation concerns already exists and is being continually strengthened and expanded. On the fiftieth anniversary of its founding, the International Atomic Energy Agency (IAEA) continues to serve NPT members through its promotion and facilitation efforts on the one hand, and its efforts in support of article III on the other. The safeguards regime implemented by IAEA is a critical component of this infrastructure that facilitates nuclear cooperation by assuring IAEA member States that other members are in compliance with their obligations. Expanded adherence to the Additional Protocol can only increase the benefit of the safeguards regime for all States parties in this regard. Currently only 78 States parties have an Additional Protocol in place, and over 30 States parties currently do not have a comprehensive safeguards agreement in place. This situation limits the ability of IAEA to provide the assurances to States parties necessary for full nuclear cooperation.

5. Complementing the IAEA activities is the international export control regime and the extensive array of nuclear cooperation agreements between NPT States parties which place reciprocal non-proliferation obligations upon recipients of bilateral nuclear transfers. Canada currently has 26 nuclear cooperation agreements that encompass 43 NPT States parties. As the world's largest producer and supplier of uranium for civilian nuclear energy programmes and of radioisotopes for medical and industrial applications, we maintain a vital interest in preserving international nuclear cooperation and in ensuring it does not contribute to weapons proliferation or non-peaceful uses.

Canada's peaceful uses

6. As a world leader in the nuclear field, Canada highly values its nuclear industry, which provides revenue, employment, health and environmental benefits for the country. Key areas of involvement include the production of nuclear energy; and sales and exports of CANDU reactors and equipment, uranium, and medical and industrial radioisotopes and associated equipment. Canada continues to support a national nuclear energy research and development programme through which it has developed its own indigenous power reactor technology, which is in operation in Canada and several additional States parties. It has also invested, and continues to invest, in the international development and peaceful applications of nuclear energy. To this end, Canada contributes more than \$2 million annually to the IAEA Technical Cooperation Fund. We are also actively engaged, both within and outside the IAEA context, in applying our nuclear expertise in agriculture, medicine, industry, waste management and other areas for the greater benefit of all NPT States parties.

7. Canada, like many other nations, is actively considering an expanded nuclear energy capacity. Essential to our energy mix, nuclear power currently provides 15 per cent of our national electricity supply via 22 nuclear power reactors operated by both public and private utilities. Concerns about global warming and non-renewable resources have led to consideration of further investments in nuclear power.

Multinational approaches and fuel supply assurances

8. Canada certainly recognizes the promise that nuclear energy holds. However, these developments must be pursued prudently to ensure that all proliferation concerns are addressed. In this regard, we welcome the various proposals made in recent years and months that could provide States with the benefits of nuclear power without the infrastructure, security, financial, and liability burdens and potential proliferation risks of obtaining a full nuclear fuel cycle. This wide range of proposals was most recently discussed at the Special Event held in conjunction with the IAEA General Conference in 2006. We look forward to receiving the report of the IAEA Secretariat on this issue.

9. Canada supports efforts to develop new mechanisms to augment the reliability of access to nuclear fuel that address both peaceful uses and non-proliferation concerns. Such multilateral fuel cycle initiatives should be based on criteria that recognize the circumstances of countries, such as Canada, that have exemplary non-proliferation credentials and which have legitimate economic or fuel cycle justification to preserve future uranium processing options. We also remain supportive of the work currently under way to increase the proliferation resistance of reactors, while recognizing that there can be no technological substitute for robust multilateral verification.

Conclusion

10. Canada is fully supportive of the greatest possible enjoyment of the benefits of nuclear energy for NPT States that are in full compliance with their Treaty obligations, and will continue to work domestically and internationally to preserve and strengthen the global mechanisms that facilitate nuclear cooperation while preventing nuclear proliferation.
