

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

NPT/CONF.2010/PC.II/WP.16  
29 April 2008

Original: English

---

Second session  
Geneva, 28 April-9 May 2008

**ARTICLE III (3) AND IV, PREAMBULAR PARAGRAPHS 6 AND 7,  
ESPECIALLY IN THEIR RELATIONSHIP TO ARTICLE III (1), (2) AND  
(4) AND PREAMBULAR PARAGRAPHS 4 AND 5: APPROACHES TO  
THE NUCLEAR FUEL CYCLE**

Working Paper submitted by Australia, Austria, Canada, Denmark, Hungary, Ireland, the Netherlands, New Zealand, Norway, and Sweden (“the Vienna Group of Ten”)

1. The Vienna Group of Ten (hereafter “the Vienna Group”) notes that the nuclear technologies of enrichment and reprocessing are usable both for peaceful purposes and for the production of fissile material for nuclear weapons. The group recognises therefore that these nuclear technologies are of direct relevance to the NPT’s objectives.
2. The Vienna Group notes that, although various approaches to the nuclear fuel cycle have been extensively discussed, studied and researched in the past, several factors have contributed to the contemporary relevance of this issue to the global nuclear non-proliferation regime. These factors include the prospect of States misusing the NPT’s peaceful uses provisions to acquire the technical basis for a rapid “break-out” to nuclear weapons, as well as regional arms races, clandestine international nuclear procurement networks, increased problems with compliance with safeguards obligations, and the avowed interest of terrorists in acquiring weapons of mass destruction.

3. The Vienna Group notes that proliferation concerns, as well as the anticipated expansion in the peaceful uses of nuclear energy, in particular with regard to the use of nuclear power, and the increasing availability of the required technology, are trends that are likely to persist in the future. These trends have resulted in a renewed interest in multilateral approaches to the nuclear fuel cycle including the provision of assurances of supply of nuclear fuel as a viable alternative to acquisition of the sensitive technologies of enrichment and reprocessing.

4. At the same time, the Vienna Group recognises that multilateral approaches to the nuclear fuel cycle should be complementary to the primary non-proliferation instruments of effective and universal implementation of IAEA safeguards, including the Additional Protocol, and effective export controls. Strengthening and implementing these primary instruments, including the adoption of criteria for the transfer of proliferation-sensitive nuclear technology, remains of paramount importance. In addition, multilateral approaches to the nuclear fuel cycle should be considered as complementary to other measures to reinforce the non-proliferation regime, such as the CTBT and an FMCT.

5. The Vienna Group emphasises that a multi-faceted approach to the nuclear fuel cycle, which both reduces the risk that nuclear materials, equipment and technology might be diverted to military purposes, and limits the existing global inventory of material directly usable in nuclear weapons and the capacity to produce the same, should be carefully considered. In this respect, an approach to assuring the supply of nuclear fuel and material for peaceful purposes through multilateral means, including under the auspices of the IAEA as appropriate, should aim to satisfy international needs and ensure commercial competitiveness.

6. The Vienna Group considers that fuel assurances – which would be triggered if commercial supply mechanisms fail – could reduce the incentive for countries which have chosen the nuclear power option to seek nuclear fuel cycle capabilities of their own, and thereby reduce risks connected with those capabilities. Such mechanisms should be developed with due regard to the inalienable right of States Party to the NPT to the peaceful uses of nuclear energy (Article IV of the NPT), in conformity with the NPT's non-proliferation provisions under Articles I, II and III.

7. The Vienna Group supports continuation of the current extensive international dialogue on nuclear fuel cycle issues in relevant international fora. In this context, the group commends the IAEA Director General for recognising the need to address this issue, *inter alia* through circulation on 13 June 2007 of a report on “Possible New Framework for the Utilization of Nuclear Energy: Options for Assurance of Supply of Nuclear Fuel”. The report brings together a number of proposals received by the IAEA Secretariat in this regard, building on a Special Event during the 50<sup>th</sup> IAEA General Conference entitled “New Framework for the Utilization of Nuclear Energy in the 21<sup>st</sup> Century: Assurances of Supply and Non-Proliferation”. The Special Event was, in turn, a continuation of the process initiated by the commissioning of the report of the independent Expert Group on Multilateral Approaches to the Nuclear Fuel Cycle (INFCIRC/640).

8. The Vienna Group notes that the various proposals received by the IAEA are generally mutually compatible and supportive, and contain common themes. The proposals provide a welcome and valuable contribution to discussions on this important topic, including with regard to the role of the IAEA. The objective of increasing non-proliferation assurances associated with the civilian nuclear fuel cycle, while developing assurances of supply and services around the world, would be advanced by further exploration of issues and options in this area. The group looks forward to progress in this regard, including careful consideration of these and any other related proposals by the IAEA Board of Governors.

---