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**THREE YEARS OF THE GLOBAL
PARTNERSHIP
A VIEW BY RUSSIA**

Dr. V. Semin

Head of the Section for Political and Military
Affairs,

The Permanent Mission of the Russian
Federation to the UN Office and Other
International Organizations in Geneva

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Background

Three years have passed since June 2002, when G8 Leaders, in the Canadian town of Kananaskis, launched the Global Partnership against the Spread of Weapons and Materials of Mass Destruction (GP), and committed to support projects initially in Russia.

After the end of the Cold War and demise of the Soviet Union, Russia inherited a large number of strategic nuclear missiles, means of their delivery (including strategic and general-purpose submarines) and huge arsenals of chemical weapons. In 1991-1992 we had to consolidate urgently and put into secure storage all nuclear weapons from the Ukraine, Kazakhstan and Byelorussia, which became non-nuclear states under the Nuclear Non-Proliferation Treaty.

For several years now, Russia has been doing its utmost to dispose of those redundant weapons of mass destruction and their means

of delivery. This has placed a great burden on Russia's transition economy, which has been suffering from numerous financial, social and other problems. As a consequence, the pace of disarmament efforts has been very slow. While the political will has been in place, appropriate funding has been lacking. The cost of disarmament with all due care for the environment and public health proved to be too high for achieving quick results.

A number of countries have provided assistance to Russia in the area of disarmament even before the start of the Global Partnership: the USA, Germany, Canada, Japan, Great Britain, France, Italy, the Netherlands, the European Union, Norway, Sweden and Finland. The US – Russian Cooperative Threat Reduction program initiated by the two US Senators—Sam Nunn and Richard Lugar—has been the most sizable bilateral programme. It still is a core element of the Global Partnership.

The launch of the Global Partnership implicitly meant for us a potential quantitative leap in the funding of disarmament efforts in Russia, which could speed up the implementation of our weapons destruction plans. It goes without saying that elimination of weapons and materials of mass destruction and their means of delivery is the best way of ensuring their non-proliferation.

Intermediate results

While much has been accomplished, much remains to be done. Building on the experience

of cooperation prior to the Global Partnership, both G8 and non-G8 partners have taken important steps forward in the past three years of the Global Partnership. Substantial progress has been made. **Let us summarise the results of these efforts, in light of the Sea Island Action Plan goals and other Global Partnership activities.**

1. The national financial pledges of the G8 and non-G8 partners have been reaffirmed for the next 10 years (from 2002 to 2012). These include commitments of up to \$10 billion by the USA and \$2 billion by Russia.

2. The pool of donor countries has enlarged. Thirteen non - G8 states have joined the Global Partnership and some of them have committed funds to specific projects.

3. Impressive strides have been made towards establishing implementing frameworks. Some G8 members have in place long-standing implementation frameworks for Global Partnership projects. Others, building upon the work of previous years, have now successfully established the legal basis for specific Global Partnership cooperation with Russia. The following agreements have been signed by Russia:

- with the United Kingdom on cooperation in the nuclear area.

- with Japan on cooperation in the area of submarines dismantlement.

- with Germany on cooperation in the area of submarines dismantlement and physical protection of nuclear materials.

- with Italy on cooperation in the areas of chemical weapons destruction and submarines dismantlement.

- with Switzerland and Poland on cooperation in the area of chemical weapons destruction.

- with Canada on cooperation in the areas of chemical weapons destruction, submarines dismantlement and physical protection of nuclear materials.

- with Belgium, Denmark, Finland, France, Germany, the Netherlands, Norway, Sweden, the United Kingdom, the USA and the European Union on cooperation in the areas of radioactive waste management and spent nuclear fuel disposition (the MNEPR Framework Agreement).

The MNEPR Agreement was ratified by Russia last year. A number of members (for instance, the UK, Canada and Italy) have used the MNEPR Agreement as a model or as a point of reference for new bilateral agreements with Russia. Implementation frameworks with Canada and Italy are to be ratified very soon. Moreover, the Federal Assembly (Russian Parliament) is in the process of finalizing ratification procedures.

There has also been some progress in elaborating a legal framework with France for cooperation in the area of chemical weapons destruction.

4. Based on the ground work done during the first two years of the Partnership, momentum on project implementation has increased significantly. As a result, progress in some major areas has been quite visible. Implementation of the US -Russian Cooperative Threat Reduction (CTR) Program, which actually paved the way for the Global Partnership, has been proceeding steadily. We have already achieved good results in joint projects with Germany, Canada, Norway and

the Netherlands. Cooperation with Great Britain and Switzerland has been actively unfolding. A number of projects with the other partners are under way as well.

Among four priority areas of the Global Partnership cooperation, identified by the G8 Leaders in Kananaskis, two—chemical weapons destruction and decommissioned submarines dismantlement—are of extreme urgency for Russia. Our reasoning—with all due respect to the other GP priorities—is purely objective. In both cases, time is the most pressing factor.

Chemical weapons destruction: the challenge

Russia possesses a large inventory of chemical weapons (CW) and lags almost four years behind the CW destruction timelines provided for by the Chemical Weapons Convention. About 2% of its 40 thousand metric ton stockpile have been destroyed so far. The next milestone is to destruct 20% of CW stockpile by April 29, 2007. This is a considerable challenge.

Submarines dismantlement: the challenge

As of today, only 112 out of 192 decommissioned nuclear submarines have been dismantled, 33 of which with international assistance. 14 submarines have been dismantled within the framework of the Global Partnership. The remaining 80 submarines, on 32 of which work is currently being done, are stored afloat at naval bases located in the Pacific Far East and in the North-West of

Russia. Some of them still contain highly enriched spent nuclear fuel in their reactors, which poses a serious environmental hazard. The recent incident of the sinking of a decommissioned submarine which was being towed in the Barents Sea to the dismantlement site has proved once again that the threat is real and should not be underestimated.

There should be no doubt that Russia, as owner of its chemical weapons stockpile and fleet of decommissioned submarines, will continue to carry the main burden of their elimination. The following provides a snapshot of the current state of play in these two areas of cooperation.

Nuclear submarines dismantlement

- **Russia:** has been spending about \$60 million annually.
- **USA:** is dismantling three strategic nuclear submarines.
- **United Kingdom:** is dismantling two general purpose submarines, and upgrading the spent nuclear fuel storage site Andreeva Bay (Kola Peninsula).
- **France:** has not obligated any funding. Negotiations on a new framework are under way.
- **Japan:** has dismantled one general purpose submarine. Dismantlement of four subs in the Primorsky Krai and one sub in the Kamchatka Peninsula will start in the near future.
- **Germany:** is constructing storage facilities for 120 reactor compartments of general purpose subs and is

carrying out environmental remediation project in Saida Bay (Kola Peninsula).

- **Italy:** has not obligated any funds, pending ratification of a framework agreement.
- **Canada:** is dismantling three general purpose submarines in Arkhangelsk region, and is considering participation in dismantlement of three more subs.
- **EU:** has obligated limited funding (\$0,6 million), but no information on practical work on the ground is available.
- **Norway:** has dismantled two general purpose subs, and will dismantle one more sub in 2005. Is also conducting environmental remediation projects in Andreeva Bay.
- **Sweden:** has made available limited funding (\$0,6 million), but no information on practical work on the ground is available.

Chemical weapons destruction

- **Russia** has spent about \$190 million annually in 2002-2004 and obligated more than \$350 million in 2005 (and thus almost doubled annual funding).
- The construction of the **Gorny** Chemical Weapons Destruction Facility (CWDF) has been completed. Germany has been the lead donor, and the Netherlands, the EU and Finland have contributed.
- Construction of the **Shchuch'ye** CWDF is under way. The USA has been the lead donor, and the UK, the EU, Norway, Italy, Canada,

Switzerland and Czech Republic are contributing. France and New Zealand intend to take part.

- Construction of the **Kambarka** CWDF is under way. Germany has been the lead donor, and the EU, the Netherlands, Finland and Sweden are contributing.
- Construction of the **Pochep** CWDF is starting with Russian funding. Italy will be the lead donor. No funds have yet been obligated by Rome, pending ratification of a legal framework.
- Construction of the **Maradykovsky** and **Leonidovka** CWDFs is starting with Russian funding. Germany is exploring possible participation in these two projects.

Outstanding issues and recommendations

1. Funding shortfalls: At the Sea Island Summit, the G8 Leaders adopted an Action Plan. Regarding the Global Partnership it was noted that, while much had been accomplished, the challenges ahead were even greater than those that had been met. For this reason, the G8 Leaders recommitted themselves to raising at least \$20 billion in order to reach the Kananaskis funding target. **Three years later they are still about \$2 billion short.** Moreover, taking into account the objective of expanding the Global Partnership to other countries, this amount of \$20 billion, as we and the US think, should be regarded as a floor rather than a ceiling.

The GP partners should thus fulfil their past pledges in order to reach the Kananaskis funding target.

2. Progress in translating the Kananaskis promises into practice remains slow.

The main objective remains unchanged, that is the accelerated translation of the Global Partnership commitments into concrete cooperation projects, primarily in the two priority areas on which Russia has put special emphasis (destruction of chemical weapons and dismantlement of decommissioned submarines).

3. Negotiations on some implementing frameworks have not been concluded, due to various reasons.

Efforts to establish legal frameworks for cooperation with some partners should continue. *Negotiations on Russian – French agreements on cooperation in the areas of chemical weapons destruction and submarines dismantlement should be accelerated and implementing frameworks should be concluded. Ratification of the frameworks signed by Russia with Italy (on submarines dismantlement and chemical weapons destruction), the United Kingdom (additional agreement on submarines dismantlement) and Canada (on submarines dismantlement, chemical weapons destruction and physical protection of nuclear materials) should be completed expeditiously.*

4. For some countries, there remains a considerable gap between their pledges and their real contributions to cooperative projects. Given donors' declared

commitments, assistance over the past three years should have amounted to a total of some \$3 billion. In fact, however, 10 times less has been disbursed by donors on priority cooperation projects in Russia.

The gap between GP members' financial commitments and their real allocations thus need to be bridged.

5. To fulfil its CW stockpiles destruction obligations in conformity with the strict timelines of the Chemical Weapons Convention, Russia must complete all its main CWDFs in 2005-2008. It is during this period that international assistance is most needed. Yet currently, the pace of cooperation and the amounts of funds provided by the partners for CW destruction are insufficient to fully engage in projects which would achieve more tangible results.

Assistance provided by the partners for chemical weapons destruction in Russia should be accelerated and increased rather than limited, which would render it inconsistent with the magnitude of the task which it aims to resolve. Russia requests that the Global Partnership members, including new donor countries, allocate more resources to the field of chemical weapons destruction.

6. France has not yet provided any real funding for Global Partnership projects in Russia. The contribution of the EU is also very limited due to its budgetary cycle. The European Union currently plans to allocate only about 15 % of the total \$1 billion pledged for a decade. This uncertainty makes it difficult for Russia to engage in effective short term planning.

To ensure timely implementation of Global Partnership projects, France and the EU should thus deliver on their past promises and expeditiously allocate the necessary funds.

7. There have been too few new projects initiated over the past three years to support the dismantlement of submarines and the destruction of chemical weapons.

Project activities should be expanded. We expect that full-scale cooperation with France and Italy will begin soon, and that the size and number of projects with the EU and Japan will be enlarged.

8. Having acceded to the Global Partnership in 2004, some of the new partners have delayed their financial commitments. Those countries which have made such pledges, have allocated merely symbolic sums of money. For example, the Czech Republic pledged \$0, 12 million, New Zealand \$0.7 million or Ireland \$0,05 million.

New partners should speed up their decision-making processes and allocate commensurate funding to the Global Partnership.

9. Some partners spend large amounts of obligated funding to cover their "administrative and other expenses" (for the USA, this accounts for about 60%-80% of the total sum). This considerably **decreases the efficiency of the taxpayers' money allocated to the implementation of the Global Partnership.**

Virtual financing of the Global Partnership should be avoided. Major parts of obligated

funding should be spent on project implementation.

10. Some partners (in the first place France and the EU) try to impose joint activities in non-priority areas on Russia, and to include projects under the Global Partnership "umbrella" which do not belong to the priority areas identified in the Kananaskis statement (such as safety of civilian nuclear reactors or biosafety).

Before decisive progress in the areas on which Russia puts special emphasis has been achieved, it is premature to expand cooperation into other priority fields in order to avoid a scattering of limited resources.

11. The liability protection issue is still an obstacle that has been hindering the initiation of new projects with the USA.

What is the Russian approach to liability protection (LP)? We would like to emphasize that the Russian side supports the development of a mutually acceptable solution to LP. Our legal experts believe that the US position on LP lacks convincing legal arguments which have been repeatedly sought by the Russian side. Mostly political considerations are being proposed. Some international instruments are interpreted in a biased fashion. At the same time, their specific provisions are often taken out of the general context. The US side's unwillingness to present legal arguments for its position implies that it does not have convincing arguments. Thus, it may be concluded that there are no legal obstacles to accept Russian proposals.

What is the essence of the American approach?

The United States considers that GP projects should be covered by the provisions of the CTR Umbrella Agreement of 1992 concluded between the United States and the Russian Federation. The Agreement provides for unprecedented privileges that Russia has since then not granted to any other country: US personnel has been granted exemption from liability for nuclear and non-nuclear damage even if they commit violations, including intentional acts.

The provisions for LP issues in a number of Russian-American agreements which have been signed in the last decade differ from those of the 1992 Agreement. The former instruments reflect the existing international norms in the field. We would like to stress that the United States has reaffirmed this approach on many occasions. Agreements with France, the Netherlands, Germany, Norway and other countries have been concluded following the same pattern acceptable for us and our partners.

On multiple occasions, we have suggested to our American partners to jointly examine the core of the problem.

It is true that the Kananaskis agreements contain a recommendation to provide adequate protection against lawsuits. But "adequate" does not mean solving the problem in a way which is deemed appropriate by one side only. As we see it, the problem can only be resolved if the interests of both parties are taken into

account. Moreover, the Kananaskis agreements directly point to the necessity to take into account international obligations and national legislation. Finally, it is worth reminding that the Kananaskis Guidelines themselves provide only a "basis for negotiations" and their implementation is recommended "as necessary". We have consistently advocated the implementation of all the Kananaskis agreements and argued against their selective interpretation.

Russia has repeatedly addressed the concerns of partners in order to resolve the LP problem. The latest example is the MNEPR Agreement and its Protocol on Liability, which were ratified by Russia last year. These documents provide due and adequate liability protection based on international law. At the same time, it should be emphasized that in the MNEPR Agreement, Russia has granted to its partners a much more favourable regime than that provided for in the Vienna Convention on Civil Liability for Nuclear Damage of 1963, which has at last has been ratified by Russia this year. In particular there is no liability limit; the LP obligations are not limited in time; the settlement of claims is stipulated even in cases where a nuclear incident takes place as a result of negligence and force-majeur, armed conflict, warfare, civil war or riot; and certain disputes are allowed to be referred to international commercial arbitration.

The requirement of the American side concerning liability protection from claims for damage resulting from intentional acts implies that such a situation be established *a priori*. Moreover, a solution of the dispute is sought in

political rather than legal terms. What lawsuits, they say, can there be among partners? According to the logic of the US side, agreements should only contain a provision that the parties will settle all disputes by means of negotiations in the spirit of cooperation.

While demanding from us to guarantee absolute liability protection, the US does not guarantee that its personnel will not include persons intending to cause damage to us or to a third party.

We cannot agree with the American premise that Russia, with respect to civil liability, is seeking more far-reaching obligations from its partners than are provided for in international conventions (to which, by the way, the US itself is not a party). If this were the case, western countries would have hardly agreed with the terms of the MNEPR Agreement and the Protocol on Liability. The Russian-British Additional Agreement would not have been signed either.

The American interpretation of the provisions of the 1963 Vienna Convention also raises questions. Speaking of the absolute responsibility of a nuclear facility operator, the American side fails to mention the established limits to such responsibility (under the Vienna Convention, the nuclear facility operator—and, hence, host state—shall be liable within a strictly limited amount; lawsuits shall be brought within a certain period of time and only to a national court of the state where the nuclear incident has occurred; the operator shall not be liable in the case where there is personal intent or gross negligence; and the

Vienna Convention does not provide for liability protection from third parties' lawsuits).

We are pleased to be in agreement with the American side as to the premise that an individual who has acted intentionally, and as a result caused damage, should be punished. However, it is absolutely unclear why such acts should not be a matter of intergovernmental agreements.

Finally, potential damage caused in disassembling a reactor of a decommissioned nuclear submarine would be different from damage caused while constructing an access road. Why should Russia, irrespective of the nature of the work done, grant unlimited liability protection?

In effect, the US demands that Russia assume absolute, unlimited (as to the amount of payments and period of validity) and unconditional liability with regard to all claims that may be brought practically to any court in any country. Such an approach, we think, would be unacceptable for any country.

The conclusion is obvious: *A solution to the LP issue in the context of US—Russian GP cooperation should be based on the rules of international law and the desire to reach a mutually acceptable option, while taking into account national legislation.* The Russian side is ready to work on this basis.

There is a good news too, though. Russian and American legal experts have recently started consultations addressing the LP issue.

Hopefully, they will reach a solution before the G8 Summit in Scotland.

In conclusion, I would like to dwell on some points related to the general perception of our interactions in areas which are sensitive from a national security perspective. It is a mistake to think that Russia's willingness to cooperate with western countries in the framework of the Global Partnership simply means that we are prepared to receive assistance on any terms. **The formula "we give you \$20 billion and get in return whatever we require" does not work these days.** Russia is ultimately responsible for what is being done on its territory. Therefore, **the GP can only really succeed if the partners show a willingness for compromise and listen to what Russia says.**

One of the main objectives is to achieve substantive results, while paying prime attention to making effective use of taxpayers' money. It is true that international assistance can significantly speed up our work. At the same time, there should be no doubt that the clear-cut owner pays-principle in the context of WMD elimination is well understood, and Russia is prepared to carry this burden. Nevertheless, **by acting collectively we will all be better off in making the world a safer place.**