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

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Article III (3) and article 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 by Australia, Austria, Canada, Denmark, Hungary, Ireland, the Netherlands, New Zealand, Norway and Sweden (“the Group”)

1. The 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 recognizes therefore that these nuclear technologies are of direct relevance to the NPT's objectives.
2. The 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 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 international arrangements for multilateral approaches regarding the nuclear fuel cycle. The Group affirms that such arrangements could allow States to choose the option of nuclear power without developing a full fuel cycle and without subjecting the future of their nuclear power programmes to the political considerations of particular suppliers.
4. At the same time, the Group recognizes 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 Comprehensive Test Ban Treaty and a Fissile Material Cut-off Treaty.

5. The Group emphasizes that a multifaceted 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 should aim to satisfy international needs and ensure commercial competitiveness. Such an approach — whose purpose would be to address proliferation concerns connected with the use of nuclear power — could prove to be effective.

6. The 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 parties 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 Group supports continuation of the current extensive international dialogue on nuclear fuel cycle issues in relevant international forums. In this context, the Group commends the IAEA Director General for recognizing the need to address this issue, inter alia by conducting a Special Event during the 50th IAEA General Conference entitled “New Framework for the Utilization of Nuclear Energy in the 21st Century: Assurances of Supply and Non-Proliferation”. The Special Event was 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). The Group notes that before and during the Special Event, a number of actors presented different, but generally mutually compatible and supportive, concepts. Such concepts provide a welcome and valuable contribution to discussions of this important topic, including with regard to the role of the IAEA.

8. The objective of increasing non-proliferation assurances associated with the civilian nuclear fuel cycle, while preserving assurances of supply and services around the world, would be advanced by further exploration of issues and options relating inter alia to a step-by-step consideration of the approaches put forward. The Group looks forward to careful consideration of the proposals for follow-up to the Special Event, expected to be presented by the IAEA Director General to the Board of Governors by mid-2007, and recognizes the need for tangible progress.