

**Chairmen's report for the Fourth Meeting of the CSCAP Study Group on
Countering the Proliferation of Weapons of Mass Destruction in the Asia Pacific
Nov. 28-29, 2006, Danang, Vietnam**

The fourth meeting of the CSCAP Study Group on Countering the Proliferation of Weapons of Mass Destruction (WMD) in the Asia Pacific was held in Danang, Vietnam, Nov. 28-29, 2006. The 33 participants and observers from 15 member committees were joined by 25 Pacific Forum Young Leaders, who provided the next generation's perspective on WMD issues. The Study Group co-chairs, USCSCAP and CSCAP Singapore, thank CSCAP-Vietnam for putting together an excellent conference. This summary represents the impressions and opinions of the chairs and the rapporteur. While all participants have had an opportunity to review and comment on this Chairmen's report, it is not intended as a consensus document.

Session 1: The Global Nonproliferation Regime

Frank Umbach from EU CSCAP began the meeting with an overview of the global nonproliferation regime (GNR) and recent developments. He, like leadoff speakers at previous meetings, noted growing concern about the erosion of the nonproliferation order, citing the UN report "A More Secure World": we are "approaching a point at which the erosion of nonproliferation regime could be irreversible and could result in a cascade of proliferation." The core problems -- the fact that the GNR is not self enforcing, changing circumstances that require revision of the GNR, outdated fuel cycle policies, and a flagging commitment to disarmament -- have been highlighted throughout the life of the study group. Rising energy prices are forcing regional governments to restudy the nuclear energy option, which will increase proliferation risks. These new realities are already being played out in Iran and North Korea: Umbach warned that those two crises are intensifying security dilemmas felt by other potential proliferators.

Conscious of the nonproliferation regime's shortcomings, like-minded coalitions of states have tried to take action, but those responses have been ad hoc and have had difficulty getting traction among nonparticipants. For Umbach, the foremost problem in fighting proliferation is the lack of political will among governments to take the WMD threat seriously. That attitude is evident in the alarming tendency for governments to sign international treaties and conventions without taking the steps needed to implement them. While the Additional Protocol fills some gaps in the GNR, compliance is not yet universal. Umbach pointed to the failure of the UN Security Council to take action against offenders as another troubling sign. He also acknowledged the lead role that the U.S. must play in handling proliferation challenges, and the difficulties that this has caused as a result of controversies swirling around U.S. foreign policy in recent years.

UNSC resolution 1540 is a bright spot on this otherwise dark horizon. It creates a binding legal instrument to enforce the GNR. It is also getting states to focus on export controls. For Umbach, UNSCR 1540 is a first step toward an effective multilateral approach to deal with WMD. Asia needs to study this instrument in two dimensions: first, for its

implications for nonproliferation efforts and second for its implications for effective multilateralism on security matters.

Arundhati Ghose of CSCAP India gave a more optimistic assessment. While conceding that the North Korean and Iranian situations test the GNR, she noted that the regime has adapted to changing realities. The key for Ghose is seeing the nonproliferation order as bigger than the Nuclear Nonproliferation Treaty (NPT). She highlighted the recent U.S.-India agreement on civilian nuclear cooperation as one example of how the regime can accommodate new circumstances.

For Ghose, two issues are critical. The first is renewed attention to disarmament. She, like other members of the study group, asserted that there is seeming disregard by the nuclear weapons states of the disarmament obligations included in Article VI of the NPT. The failure to take those seriously contributes to the erosion of the GNR. Serious study of disarmament obligations and procedures – such as how to dispose of weapons – is one way to silence critics.

Second, Ghose underscored the need to tailor solutions to particular proliferation challenges. For her (and many others), there is no “one size fits all” solution to these problems; individual circumstances must shape solutions. Finally, Ghose underscored the threat posed by nonstate actors and called for detailed study by the Study Group of the threat posed by nuclear terrorism.

Yang Yi of CSCAP China then gave a brief summary of the international seminar on UNSCR 1540 that was held in Beijing last summer. It was designed to explain the contents of the resolution, build support for it within the Asia Pacific region, and help governments better implement the resolution. She echoed Umbach’s point about the centrality of export controls in fighting WMD proliferation. She ended her presentation by noting China’s support for nuclear weapons free zones and said that Beijing intended to ratify the treaty establishing the Southeast Asia Nuclear Weapons Free Zone (SEANWFZ).

Discussion focused on several topics. The first was the status of the GNR. One participant dismissed excessive pessimism, noting that the nonproliferation norm is universal even if the NPT itself is not. This is a powerful influence on state behavior and must be acknowledged. At the same time, there was recognition of the political limits of the NPT. The treaty’s effectiveness is contingent on the political will to comply or enforce compliance; absence of that will – and it appears to be lacking -- ensures the treaty’s failure.

That led to discussion of the NPT itself. What can be done to make the treaty more relevant and effective? Should the Additional Protocol be modified? Do we need new protocols? Most important, is there a “grand bargain” that might entice “gray” states or other potential proliferators to join the treaty? Indeed, how important is universal compliance?

The challenges are many. There is the need for more transparency in nuclear programs and the acceptance of intrusive inspections. There must be new and more rigorous controls on technology to ensure that nonstate actors do not acquire nuclear materials, components, or know-how; the 103 reported cases of nuclear smuggling suggest more can be done. And there must be recognition that all cases are particular. As one participant explained, proliferation crises are regional in origin and therefore require regional responses. This initiated a heated discussion. The group concluded that even if solutions must be tailored to circumstances, there is a need to ensure that those solutions do not create more nuclear double standards or undermine the GNR.

A participant argued that one way to deal with the flaws in the GNR is to take a more comprehensive approach. Proliferation should be seen in context and not dealt with in isolation from other issues, such as energy security and disarmament. Others agreed, calling for the exploration of security guarantees as one way to deter proliferation. Several speakers cautioned, however, that some states appear intent on developing nuclear weapons or weapons programs no matter what; for them, negotiations are merely ways to buy time. How do we deal with them?

These questions will become more pressing. Some 30-40 countries are already “virtual” nuclear states and the technology and know-how required to develop (or acquire) weapons are diffusing. The line between civilian and military programs is indistinct at best. Participants generally agreed that a critical first step is reinforcing the nonproliferation norm. Actions and policies that suggest there is a utility to nuclear weapons or might encourage their spread must be stopped. More creative solutions are needed to deal with nonproliferation concerns. One key issue is the fuel cycle. Dealing with this thorny and sensitive question requires balancing new controls on the supply of enriched uranium with the need to guarantee such supplies. CSCAP should look more closely at the Global Nuclear Energy Partnership (GNEP) and other proposals.

Session 2: Regional Nonproliferation Issues and Efforts

The second session narrowed the focus to regional proliferation concerns. Edy Prasetyono of CSCAP Indonesia explained how Indonesia, like many nonnuclear states, is a long-time supporter of the GNR but wants attention paid to all three of its pillars (nonproliferation, access to peaceful technology, and disarmament). He underscored traditional concerns about the right to peaceful nuclear technology (a worry that grows in tandem with rising energy prices) and the development of what are perceived to be discriminatory regimes, such as the Nuclear Suppliers Group or the Missile Technology Control Regime.

Ever the realist, Prasetyono conceded that disarmament is a distant prospect. As long as militaries are needed to guarantee security, then nuclear arsenals will remain part of the military inventory – neither the knowledge nor the weapons will go away. Nonetheless, he also explained that the “double standard/hypocrisy” of the NPT is a powerful emotional concept and must be addressed – and that is becoming more urgent as nuclear technologies spread throughout Southeast Asia.

Prasetyono explained how the nonproliferation agenda intersects with more mainstream - yet nontraditional – security concerns. In Southeast Asia, national borders are permeable and maintaining control of national territory is becoming more difficult. Nuclear materials and weapons are getting easier to smuggle. National governments need help patrolling borders, securing the maritime domain, and checking the flow of money that lubricates proliferation and the diffusion of technology to nonstate actors and terrorist groups.

Sun Shan of CSCAP China provided a Chinese perspective on regional security and the role of WMD proliferation. He noted that East Asia is stable but political and security arrangements are evolving. He applauded the development of regional institutions and forums such as ASEAN Plus Three and the Asia Pacific Economic Cooperation (APEC), which give regional leaders the chance to discuss security issues and shared concerns.

He denounced the North Korean nuclear test (a topic taken up in more detail in the fourth session), warning that it would “seriously deteriorate the security situation in Northeast Asia.” Nonetheless, there and in dealing with Iran, he called on all parties to negotiate in good faith and to avoid worsening the situation. He backed a universal nonproliferation regime; for him, the UN should be at the center of global nonproliferation efforts while the ARF is the best forum to tackle such problems in the Asia Pacific.

Finally, Brad Glosserman of USCSCAP provided a brief summary of the second meeting of the Export Controls Experts Group (a subgroup of the WMD Study Group), which met in May in 2006. (Copies of the report of the XCXG meeting have been previously distributed to member committees and participants and are available upon request.)

Discussion focused on two issues. First, how can the region support the GNR? One suggestion is amending the Bangkok Treaty (which creates the SEANWFZ) to incorporate the Additional Protocol or to otherwise prohibit reprocessing and the enrichment of uranium in Southeast Asia. Southeast Asian participants explained that their primary concern as regional governments contemplate building nuclear facilities is not proliferation, but rather facility security; both aspects need to be addressed. Adoption of the CSCAP Action Plan is one valuable contribution; are there others? What else can/should CSCAP and the ARF do to promote nonproliferation and raise awareness of nuclear energy safety and security, as well as proliferation concerns?

That raises a related question: how can CSCAP assist regional efforts to fight proliferation? Should CSCAP also be targeting other regional forums such as the East Asian Summit? If so, how?

Session 3: The Proliferation Security Initiative Today

In the third session, we resumed our examination of the Proliferation Security Initiative (PSI). Pham Ngoc Uyen of CSCAP Vietnam began the discussion with an outline of Vietnamese views of the initiative. He noted that a large number of governments support the aims of PSI and contribute in one way or another. He cautioned, however, that

powerful reservations continue to exist among the majority of nations that have not signed up and called on PSI members to take those concerns seriously. Nonparticipants favor information sharing but they still worry about the legality of the initiative; in particular, they ask how it will affect freedom of navigation, the right of innocent passage, and sovereignty.

For Pham, the key issue is trust: Governments that have not yet signed up usually have reservations about the messenger, not the message itself. He noted that all original members of PSI had good relations with the U.S. – a telling indication of the centrality of trust to the initiative’s eventual success. Pham concludes that the PSI went too far, too fast. It has expanded too rapidly without paying due attention to the concerns of nonmembers. PSI is a nonproliferation tool, but it should also be considered a confidence building exercise. He also recommended that counterproliferation not overshadow all other nuclear concerns; in other words, he too emphasized the need for nuclear weapons states to do more to win the confidence of other governments.

Beth Greener Barcham of CSCAP NZ summarized her government’s thinking about PSI. Overall, the assessment is positive. Wellington became an active participant in 2004, a step that should have been anticipated given its support for broad-based multilateralism and disarmament. The changes in the post Sept. 11 security environment and New Zealand’s backing of the GNR also pushed Wellington to participate. The benefits are clear: it supports the nonproliferation order; it provides networking, information sharing, and confidence building; it promotes best practices; and it contributes to deterrence. Some in New Zealand also see the initiative as a vehicle to improve bilateral relations with the U.S. Given the sometimes stormy military relations between the two, security planners in both countries welcome opportunities to work together and reinforce habits of cooperation.

New Zealand is aware of the objections to PSI. That list begins with the international legal questions raised by Pham. Additional worries include having sufficient capacity to contribute to and meet PSI obligations. That list includes such diverse elements as having the training to participate in exercises, or the personnel and communications networks.

Discussion focused on complaints raised about PSI. It was suggested that PSI supporters can overcome objections by emphasizing that the initiative is designed to be consistent with international law and by arguing it is a last resort. Opponents should be reminded that it is not an indiscriminate, open-ended measure: rather it is based on actionable intelligence and the trafficking in materials in opposition to the interest of the international community. Legal agreements with the states that provide many of the flags for suspect cargoes have provided another way to deal with these questions.

Several speakers noted legal and financial concerns that remain unanswered. Who will be responsible for losses incurred as a result of interdictions? What happens when information upon which an interdiction or seizure is based is wrong? Is compensation provided? What happens to materials that are successfully seized? In one case, suspect

chemicals are still in the possession of the seizing authority three years after they were interdicted.

While many of these issues are not new, the PSI debate has evolved and in a positive way. There is considerably more understanding of the PSI and the opposition is best characterized as “residual.” (That is not to belittle these concerns but only to note that the tone of the objections is markedly different from discussions two years ago.) Clearly, organizers could do more to alleviate suspicions about the effort. There is too much confusion about PSI members, the initiative’s successes, and what is required of members. That is not to say there is anything nefarious about the PSI, but more transparency – better explanations – would help.

One participant reminded the group that the confusion should not overshadow the more fundamental issue: the PSI was designed to respond to mounting frustration over international inaction in the face of an increasingly urgent problem. If some viewed PSI as “too far, too fast,” others viewed the international response to the growing danger of WMD proliferation as “too little, too late.” In this context, too, we explored ways that PSI could be fitted to regional concerns. One participant suggested incorporating PSI into subregional frameworks or initiatives. He called on supporters to emphasize the role PSI can play in facilitating transportation security to win over skeptics. Another explained that concerns about national shortcomings can be used to a country’s advantage: a demonstrated willingness to join PSI (or fight WMD more generally) with concerns about an inability to fully contribute can result in U.S. assistance to develop that capacity. That is a win-win proposition.

Session IV: Developments on the Korean Peninsula

Ju Wang Hwan from CSCAP-DPRK began the discussion by stating that the recent DPRK nuclear test was the “product of the U.S. nuclear threat based on its deep-rooted hostile policy toward the DPRK for more than half a century.” Despite this test, Pyongyang still has a “sincere desire” to denuclearize the Korean Peninsula and remains committed to the Sept. 19, 2005 Six-Party Talks Joint Statement, which calls for “simultaneous action” to achieve normalization of DPRK-U.S. relations, peaceful coexistence, conclusion of a peace treaty and provision of light-water reactors, rather than the U.S. demand that the DPRK denuclearize first.

Ju’s presentations included familiar DPRK complaints about Washington’s “hostile policy,” “axis of evil” and “outpost of tyranny” accusations, and its “premeditated plan and maneuvers” to block implementation of the Joint Statement by imposing financial sanctions against the DPRK. He noted that Pyongyang “decided to return to the Six-Party Talks on the premise that the issue of lifting financial sanctions should be discussed and solved” and further noted that “to make progress in the talks in the future, first of all the U.S. should take away the pressure and sanction on the DPRK.”

Kim Tae-hyo from CSCAP ROK noted that four years and five rounds of Six-Party Talks have produced no tangible or meaningful results (economic, energy, or security) and that

it was difficult for the international community to give North Korea the assistance and recognition it wants. He believed the onus was on Pyongyang to demonstrate its intentions not to have nuclear weapons, further arguing that if Pyongyang believes its “nuclear card” is critical to regime survival, then there is little value in giving “carrots” since Pyongyang will just continue its brinkmanship/blackmail strategy. The North Korean and Iranian nuclear programs, he believed, posed a serious threat to the NPT.

Kim saw the U.S. and PRC as the major players with Washington leading the international campaign and Beijing possessing the most leverage. He saw no quick fixes or easy solutions, arguing that the Six-Party Talks will, at best, be a long and difficult process. He opined that Seoul did not seem prepared to use the limited leverage that it possesses and that its policies toward the North could be subject to increased international scrutiny. He also argued that Seoul should cooperate more with Washington and Tokyo in dealing with the DPRK nuclear challenge, noting that the ROK needed to “balance nationalism and national interests.”

Tosaki Hirofumi from CSCAP Japan argued that the DPRK nuclear test was not likely to trigger an arms race in Asia – Japan, in particular, had no intention of developing nuclear weapons; it was “not a realistic option for Japan” – but did worry that it might embolden Iran. Left unanswered, the test posed a serious challenge to the NPT and to regional and international security. He noted that the Six-Party Talks should not become a vehicle for “buying time” and that the objective must be to persuade Pyongyang to abandon nuclear weapons. He noted that APEC sent a strong signal of international condemnation of the North Korean nuclear test and that UN sanctions should not be eased until concrete action had been taken by Pyongyang to denuclearize.

Sun Shan from CSCAP China noted that the DPRK’s “flagrant” nuclear test disregarded “the common opposition of the international community”; it “constituted a major challenge to the peace and stability of the region.” China “insists on the goal of denuclearization on the Korean Peninsula, opposes nuclear proliferation, and stands for the peaceful resolution of the nuclear issue through dialogue and negotiation.” He believed that the Six-Party Talks still represented the “most effective mechanism” for dealing with the problem and hoped that the U.S. and DPRK, as “special counterparts,” would do more and communicate more to resolve the standoff. He said that China firmly supported UNSCR 1718 but cautioned that it should be implemented carefully and calmly and with restraint so as not to worsen the situation.

Ralph Cossa from USCSCAP saw little reason for optimism as the international community eagerly awaits the promised next round of Six-Party Talks. All sides seem to be talking past one another. DPRK wants Washington to like it first, before doing anything to gain Washington’s trust. Washington wants Pyongyang to dismantle first, or at least pledge to do so, to avoid “rewarding bad behavior.” Pyongyang expects the sanctions issue will be “discussed and resolved” while Washington only promises to explain why the sanctions were implemented. Seoul and Beijing profess absolute support for UNSCR 1718 but argue that sanctions should not be seen as punishment and should not be aggressively enforced. As a result, little common ground seems to be in evidence.

While the international community is unanimous in condemning the nuclear test and in calling for denuclearization, there still is little consensus regarding how to bring it about or what the consequences of failure to do so might entail; in fact, there does not even appear to be a common definition of what constitutes failure.

Cossa argued that CSCAP efforts should be focused on identifying realistic, doable first steps that each party could or should take to help defuse the situation and start the six-party process moving forward. What are the three things Pyongyang, or Washington, or Seoul, etc., could do to demonstrate its seriousness? What does Beijing and Seoul mean when it says Washington or Pyongyang should “be more flexible?” What specific steps should be taken, consistent with international and domestic laws? Asking the U.S. not to enforce its own laws, which many seem to be implying is one solution, is not realistic, in Cossa’s view.)

Discussion revolved around finding “incentives” to induce cooperation, with many participants seeming to imply (to the dismay of others) that the mere act of talking was, in and of itself, a victory of sorts and a measure of progress, and perhaps the most that could be expected at this point. There was little consensus as to what would constitute a “successful” first round – one suspects that a similar lack of consensus exists at the track-one level. Some saw lessons to be learned in the Libyan experience and others argued that full implementation of UNSCR 1718 was essential to persuading Pyongyang to return to the talks. Several participants argued that DPRK was less, rather than more, secure as a result of the test and that additional tests were likely to draw an even stronger international response, which would further isolate Pyongyang. DPRK colleagues did not share this view, arguing that the North Korean people feel more secure after the nuclear test, believing that now “the DPRK won't be a second Iraq.”

Some general comments and recommendations regarding the next round of talks included: at a minimum, there is a need to reaffirm the September 2005 agreement and establish expert working groups to develop specific steps toward denuclearization, study nuclear assurances, CBMs, etc.; all sides should pledge not to make things worse, even if they cannot agree on how to make things better; the other five parties need to clearly articulate the rewards (both economic and in terms of security assurances) if the DPRK dismantles and the consequences if the DPRK convinces other parties it won't give up its weapons; credible first steps must be identified that can realistically be taken by all parties, but especially by the DPRK and the U.S.; milestones required to be achieved prior to removal of current UN sanctions must also be clearly delineated.

Session 5: Developing an Asia Pacific Action Plan for Nonproliferation

The WMD Study Group was created, in part, to design an Action Plan and Handbook on preventing WMD proliferation in the Asia Pacific. The outline of that handbook was agreed at the third SG meeting. In Danang, we agreed on specific language for the first and second chapters of the handbook – the statement of objectives and basic principles. Both are appended to this report. Initial drafts of both chapters were prepared by selected member committees, debated and modified by a small group of participants at a side

meeting, and then presented to the full study group on the morning of the second day. The reader will be spared the intricacies of those discussions. After reaching general agreement on the first two chapters, the group looked at the other chapters and proposed some changes. Those, too, are included as an annex to this report.

The final session looked at next steps for the WMD Study Group. Co-chair Ralph Cossa said that USCSCAP would be asking the Steering Committee to authorize another iteration of the study group, during which it will look in more detail at the issues identified in previous meetings and outlined in the handbook. CSCAP Vietnam has been invited to co-chair this effort. The emphasis will be on specific recommendations aimed at raising awareness of, and developing specific steps to address or counter, growing regional and global challenges associated with WMD proliferation. As part of this effort, the WMD Study Group has been asked to hold a study group meeting in San Francisco, California Feb. 12-13, immediately preceding an ASEAN Regional Forum (ARF) seminar that will focus on UNSCR 1540 and ways to better implement its provisions. Participants of the ARF meeting will be invited to attend the CSCAP meeting as well, and the co-chairs will report to the ARF group on the results of our meeting. (Similar arrangements were made for the 3rd WMD SG meeting: ARF participants joined the CSCAP meeting and a preliminary version of the CSCAP WMD Study Group Chairmen's Report was distributed to all ARF Seminar participants.)

All agreed that the study group should now turn to a more focused and detailed analysis of proliferation concerns and the development of concrete actions aimed at addressing these concerns. Other suggested topics, in addition to the February 2007 examination of UNSCR 1540, included: the future viability and applicability of the NPT and its Additional Protocols, their status, problems and challenges, and future options; the nuclear energy fuel cycle and the various fuel bank proposals; the specific threat posed by nuclear terrorism; physical security of nuclear facilities; and Asian plans for energy security. Given that CSCAP Singapore is going to propose an energy security study group, it was suggested that the WMD SG consider a back to back meeting with that group, during which one day would focus on the status of nuclear energy in the Asia Pacific and the proliferation issues that arise from increasing reliance on that option and which both groups would attend.