

United Arab Emirates No. 1 (2011)

# Agreement

between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the United Arab Emirates for Co-operation in the Peaceful Uses of Nuclear Energy

Abu Dhabi, 25 November 2010

[The Agreement has not yet entered into force]

Presented to Parliament
by the Secretary of State for Foreign and Commonwealth Affairs
by Command of Her Majesty
June 2011

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# AGREEMENT BETWEEN THE GOVERNMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND AND THE GOVERNMENT OF THE UNITED ARAB EMIRATES FOR CO-OPERATION IN THE PEACEFUL USES OF NUCLEAR ENERGY

The Government of the United Kingdom of Great Britain and Northern Ireland ("the United Kingdom") and the Government of the United Arab Emirates ("the UAE") (jointly referred to as "the Parties" or individually as "Party");

*Underlining* the importance for the Parties of the security of their energy supply and the need to develop new energy sources;

Desiring to continue to co-operate in the promotion and development of the peaceful uses of nuclear energy;

Observing that both the United Kingdom and the UAE are parties to the Treaty on the Non-Proliferation of Nuclear Weapons, done at London on 1 July 1968<sup>1</sup> ("NPT");

Recognising that both the United Kingdom and the UAE are members of the International Atomic Energy Agency ("IAEA");

*Recognising* that the United Kingdom is a member of the European Atomic Energy Community ("Euratom") and is subject to obligations under the Treaty Establishing the European Atomic Energy Community ("Euratom Treaty") done at Brussels on 17 April 1957<sup>2</sup>;

*Noting* Euratom's role in relation to the supply of nuclear material;

*Mindful* that the UAE, as a non-nuclear-weapon State Party, has, under the NPT, undertaken not to manufacture or otherwise acquire nuclear weapons or other nuclear explosive devices and that it has concluded a Safeguards Agreement with the IAEA, done on 15 December 2002, as supplemented by an Additional Protocol, done on 9 April 2009, for the application of safeguards in connection with the NPT;

*Mindful* of the UAE Policy paper entitled "UAE Policy on the Evaluation and Potential Development of Peaceful Nuclear Energy";

Mindful also that the United Kingdom is subject to Euratom Safeguards and, as a nuclear-weapon State Party to the NPT, has voluntarily entered into a Safeguards Agreement with Euratom/IAEA, done at Vienna on 6 September 1976<sup>3</sup>, as

<sup>&</sup>lt;sup>1</sup> Treaty Series No. 088 (1970) Cmnd 4474

<sup>&</sup>lt;sup>2</sup> Treaty Series No. 001 (1973) Cmnd 5179

<sup>&</sup>lt;sup>3</sup> Treaty Series No. 090 (1978) Cmnd 7388

supplemented by an Additional Protocol, done at Vienna on 22 September 1998<sup>4</sup>, for the application of safeguards in connection with the NPT;

Observing that both Parties are strongly committed to adequate physical protection of nuclear material and that the United Kingdom and the UAE are parties to the International Convention on the Physical Protection of Nuclear Material, done at Vienna on 3 March 1980<sup>5</sup>;

*Desiring* to establish conditions consistent with their commitment to non-proliferation under the NPT; and

*Underlining* that all Parties to the NPT undertake to facilitate, and have the right to participate in, the fullest possible exchange of equipment, material and scientific and technological information for the peaceful uses of nuclear energy, in conformity with the provisions of the NPT;

Have agreed as follows:

#### ARTICLE I

#### **Definitions**

- (1) For the purposes of this Agreement:
  - (a) "derived items" means material, equipment and technology derived or obtained from nuclear material, material, equipment and technology, transferred under this Agreement;
  - (b) "derived nuclear material" means all successive generations of nuclear material recovered or obtained as products or as by-products from nuclear material transferred under this Agreement;
  - (c) "enrichment or reprocessing equipment or technology" means all equipment designed or used primarily for uranium enrichment, or reprocessing of nuclear fuel;
  - (d) "equipment" means those items listed in Annex B of IAEA document INFCIRC/254/Rev.9/Part 1, excluding material as defined in subparagraph (1)(h) of this Article;
  - (e) "information" means scientific, commercial or technical data or information in any form that is appropriately designated by agreement of the Parties through an exchange of diplomatic notes, or their

<sup>&</sup>lt;sup>4</sup> Treaty Series No. 036 (2005) Cm 6664

<sup>&</sup>lt;sup>5</sup> Treaty Series No. 061 (1995) Cm 2945

- competent authorities, to be provided or exchanged under this Agreement;
- (f) "intellectual property" means that identified in Article 2 of the Convention Establishing the World Organization for Intellectual Property, signed at Stockholm on 14 July 1967<sup>6</sup>;
- (g) "item" means a component or part of material or equipment, or other unit, as designated by agreement of the Parties through an exchange of diplomatic notes;
- (h) "material" means any non-nuclear material listed in Annex B paragraph 2 of IAEA document INFCIRC/254/Rev.9/Part 1;
- (i) "nuclear material" means any "source material" or "special fissionable material" as those terms are defined in Article XX of the Statute of the IAEA;
- (j) "person" means any natural person or entity organized and/or existing under the laws or jurisdiction of either Party but not including the Parties themselves;
- (k) "technology" has the meaning provided in Annex A of IAEA document INFCIRC/254/Rev.9/Part 1; and,
- (1) "transfer" means any transfer including, where relevant, a retransfer.

#### ARTICLE II

# **Scope of Agreement**

- (1) The Parties shall co-operate in the promotion and development of the peaceful non-explosive uses of nuclear energy in accordance with the provisions of this Agreement and their applicable treaties, national laws, regulations and licensing requirements;
- (2) The Parties may cooperate in any of the following areas:
  - (a) the implementation of projects for the generation of electricity and water desalination;
  - (b) research and development, including the design and application of nuclear energy for use in such fields as agriculture, industry and medicine:

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<sup>&</sup>lt;sup>6</sup> Treaty Series No. 052 (1970) Cmnd 4408

- (c) health, nuclear safety, emergency planning and response, and environmental protection;
- (d) nuclear security, including physical protection;
- (e) nuclear safeguards;
- (f) the supply of nuclear material, material, equipment and technology;
- (g) industrial co-operation related to peaceful uses of nuclear energy between persons in the United Kingdom and in the UAE;
- (h) technical training and education related to peaceful uses of nuclear energy, including access to and use of equipment;
- (i) the provision of technical assistance and services, including fuel services;
- (j) the exploration for and development of nuclear material and material;
- (k) nuclear spent fuel and waste management; and
- (l) other areas for co-operation to be agreed by the Parties in writing.
- (3) This Agreement does not apply to co-operation on enrichment or reprocessing equipment or technology.

# ARTICLE III

# **Forms of Co-operation**

The co-operation described in Article II of this Agreement may take the following forms:

- (a) supply, delivery or transfer of nuclear material, material, equipment and technology, excluding enrichment or reprocessing equipment or technology;
- (b) exchange of scientific and technical information and documentation;
- (c) exchange and training of personnel;
- (d) education in nuclear-related fields, including between academic institutions;

- (e) organisation of symposia and seminars and other forms of provision of information to the public;
- (f) provision of relevant technical assistance and services, including assistance in the drafting of legislation;
- (g) participation by scientific and technical persons authorized by one Party in research and development activities conducted by the other Party; and
- (h) other forms of co-operation as may be determined by the Parties in writing.

#### ARTICLE IV

#### **Transfers**

- (1) Nuclear material, material, equipment and technology transferred between the Parties, whether transferred directly between the Parties or through an authorized third party shall be subject to this Agreement unless otherwise agreed in writing by the Parties.
- (2) Derived items and derived nuclear material shall be subject to this Agreement unless otherwise agreed in writing by the Parties.
- (3) Items other than those covered by paragraph (1) or (2) of this Article shall be subject to this Agreement when the Parties have so agreed in writing.
- (4) Prior to any transfer between the Parties, whether directly between the Parties or through a third party, of nuclear material, material, equipment or technology, including derived items or derived nuclear material, subject to this Agreement the Parties shall exchange written notifications.

#### ARTICLE V

#### **Transfers to Non-Parties**

- (1) Should one of the Parties consider transferring material, nuclear material, equipment or technology, including derived items or derived nuclear material, subject to this Agreement beyond its jurisdiction and not to the other Party, that Party shall only make the transfer after being given by the transferee the same assurances as those provided by this Agreement.
- (2) The Party that is considering a transfer pursuant to the provisions in paragraph 1 of this Article shall first obtain the written consent of the other Party.

- (3) Within the European Union, transfers of nuclear material, equipment and technology are subject to the provisions of the Euratom Treaty and relevant derived legislation. The requirements of paragraphs (1) and (2) above shall not apply to any transfers or retransfers of nuclear material, equipment and technology, including derived items or derived nuclear material, subject to this Agreement, which are required by these obligations.
- (4) In any event, the Party considering a transfer should notify the other Party on any transfer beyond its jurisdiction of material, nuclear material, equipment and technology, including derived items or derived nuclear material, subject to this Agreement, which is not being transferred to the other Party.

#### ARTICLE VI

#### Consent to Engage in Enrichment or Reprocessing

Either Party shall obtain the written consent of the other Party prior to the enrichment of any nuclear material, including derived nuclear material, subject to this Agreement to twenty (20) per cent or more in the isotope U235 or U233, or to the reprocessing of any nuclear material, including derived nuclear material, subject to this Agreement. Such consent shall describe the conditions under which the resultant uranium enriched to twenty (20) per cent or more, or the plutonium, may be stored, used or transferred. The Parties may establish an agreement to facilitate the implementation of this provision.

#### ARTICLE VII

#### **End Use and Safeguards**

- (1) Nuclear material, material, equipment and technology, including derived items and derived nuclear material, subject to this Agreement shall not be used to manufacture or otherwise acquire nuclear weapons or other nuclear explosive devices.
- (2) In accordance with the provisions of paragraph 1 of this Article, all nuclear material, including derived nuclear material, subject to this Agreement shall be the subject of appropriate safeguards procedures, which shall be consistent with the international obligations of each Party, including:
  - (a) in the UAE, nuclear material shall be verified pursuant to the Safeguards Agreement between United Arab Emirates and the IAEA dated 15 December 2002, as supplemented by an Additional Protocol dated 8 April 2009;

- (b) in the United Kingdom, nuclear material shall be the subject of Safeguards pursuant to the Euratom Treaty and to the provisions of the UK/Euratom/IAEA Safeguards Agreement, dated 6 September 1976, as supplemented by an Additional Protocol, dated 22 September 1998.
- (3) If, for any reason or at any time, the IAEA is not administering safeguards as discussed in paragraph (2) of this Article within the territory of a Party, that Party shall forthwith enter into an agreement with the other Party for the establishment of:
  - (a) safeguards equivalent in scope and effect to the safeguards being replaced; or
  - (b) a safeguards system that conforms to the principles and procedures of the safeguards system set out in the IAEA document INFCIRC/66/Rev.2, taking into account subsequent amendments thereto which are accepted by the Parties, and provides for the application of safeguards to all items subject to this Agreement.
- (4) If a Party does not accept the measures elaborated in paragraph (3) of this Article, it shall allow at the request of the other Party, the return of any nuclear material, material, equipment, and technology, including derived items or derived nuclear material, subject to the Agreement, with full compensation for the full market value of such nuclear material, material, equipment, and technology, including derived items or derived nuclear material.

# ARTICLE VIII

# **Term of Applicability**

Nuclear material, material, equipment and technology, including derived items and derived nuclear material, shall remain subject to this Agreement as long as any such nuclear material, material, equipment and technology, including derived items and derived nuclear material, remains in the territory of the Party concerned or under its jurisdiction or control anywhere; or until such time as the Parties agree in writing that such nuclear material, material, equipment and technology, including derived items and derived nuclear material, is no longer usable for any nuclear activity relevant from the point of view of safeguards; or as otherwise agreed between the Parties through an exchange of diplomatic notes.

#### ARTICLE IX

# **Physical Protection of Nuclear Material**

- (1) Each Party shall take all measures necessary, commensurate with the assessed threat prevailing from time to time, to ensure the physical protection of nuclear material including derived nuclear material subject to this Agreement under their jurisdiction and shall, as a minimum, apply levels of physical protection as set out in Annex C of IAEA document INFCIRC/254/Rev.9/Part 1;
- (2) International transport of nuclear material subject to this Agreement shall be subject to the provisions of the Convention on the Physical Protection of Nuclear Material as set out in IAEA document INFCIRC/274/Rev.1.

#### ARTICLE X

# **Compliance with Tax and Customs**

The Parties shall adopt any administrative, tax and customs measures within their field of competence that are required for the proper implementation of this Agreement.

#### ARTICLE XI

## **Intellectual Property**

The Parties shall ensure effective protection and allocation of intellectual property rights transferred or created under the implementation of this Agreement. This Agreement is not intended to transfer any intellectual property rights. The intellectual property rights in the framework of the co-operation provided by this Agreement shall be allocated or transferred, if at all, on a case-by-case basis in accordance with the provisions of any specific agreements or contracts associated with this Agreement.

#### ARTICLE XII

# **Implementation**

- (1) The Parties shall consult at any time, at the request of either Party, to ensure the effective fulfilment of the obligations of this Agreement. The IAEA may be invited to participate in such consultations upon the request of both Parties.
- (2) The Parties, through their respective appropriate governmental authorities, shall establish administrative arrangements to facilitate the effective

implementation of this Agreement. Such arrangements will include the procedures necessary for the appropriate governmental authorities to implement and administer the provisions of this Agreement.

(3) Each Party shall, within 90 days of the other Party's request, inform the other Party of the conclusions of the most recent report by the IAEA on the IAEA's verification activities in its territory, relevant to the nuclear material subject to, and in accordance with Article XIII of, this Agreement.

#### ARTICLE XIII

# **Dispute Resolution**

- (1) In the event of a dispute between the Parties concerning the interpretation or application of this Agreement, the Parties should initially seek to resolve the dispute through consultations and negotiations, which may include the use of non-binding, third-party procedures such as mediation, conciliation or other diplomatic channels. Either Party may request such consultations and negotiations with the other Party by delivering written notification to the other Party.
- (2) In the event that either Party considers that the dispute cannot be settled by consultations and negotiations, and after 30 days of the delivery of the initial request for consultations, the dispute shall be submitted on the request of either Party to arbitration for a binding decision or award by a tribunal in accordance with applicable rules of international law. In the absence of agreement by the Parties to the contrary, the arbitration rules of the United Nations Commission on International Trade Law ("UNCITRAL Arbitration Rules") shall govern, except as modified by the Parties or this Agreement.
- (3) Unless the Parties otherwise agree, the tribunal shall be composed of three arbitrators, one arbitrator appointed by each Party and a third, who shall be the presiding arbitrator and shall be a national of a country other than the United Kingdom or the United Arab Emirates which is a non-nuclear-weapon State Party to the Non-Proliferation Treaty, appointed by agreement of the two arbitrators. If, within thirty days of the request for arbitration, either Party has not appointed an arbitrator, either Party may request the President of the International Court of Justice to appoint an arbitrator. The same procedure shall apply if, within thirty days of the designation or appointment of the second arbitrator, the third arbitrator has not been appointed, provided that the third arbitrator so appointed shall be a national of a country other than the United Kingdom or the United Arab Emirates which is a non-nuclear-weapon State Party to the Non-Proliferation Treaty.
- (4) Expenses incurred by the arbitrators and other costs of the arbitration shall be paid for equally by the Parties. However, the tribunal may, in its discretion, direct that a higher proportion of the costs be paid by one of the Parties.

- (5) Subject to paragraph 6 of this Article, the tribunal shall make a decision, and, as appropriate an award, in relation to the issues in dispute in accordance with this Agreement and applicable rules of international law.
- (6) A joint decision of the Parties, which declares their agreed interpretation of a provision of this Agreement, shall be binding on a tribunal, and any decision or award issued by a tribunal must be consistent with that joint decision.
- (7) Awards of the arbitral panel are limited to findings of non-compliance; denials of allegations of non-compliance, or to decisions ordering compliance.
- (8) An arbitral finding of non-compliance is grounds for termination under Article XV, paragraph 1.

#### ARTICLE XIV

# **Entry into Force**

- (1) This Agreement shall enter into force on the date of the later note of an exchange of diplomatic notes in which the Parties notify each other of the completion of their internal procedures necessary for the entry into force of this Agreement.
- (2) This Agreement may be amended at any time by an exchange of diplomatic notes between the Parties. Any such amendment shall enter into force on the date of the later diplomatic note, or on such other date as may be specified in the notes.
- (3) Subject to Article XV, this Agreement shall remain in force for a minimum period of thirty (30) years. If neither Party has notified the other Party of its intention to terminate the Agreement at least six (6) months prior to the expiry of that minimum thirty-year period, this Agreement shall continue in force for additional periods of ten (10) years each unless, at least six (6) months before the expiration of any such additional period, a Party notifies the other Party of its intention to terminate this Agreement.

#### ARTICLE XV

# **Cessation of Co-operation**

(1) If either Party at any time following entry into force of this Agreement materially violates the provisions of Article IV, V, VI, VII, or IX of this Agreement or any non-compliance finding decision of an arbitral tribunal referred to in Article XIII of this Agreement or terminates or materially violates its Safeguards Agreement with the IAEA, the other Party shall have the right to cease further cooperation under this Agreement in whole or in part, to require the return of any

nuclear material, material, equipment, technology, including derived items and derived nuclear material, transferred pursuant to this Agreement (with compensation for the fair value market value of such nuclear material, material, equipment, and technology, including derived items and derived nuclear material), and to terminate this Agreement by giving one hundred and eighty (180) days written notice (the "Written Notice").

- (2) If the Parties fail to agree on the fair market value within sixty (60) days of such Written Notice, the Parties shall consult the persons in their various jurisdictions through whom cooperation hereunder has previously been effected, then the concerned persons (the "Concerned Persons") to refer the determination to an appropriately qualified valuation and/or accounting firm (the "Accounting Firm") jointly nominated by the Concerned Persons. The Accounting Firm will finally and conclusively determine the fair market value within sixty (60) days of the appointment or such other period as the Concerned Persons may agree, and the fees and expenses of the Accounting Firm shall be shared by the Concerned Persons. If the Concerned Persons fail to agree on an Accounting Firm within ninety (90) days of the Written Notice, either Party may refer the fair market value determination to arbitration in accordance with Article XIII(2).
- (3) Before either Party takes steps to cease cooperation under this Agreement, in whole or in part, to terminate this Agreement, or to require the return of any nuclear material, material, equipment, technology, including derived items and derived nuclear material, transferred pursuant to this Agreement (with compensation for the fair value market value of such nuclear material, material, equipment, and technology, including derived items and derived nuclear material), the Parties shall consult for the purpose of reaching agreement on corrective measures that may be taken and shall, where appropriate, carefully consider the effects of taking such steps, whether the facts which gave rise to considering such steps were caused deliberately and the extent that they can be rectified. The rights described in paragraph 1 of this Article shall be exercised by a Party only if the other Party fails to take such corrective measures upon which the Parties reach agreement within ninety (90) days following the consultations described in this paragraph.
- (4) Notwithstanding termination of this Agreement under paragraph 1 of this Article, the obligations contained in Articles IV, V, VI, VII, VIII, IX and XI of this Agreement shall remain in force until otherwise agreed in writing by the Parties.

IN WITNESS WHEREOF, the undersigned, being duly authorised thereto by their respective Governments, have signed this Agreement.

DONE in duplicate at Abu Dhabi on the twenty-fifth day of November 2010, in the English and Arabic languages, both texts being equally authentic.

For the Government of the United Kingdom of Great Britain and Northern Ireland:

For the Government of the United Arab Emirates:

WILLIAM HAGUE

H. H. SHEIKH ABDULLAH BIN ZAYED AL-NAHYAN



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