

**Speech of Director of the Nuclear Policy Unit
of the UK Department of Trade and Industry
Ian Downing
at the signing ceremony
of Memorandum of Understanding
on UK-RF Closed Nuclear Cities Partnership**

Ladies and gentlemen,

It really is a great pleasure to be here in Moscow for the signing of the Memorandum of Understanding on the Closed Nuclear Cities Partnership between the Department of Trade and Industry and Rosatom. The MOU has taken a tiny bit longer than we expected, and what was originally intended as a christening has turned into something more like a coming of age party for CNCP.

Fortunately the last two years have not been wasted. Thanks to Rosatom's practical and positive approach, and with the help of our many friends in the Closed Cities, USNCI and ISTC:

- * we have built up what I feel is a very good working relationship between the Programme, and Rosatom and the Closed Cities;
- * we have developed a focus for the Programme, concentrating investment resources on Ozersk, Sarov, Seversk, Snezhinsk, and Zheleznogorsk, where we feel that they can most effectively serve our common non-proliferation aim. At the same time we are supporting development in Novouralsk, at a lower level of intensity, for example through training and assistance with commercial partnerships;
- * we have already helped to create, or are in the process of creating, several hundred civil sector jobs for former weapons personnel in the Closed Cities, with many more in the pipeline;
- * we have sought to balance supporting high technology ventures in the nuclear institutes and facilities (which tend to be risky and expensive) with the need to tackle unemployment in the cities by generating sustainable jobs in manufacturing and service businesses.
- * we have promoted commercialisation skills in the Closed cities, to help local leaders to exploit the opportunities of the market economy more effectively in future;
- * last but not least, we have also built up a great deal of experience of what is, and is not, possible, which I am sure will serve us well in the future.

In fact, some strong foundations have been laid for the development of the Programme over the coming months and years.

All of this is important exactly because the fundamental non-proliferation aim of the CNCP Programme is itself so important. As tragic events both in Russia and in my own country have all too often shown, none of us are immune from threats from hostile governments and from terrorism.

Preventing the spread of weapons of mass destruction is, therefore, vitally important for all of us. That is why the UK gave its enthusiastic support to the G8 Global Partnership and that is why we are here today.

I am strongly convinced (and I know that my government is also), that preventing the spread of the knowledge of how to manufacture nuclear weapons is every bit as important as preventing the spread of the materials that are needed to make them. That much is clear from recent experience, whether we are talking of attempts by governments in the Middle East and North Africa to acquire nuclear weapons in the 1980's and 1990's, or indeed of the new terrorist threats, which have come to the fore in the last few of years.

In support of its non-proliferation aim, the Closed Nuclear Cities Partnership employs four instruments:

- * it provides finance to support the creation of sustainable civil sector jobs for former nuclear weapons scientists and technicians;
- * it provides practical on the job training and mentoring in technical and management skills to help ensure that the businesses it supports can succeed in competitive markets;
- * it provides assistance in developing commercial links for Closed City enterprises and institutions with potential partners in the UK;
- * and it supports economic development in the cities in a more general sense, through exchange of experience and by helping to build up the organisational framework for a successful development strategy - as in the case of the Business Development Agency currently being established in Seversk with CNCP support.

In all of this we work in the closest possible collaboration with our Russian colleagues, acting on their advice and using Russian knowledge and skills wherever possible, in conjunction with our team of international specialists.

I am happy to say that the level of commitment, knowledge and skills that we have encountered in our Russian co-workers has been outstanding. This, is probably the single most important factor in the progress that CNCP has so far achieved and, more than anything, has helped to make the Programme a true partnership in the fullest sense of the word.

But, for all this, we are still at an early stage in the development of our common work and, despite the very good start that we have made, many important issues remain to be solved.

Let us hope that the signing of the MOU will help us to tackle some at least of these outstanding issues:

- * in particular, the question of providing a proper inter-governmental legal basis for the Programme has yet to be resolved;
- * while operational contacts between the CNCP Moscow Office and Rosatom and the Closed Cities are excellent, we still need to address the issue of how best to provide for oversight of the programme at a strategic level;
- * I very much hope that we will find the means to develop activities which involve bringing together DTI and Rosatom resources, through joint funding a limited number of suitable projects – where larger resources are needed, for example. That would be a real vote of confidence in CNCP, and clear evidence of the reality of the Partnership;

- * it is also the case that the expertise non-proliferation work of CNCP sometimes appears to be seen in Moscow as a Cinderella alongside other G8 Partnership Programmes - such as chemical weapons disposal and nuclear submarine dismantling. Now that the MOU is signed, I hope that the way may be open for the human dimension of non-proliferation to take on a slightly higher profile.

That would certainly strengthen the hand of those of us who are involved in arguing the case for continued resources for this important work.

Time is short, I know, but before I close, I would like to say just a little about how, from the DTI side, we see the work of our Partnership developing over the next months and years.

- * Our first and most urgent task is to find ways to make sure that our limited resources are used as effectively as possible. The first two years have demonstrated that there is no shortage of good quality opportunities for creating civil sector jobs for former nuclear weapons personnel in the Cities. We must explore new financing mechanisms and seek out new public and private sector partners to make sure that our funds are used to the greatest possible effect;
- * We are also keen to step up our efforts in Seversk, to help to create employment for people coming out of the old plutonium production reactor, and so help pave the way for the speediest possible closure;
- * We must explore more fully the opportunities for promoting projects which use the specific skills of the personnel of the nuclear facilities, for example in the field of environmental clean up (provided of course there is a real prospect for business sustainability);
- * I am also very keen that we should continue to develop the commercial partnerships dimension of our Programme. We have already explored some exciting possibilities:
 - linking Sarov's expertise in titanium technology with the UK's medical equipment industry;
 - finding a market for your exceptional skills in mathematics and programming in the British computer games sector;
 - supporting the creation of a UK-Closed City joint venture to manufacture electronic measuring equipment.

As you can imagine, working for the Department of Trade and Industry all of this is music to my ears. It makes sense for Russia, it makes sense for Britain, and it is also the best possible way to underpin the growth of commercial experience in the closed cities and hence the creation of sustainable civil sector jobs.

- * Finally, in conjunction with our partners from Rosatom and the Cities, we will press on with the work that we have begun in supporting the development of local capacity in job creation and economic modernisation.

Helping local leaders and entrepreneurs to use local skills and resources effectively in the context of regional, national and global markets may be less glamorous than building factories and buying machinery. It is certainly also a lot more difficult to measure.

In the medium and long term, however, this is what will determine the future prosperity of the Closed Cities. And thus in turn it will play a key part in reducing the risk of nuclear proliferation by securing the skills and knowledge of specialists and technicians coming out for the weapons complex.

The premise on which CNCP is built is that the human beings in the Closed Cities, and not just the nuclear materials, are crucial to our future security. The task that we have set ourselves, of helping to secure a decent future for the people concerned, is complicated, long term and costly. But if for a moment we stop to think of the possible price of a single failure, I think that we will all agree that the price is worth paying.