

IAEA Board of Governors  
Record of the 1094<sup>th</sup> Meeting  
GOV/OR.1094

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Nuclear Verification: Implementation of the NPT safeguards agreement in the  
Islamic Republic of Iran: Report by the Director General

# Board of Governors

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## Record of the 1094<sup>th</sup> Meeting

*Held at Headquarters, Vienna, on Saturday, 13 March 2004, at 1.20 p.m.*

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[\*] GOV/2004/15.



## Attendance

(The list below gives the name of the senior member of each delegation who attended the meeting, as well as that of any other member whose statement is summarized in this record.)

Mr. NÚÑEZ GARCÍA-SAÚCO		Chairman (Spain)
Ms. KELLY	}	Argentina
Mr. PELÁEZ		
Ms. STOKES		Australia
Mr. NIEUWENHUYS		Belgium
Mr. ABDENUR		Brazil
Ms. HALL		Canada
Mr. ZHANG Yan		China
Mr. GANDARIAS CRUZ		Cuba
Mr. KLUCKÝ		Czech Republic
Mr. CHRISTENSEN		Denmark
Mr. RAMZY		Egypt
Mr. THIEBAUD		France
Mr. HONSOWITZ		Germany
Mr. HORVÁTH		Hungary
Mr. SREENIVASAN		India
Mr. DE CEGLIE		Italy
Mr. TAKASU		Japan
Mr. Chung-ha SUH		Korea, Republic of
Mr. GULAM HANIFF		Malaysia
Ms. ESPINOSA CANTELLANO	}	Mexico
Mr. CAMPUZANO PIÑA		
Mr. KOP		Netherlands
Ms. BRIDGE		New Zealand
Mr. AGBUGBA		Nigeria
Mr. NAQVI		Pakistan
Mr. HALPHEN PÉREZ		Panama
Mr. PAULINICH VELARDE	}	Peru
Ms. AZURÍN		
Mr. NIEWODNICZAŃSKI		Poland
Mr. BERDENNIKOV		Russian Federation
Mr. KHASHABA		Saudi Arabia
Mr. MINTY		South Africa
Mr. DE MIGUEL ÁLVAREZ	}	Spain
Mr. RUÍZ		
Mr. AHMAD		Sudan
Ms. BEN AMOR MISSAOUI		Tunisia
Mr. JENKINS		United Kingdom of Great Britain and Northern Ireland
Mr. BRILL		United States of America
Mr. NGUYEN TRUONG GIANG		Vietnam

## **Attendance (continued)**

Mr. ELBARADEI	Director General
Mr. GOLDSCHMIDT	Deputy Director General, Department of Safeguards
Mr. ANING	Secretary of the Board

## **Representatives of the following Member States attended the meeting:**

Afghanistan, Algeria, Angola, Austria, Belarus, Bulgaria, Burkina Faso, Colombia, Costa Rica, Estonia, Finland, Greece, Holy See, Indonesia, Islamic Republic of Iran, Iraq, Ireland, Israel, Jordan, Kazakhstan, Kenya, Kuwait, Lebanon, Libyan Arab Jamahiriya, Lithuania, Morocco, Namibia, Philippines, Slovakia, Slovenia, Sweden, Switzerland, Syrian Arab Republic, Turkey, Ukraine, United Arab Emirates, Yemen, Zimbabwe.

## **Abbreviations used in this record:**

ABACC	Brazilian-Argentine Agency for Accounting and Control of Nuclear Materials
AVLIS	atomic vapour laser isotope separation
CTBT	Comprehensive Nuclear-Test-Ban Treaty
DPRK	Democratic People's Republic of Korea
EFTA	European Free Trade Association
G-8	Group of Eight [= G-7+1]
HEU	High-enriched uranium
IMF	International Monetary Fund
LEU	Low-enriched uranium
MLIS	molecular laser isotope separation
MTCR	Missile Technology Control Regime
NAM	Non-Aligned Movement
NPT	Treaty on the Non-Proliferation of Nuclear Weapons
NPT Review Conference	Review Conference of the Parties to the Treaty on the Non-Proliferation of Nuclear Weapons
NSG	Nuclear Suppliers Group
R&D	Research and development
TCF	Technical Cooperation Fund
UCF	Uranium Conversion Facility

\* Speakers under Rule 50 of the Provisional Rules of Procedure are indicated by an asterisk.

## 4. Nuclear verification

### (a) Implementation of the NPT safeguards agreement in the Islamic Republic of Iran: Report by the Director General (continued) (GOV/2004/11 and 20)

1. The CHAIRMAN said that the Board now had before it, in document GOV/2004/20, a draft resolution which had been subject to review and revisions during the previous several days. Many divergent views and possible different interpretations with regard to parts of the draft resolution continued to exist. However, the time had now come to take a decision, and as Chairman he had put the draft resolution before the Board for action.
2. He proposed that Rule 31 of the Board's Rules of Procedure be waived in order for action to be taken in a timely manner.
3. It was so agreed.
4. The CHAIRMAN took it that the Board wished to adopt the draft resolution contained in document GOV/2004/20 without a vote.
5. It was so decided.
6. Mr. ZAMANINIA (Islamic Republic of Iran)\* said that the Director General's report contained in document GOV/2004/11 illustrated a positive trend of active cooperation by Iran as a result of which issues had been resolved or were on the verge of being resolved. The report, and in particular Section C (Assessment and Next Steps), also clearly reflected the approach that should have been adopted in producing a draft resolution for adoption by the Board — leaving aside the question of whether a resolution had been necessary. A large number of countries had not considered the present session, where only an interim report by the Director General had been presented, to be an appropriate occasion for a substantive text to be adopted. However, a resolution had been imposed on the Board by a single country and a few associates.
7. The author of the resolution might argue that it reflected the points and issues addressed in the Director General's report, but it was merely a tool designed to serve a narrow-minded, increasingly isolated conviction which was in no way supported in the report.
8. The Director General had repeatedly stated in the Board that: the actions being taken by the Agency were work in progress; extensive active cooperation was being provided; there had been no impediments to access; the additional protocol had been signed and was being applied voluntarily; Iran's rightful enrichment activities had been suspended voluntarily as a confidence-building measure; all essential and urgent requirements had been met; corrective measures had been, or were being, taken; and outstanding issues were being resolved one by one.
9. Although the Director General had referred to a few shortcomings, they could not — to a fair-minded observer — imply a reversal of, detour in or threat to the process now under way. However, the resolution just adopted sought to portray a rather benign situation with progress taking place as a state of high alert. Some minor modifications had been made to the earlier version, thanks to the position of principle of many countries, but the version adopted still represented a serious setback. In that connection, his delegation was grateful to the Vienna Chapter of the Non-Aligned Movement

(NAM), and in particular its Chairman, and to the Troika for their efforts to bring the draft text into line with the Director General's report.

10. To dispel doubts and promote transparency and confidence in its peaceful nuclear programme, Iran had been called upon to sign and verify an additional protocol to its safeguards agreement, and to apply the additional protocol provisionally pending its ratification. The additional protocol was now fully in place.

11. The same was true for the suspension of enrichment-related and reprocessing activities, the voluntary decision on which had not been an easy one for Iran to take given the right of NPT parties to use nuclear technology for peaceful purposes. In paragraph 72 of his report, the Director General had welcomed that decision as a confidence-building measure. Regrettably, however, the author of the draft resolution just adopted had, in order to avoid acknowledging a positive trend, resorted to linguistic distortion in operative paragraph 3, vehemently rejecting an amendment proposal made by NAM with a view to bringing the text somewhat more into line with the Director General's report.

12. Three months previously, the Agency had been saying that Iran had made a quantum leap in the construction of the Uranium Conversion Facility (UCF) at Isfahan and that the UCF issue was unlikely to be resolved with ease. Now the Agency was acknowledging that Iran's declaration regarding the UCF appeared to be credible. When Agency inspectors next visited Isfahan, they would need only to compare some documents in order to determine that the issue was resolved.

13. Iran's laser enrichment activities had also been regarded as a major outstanding issue. In the Director General's report, however, it was stated that the information provided by Iran about its MLIS programme appeared to be coherent. As regards its AVLIS programme, Iran was not expected to do anything more.

14. As far as Iran was concerned, the laser enrichment issue had also been resolved, although the Agency needed to obtain confirmation from third countries regarding deliveries of equipment related to the AVLIS programme.

15. The question of plutonium had been highlighted as an issue of concern and contention at the November meetings of the Board. Now, the only debatable point was the accuracy of produced plutonium weight calculations performed by an Iranian scientist, who had estimated that 200 µg of plutonium had been produced while the Agency had estimated that approximately 200 mg could have been produced. The Agency was awaiting the results of sampling in that connection, but his delegation was confident that the issue would be resolved the next time Agency inspectors focused on it.

16. With regard to the question of polonium-210, Board members might care to consult the Iranian comments and explanatory notes contained in document INFCIRC/628. The work being done in Iran in connection with polonium-210 was pure research, and his country had provided the Agency with 41 pages of information about it — information that was still to be analysed by the Agency. His delegation was confident that Iran's explanations would be confirmed by the Agency's analysis of that information. Suffice it to say that beryllium was indispensable for research geared primarily to military programmes, but beryllium had never been on Iran's shopping list. Moreover, if Iran had 13 years previously had a military application in mind for its research on polonium-210, what had prevented it from repeating the research during the past 13 years? Why had the project in question been abandoned? In any case, neither its safeguards agreement nor the additional protocol thereto required that Iran report on its research on polonium, which, as a neutron source, had widespread civilian applications — particularly in oil well and gas well logging.

17. The only outstanding issue that might prove somewhat difficult to resolve, given the involvement of a foreign source, was that of uranium enriched to beyond 1.2%. However, even the question of

contamination might be resolved sooner rather than later following recent revelations emanating from third countries. For its part, Iran would reconstruct the movements of components imported into Iran in order to isolate contamination to the extent possible and thereby enable the Agency to resolve the issue through further swipe sampling. In Iran's view, as the results of further swipe sampling became available more pieces of the puzzle would fall into place.

18. On the other hand, Iran believed that the question of the P-2 centrifuge design drawings had been blown up out of all proportion, as indicated in document INFCIRC/628. On 13 February 2004, prominent newspapers in Europe and the United States had claimed that Agency officials had discovered that Iran was producing nuclear weapons. They had been very creative in their stories, which they had attributed to Agency officials. For example, in an article entitled "Blueprints prove Iran is pursuing nuclear weapons", *The Times* had stated that "Several IAEA officials said they believed Iran had bought the same nuclear warhead design that Libya handed over to the IAEA." The Agency uranium enrichment expert who had inspected Iran's P-2 centrifuge design drawings, observed associated experiments and testing activities and interviewed the contractor in question was best placed to say whether the various reports had been justified or exaggerated.

19. Besides the question of exaggeration by the media and the Agency, there was the question of confidentiality; the confidentiality provided for in the Agency's Statute and the additional protocol to Iran's safeguards agreement had been breached.

20. All research and manufacturing activities relating to P-2 centrifuges had been done by a small private workshop, which had made components for only one set of centrifuges. Those components were now in a storage facility visited by Agency inspectors.

21. As regards the omission from Iran's 21 October 2003 declaration of any reference to P-2 centrifuge design drawings, he said that the explanation could be found in document INFCIRC/628 and in paragraph 47 of the Director General's report. Referring to paragraph 46 of that report, he said that the Iranian authorities had never meant to state that they had neglected to include the P-2 design and related information in the 21 October declaration due to time pressure. The crux of the matter appeared to be a difference of view between Iran and the Agency with regard to timing. Those who had provided the information for the declaration of 21 October 2003 had thought that they were expected to provide a full picture of those nuclear activities, including centrifuge R&D involving nuclear material, which represented a failure of Iran to fulfil the obligations arising out of its safeguards agreement; it had been their understanding that the P-2 design was to be reported on pursuant to the additional protocol. Iran had not stood to gain by reporting on the P-2 design pursuant to the additional protocol rather than in the declaration of 21 October 2003. It had been a matter of a judgement made in good faith.

22. What should be important for the Agency and the Board was the fact that Iran had provided complete information on the nature and scope of its activities relating to the P-2 centrifuge and would provide any clarifications that the Agency might require in order to be able to confirm that Iran's gas centrifuge programme — now suspended — had been based entirely on the P-1 centrifuge.

23. Iran's agreement with three European countries had laid the foundations for a new chapter in the cooperation between Iran and the Agency, opening the way for further Iranian commitments. Iran had been faithful to those commitments, making every effort to ensure that the process of cooperation was efficient, expeditious and exhaustive and would lead to a definitive conclusion. A fair and balanced review of the substantive progress made in resolving major issues since October 2003 attested to that fact.

24. Iran had no doubt that, if the process of cooperation was allowed to continue in a positive context of mutual understanding and cooperation, the questions referred to in the Director General's report



would be settled by the next session of the Board. Also, by that time Iran would have provided, to the best of its ability, the additional information requested by the Secretariat to help clarify the complex issue of contamination — an issue identified in the Director General's opening statement as one calling for further cooperation on the part both of Iran and of other parties.

25. In the opinion of Iran, by the Board's next session its obligations and commitments would have been met and the necessary corrective measures completed. That opinion was supported by the opening statement of the Director General, despite his characterization of the P-2 centrifuge issue as 'a setback' — a characterization which the Iranian delegation believed would ultimately prove to be incorrect.

26. The fundamental conclusion constituting the essence of the safeguards system was a conclusion of non-diversion of nuclear material and activities for military purposes. Since November, when the Director General had reported no evidence of diversion, a robust system of verification had been in place in Iran. There was still no evidence of diversion, and there would be no such evidence in the future.

27. It was difficult for some to accept the fact that Iran's nuclear programme was exclusively peaceful; those who had for so long based their policies and approaches on the false perception that Iran was seeking weapons of mass destruction could not change course with ease. However, they might ultimately come to accept the truth, which would be gradually confirmed by the Agency's inspectors.

28. The now public attempts being made to disrupt a healthy process were clearly out of order. There existed a fervent unjustified desire to maintain undue pressure on Iran through the misrepresentation of facts, exaggeration of the importance of minor mistakes and unjustifiable prejudgements. The move to force through a tough resolution had been fuelled primarily by ideological emotions. A great deal of damage had been done, and recovery would require enormous efforts. However, his delegation hoped for a change in the thinking of those with obstinate minds and cold hearts, so that a different spirit would prevail in June and the Board's March session would become just a bad memory.

29. Mr. GULAM HANIFF (Malaysia), speaking on behalf of the Vienna Chapter of the Non-Aligned Movement (NAM), said that the Director General's report in document GOV/2004/11 clearly pointed to increased cooperation between Iran and the Agency — cooperation which Iran had continued to intensify by taking necessary corrective measures.

30. The Secretariat was to be commended for the extensive verification activities carried out by it since November 2003, but NAM would like it to expedite its efforts — particularly the analysis of environmental samples — in order to resolve outstanding issues as soon as possible.

31. NAM welcomed the progress made by Iran with regard to actions called for in the resolution contained in document GOV/2003/81, which had been adopted without a vote by the Board in November 2003. It was particularly pleased that Iran had signed an additional protocol to its safeguards agreement on 18 December 2003, was already acting as if the additional protocol was in force and had expressed its full commitment to submitting the required declarations on the basis of the timetable envisaged in the additional protocol, starting on 18 December.

32. NAM also welcomed Iran's active cooperation in providing information, making people available for interviews and granting the Agency access to and permission for environmental sampling at all locations in respect of which the Agency had made requests. Especially noteworthy had been the granting to Agency inspectors of complementary access to six additional locations at short notice, including workshops at military sites, and the provision of information for the purpose of resolving the outstanding issue of contamination.

33. In addition, NAM welcomed: the fact that Iran had voluntarily suspended its enrichment and reprocessing activities and had invited the Agency to verify the suspension; the fact that Iran had, in January 2004, provided drawings, technical reports and other information regarding the conduct of uranium conversion experiments, enabling the Agency to reach a preliminary conclusion that earlier Iranian statements appeared to be credible; and the fact that Iran had declared all nuclear material to the Agency for verification and had provided all inventory change and material balance reports and physical inventory listings requested by the Agency.

34. NAM had noted the confirmation by Iran that the declaration submitted to the Agency on 21 October 2003 had covered all the items required under Iran's comprehensive safeguards agreement and that subsequent declarations would be made in accordance with Iran's obligations under the additional protocol and verified routinely thereafter.

35. NAM had also noted that Iran had suspended its enrichment and reprocessing activities and had agreed to monitoring of the suspension by the Agency. Given the inalienable right of all Member States to develop atomic energy for peaceful purposes, Iran's voluntary gesture should be seen as a confidence-building measure aimed at bringing about prompt closure of the issue.

36. In welcoming the transparency and cooperation of Iran, NAM believed they would lead to a new chapter in the relations between Iran and the Agency.

37. NAM, which attached great importance to the Board's taking decisions by consensus, strongly advocated positive engagement and dialogue between Member States. In that connection, it commended the efforts of certain European and other Member States to foster an environment of cooperation and would like to see other Member States joining in those efforts.

38. With regard to the adoption without a vote of the draft resolution contained in document GOV/2004/20, NAM, which had proposed several amendments to an earlier text, understood operative paragraph 9 to mean that the Board would reach appropriate conclusions at its June meetings on the basis of the Director General's next report.

39. NAM, like the Director General, looked forward to a time when all outstanding issues had been resolved and international confidence restored.

40. Mr. MURPHY (Ireland)\*, speaking on behalf of the European Union, said that the acceding countries Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia and Slovenia, the candidate countries Bulgaria, Romania and Turkey, the countries of the Stabilization and Association Process and potential candidates Albania, Bosnia-Herzegovina, Croatia, The Former Yugoslav Republic of Macedonia and Serbia and Montenegro, the EFTA countries Iceland and Norway, and members of the European Economic Area associated themselves with his statement.

41. The European Union had noted that Iran had improved its cooperation with the Agency, presenting material for verification, and welcomed the now improved access to locations. It supported the Director General's request for the prompt provision of detailed information.

42. The European Union welcomed the signing by Iran on 18 December 2003 of an additional protocol. It understood that Iran had been acting in accordance with the additional protocol's provisions since 10 November 2003 — something which it also welcomed. It expected Iran to submit an expanded declaration before the June session of the Board.

43. The European Union was continuing to look for ways to achieve full international confidence regarding Iran's commitment to non-proliferation, and particularly the peaceful nature of Iran's nuclear programme. In that connection, it welcomed Iran's decision, as recorded in paragraph 62 of the Director General's report, to voluntarily suspend the assembly and testing of centrifuges and the

domestic manufacture of centrifuge components. That decision was a step in the right direction, and the European Union hoped that Iran would immediately suspend all activities related to enrichment and reprocessing at all locations in Iran, including the domestic manufacture of centrifuge components even when covered by existing contracts.

44. It was essential that the declarations made by Iran provide a correct, complete and final picture of its past and present nuclear programme. The European Union had therefore noted with great concern that, in addition to the revelations in previous reports and to the related unanswered questions, the Director General's latest report revealed a number of further omissions by Iran and raised new questions about its nuclear programme. Of particular concern were:

- The still unresolved issue of the LEU and HEU contamination discovered at the Kalaye Electric Company workshop and at Natanz. The Director General had stated that, until that issue had been satisfactorily resolved, it would be very difficult for the Agency to certify that there had not been any undeclared nuclear material or activities. The European Union had in particular noted with great concern that in the Director General's view the level of contamination suggested the presence of more than just trace quantities of HEU;
- The issue of the omission from Iran's declaration — a document characterized by Iran as providing “the full scope of Iranian nuclear activities” and “a complete centrifuge R&D chronology” — of any reference to Iran's possession of P-2 centrifuge design drawings and to associated research, manufacturing and mechanical testing activities. Such omissions undermined credibility;
- The issue of the purpose of Iran's activities relating to the production and intended use of polonium-210. The Director General had concluded that further clarification was necessary.

45. The European Union, which endorsed the Director General's assessments regarding those issues, urged Iran to cooperate fully and proactively with the Agency in resolving all outstanding issues in a spirit of full transparency.

46. The European Union had noted the Director General's conclusion that the conversion and centrifuge programmes of Iran and Libya shared common elements and that the basic technology had been obtained largely from the same foreign sources. It endorsed the Director General's call for full cooperation on the part of all Member States in identifying the supply routes and sources of the technology and related equipment and nuclear and non-nuclear materials.

47. The resolution of outstanding issues depended to a great extent on the cooperation of countries where items imported into Iran were believed to have originated. The European Union therefore urgently called on all countries to cooperate fully with the Agency in the clarification of the issues involved.

48. The European Union, which welcomed the adoption of the draft resolution in document GOV/2004/20 by consensus, regarded the Director General's report in document GOV/2004/11 as an interim report and was looking forward to the submission of a further report by the Director General to the Board for consideration at its June session.

49. Ms. HALL (Canada) said that the disturbing record of Iran with regard to the implementation of its safeguards agreement had first come to the attention of the Board in March 2003. Since that time, further revelations had increasingly called into question the assurances given by the Iranian Government about the nature of and intentions behind Iran's nuclear programme.

50. In November 2003, despite clear evidence of non-compliance by Iran with its safeguards agreement, the Board had decided against finding Iran in non-compliance, because the Iranian Government had insisted that it did not have ill intentions and that it had made a full declaration of its nuclear activities. In the resolution adopted by it on 26 November 2003, the Board had stated that it considered it “essential that the declarations that have now been made by Iran amount to the correct, complete and final picture of Iran’s past and present nuclear programme”.

51. In his latest report, the Director General informed the Board that Iran’s previous declarations had been neither correct nor complete — and apparently not final either. For example, Iran had failed to inform the Agency of its possession of an advanced P-2 gas centrifuge design and its conduct of related development activities — a failure which the Director General had described as “a matter of serious concern, particularly in view of the importance and sensitivity of those activities.”

52. That failure was not an isolated one, but part of a pattern of concealment which reached back nearly 20 years, being punctuated by bursts of cooperation only when the Agency presented the Iranian authorities with evidence of further undeclared activities.

53. Also, that failure was not the only disturbing thing to emerge since November. Iran’s claim that the HEU contamination discovered by the Agency was of foreign origin — a claim yet to be substantiated — appeared to be incompatible with the HEU concentration found in one particular room.

54. Iran had also failed to inform the Agency about its experiments with polonium and to provide it with a plausible explanation for them. In his report, the Director General had expressed concern that those experiments might have a military purpose, since polonium could be used as a detonator in some nuclear weapon designs.

55. Moreover, the fact that Iran had under-reported the amount of plutonium which it had separated in undeclared processes by a factor of approximately a thousand was astonishing.

56. On 25 February 2004, Mr. Hassan Rowhani, Secretary of Iran’s Supreme National Security Council, had been reported by the Iranian News Agency as stating that Iran was harbouring other undeclared activities and facilities and that it had no intention of reporting them to the Agency. Such a statement was not in keeping with Iran’s claims of full transparency. If the pattern of concealment by Iran persisted, Iran would presumably admit omissions and failures to the Agency only when evidence of the undeclared activities in question was discovered through the persistent efforts of the Department of Safeguards.

57. In his report, the Director General had pointed to similarities between the nuclear programme of Iran and that of Libya. Given those similarities and the fact that Iran had been involved in the same black market network as Libya, the question arose as to whether Iran, like Libya (as reported by the Director General), had acquired a design for a nuclear weapon.

58. In November, the Board had welcomed Iran’s decision to suspend all enrichment-related activities. However, Iran had not followed through on that decision. Instead, it had proceeded to assemble 120 more centrifuges. Furthermore, when offering on 24 February 2004 to suspend centrifuge assembly, Iran had indicated that it would continue manufacturing and stockpiling centrifuge components, suspending assembly only “to the furthest extent possible”. In her country’s view, only a total suspension of Iran’s enrichment programme, verified by the Agency, would create an atmosphere in which Iran could hope to regain the trust which it had lost as a result of concealing sensitive aspects of its nuclear programme.

59. The resolution adopted in November 2003 had put Iran on notice that further safeguards violations would not be tolerated and that the Board would consider “all options at its disposal” in accordance

with the Statute “should any further serious Iranian failures come to light”. In Canada’s view, the Iranian omissions reported by the Director General constituted further serious failures and the Board should act accordingly. However, Canada recognized that the prevailing opinion in the Board was to reserve judgement until its meetings in June, giving Iran a further last chance to cooperate fully and transparently with the Agency and completely suspend its enrichment-related activities. She hoped that all Governors agreed that, if Iran did not take that last chance, the Board would have no option but to fulfil its responsibility under Article XII.C of the Statute.

60. Mr. JENKINS (United Kingdom) said his delegation welcomed the signing by Iran of a additional protocol to its safeguards agreement and hoped that Iran would ratify the additional protocol without delay. A lengthy delay would not help Iran to rebuild international confidence in its intentions. In the meantime, Iran should comply with all the provisions of the additional protocol, in accordance with its November 2003 communication to the Director General.

61. Immediate full suspension of all enrichment-related and reprocessing activities in Iran was of the utmost importance for confidence-building. Iran’s extended commitment of 24 February had been a useful step in that direction.

62. His delegation welcomed the clarification provided by Iran of its position regarding the suspension which it had announced, and particularly the assurance that the suspension applied to the manufacturing, testing and assembly of centrifuges and their components, “including those relating to the existing contracts, to the furthest extent possible”, and to the whole of Iran. The Secretariat should now consider carefully, together with Iran, how the suspension could be effectively and demonstrably verified.

63. It appeared from the report by the Director General that key information had not been volunteered by Iran; the Agency had had to extract it. That was in contrast to the Agency’s experience in the case of Libya, which had proactively offered information and had responded promptly whenever new questions had arisen. Iran needed to intensify its cooperation and become more proactive.

64. Failure to mention the P-2 centrifuge programme in a declaration that Iran had claimed to be a “full picture of its nuclear activities” was a matter of very serious concern. Other things that Iran had failed to mention included two mass spectrometers used in its laser enrichment programme and designs for the construction of hot cells at Arak.

65. The still unclear origin of the LEU and HEU contamination found at the Kalaye Electric Company and at Natanz was a very significant outstanding question. Other outstanding questions related to the history of centrifuge development in Iran, the proposed heavy water reactor, the purpose of polonium-210 experiments and the extent of laser enrichment work. In order to regain the trust of the international community, Iran would have to do everything within its power to resolve those questions by — inter alia — providing detailed and accurate information about every aspect of its past and present nuclear activities.

66. The recent revelations that a network of suppliers had been able and willing to provide Libya with nuclear weapons designs, in addition to centrifuge designs, were very disturbing. Thus, it was more imperative than ever for the Agency to be given every opportunity to form a comprehensive picture of the technology, materials and equipment procured by Iran from foreign sources.

67. The Board should discuss all the aforementioned issues in June in the light of a further report by the Director General, which his delegation looked forward to receiving in good time.

68. If that report indicated full cooperation on the part of Iran, good progress towards resolving all outstanding issues and the absence of any further significant Iranian failures, the Board could in June consider whether the conditions existed for it henceforth to deal with the question of safeguards in Iran

in accordance with the normal practice pertaining to the implementation of safeguards agreements and additional protocols.

69. Ms. STOKES (Australia) said that the report by the Director General showed that Iran was still far from dispelling international concerns about its nuclear programme. Iran had yet to provide satisfactory explanations about some of that programme's most sensitive aspects.

70. The report also raised further questions of serious concern, relating to — inter alia — the manufacture and testing of a P-2 centrifuge and efforts to produce polonium-210. Iran had failed to mention the activities in question in its 21 October 2003 declaration, which it had described as providing “the full scope of Iranian nuclear activities” and “a complete centrifuge R&D chronology”.

71. The Iranian authorities, which had indicated that they recognized the need to establish confidence within the international community regarding the peaceful intent of Iran's nuclear programme, should realize that the continuing discovery of significant undeclared nuclear and nuclear-related activities would undermine their efforts to establish confidence.

72. The report by the Director General also revealed that two undeclared mass spectrometers had been used at Karaj for isotope enrichment measurements within the framework of Iran's laser enrichment programme. The matter was one of serious concern to Australia since it had exported a mass spectrometer to Iran for use at Iran's Agricultural and Medical Research Centre. Australia's Foreign Minister had informed the Australian Parliament on 10 March 2004 that one of the mass spectrometers mentioned in the report was an instrument supplied by an Australian company. Iran had informed Australia that it had used that instrument on one occasion for analysing samples from the AVLIS programme. Such use conflicted with explicit export conditions limiting the use of the mass spectrometer to agricultural and medical research. The Australian Government had sought a full explanation from Iran and was evaluating the information that had been made available so far.

73. Countries wishing — like Iran — to benefit from access to advanced technologies needed to be able to assure suppliers that the equipment supplied by them would not be used in a manner contrary to the conditions of supply. As long as serious concerns about Iran's nuclear programme remained, it would be difficult for suppliers to be confident that advanced technologies provided by them would not be used to support nuclear activities.

74. The declarations to be provided by the Iranian authorities pursuant to the additional protocol that Iran had signed would need to be complete. Moreover, Iran should not wait until those declarations were provided before bringing further significant matters to the Agency's attention; it should act promptly in order that the Agency's verification activities might proceed expeditiously. Iran had accepted Australia's offer of assistance in matters relating to the implementation of its additional protocol, and Australia stood ready to send an expert to Iran as soon as the Iranian authorities proposed suitable dates.

75. The report by the Director General mentioned a number of outstanding issues, such as the origin of the HEU particles found at Kalaye and Natanz and aspects of Iran's laser enrichment programme. Her delegation noted that the Director General had called on Iran to intensify its cooperation with the Agency, particularly by providing detailed information promptly.

76. There had been positive developments since the Board had last considered the issue of Iran's nuclear programme, particularly the signing by Iran of an additional protocol — which Iran had undertaken to implement in full — and the broadening by Iran of its suspension of enrichment-related activities. It was important that the suspension be broadened to encompass the manufacture of centrifuge components.

77. Agency inspectors had made good progress in Iran, and the close scrutiny of Iran's nuclear programme by the Board had been fundamental to that progress. However, the Board would have to maintain its close scrutiny until Iran had fully met the international community's concerns.

78. Given the range and nature of the nuclear activities that had come to light in Iran, the significant outstanding issues under investigation and the new concerns raised in the latest report by the Director General, it was clear that much more work needed to be done before the international community could be confident that Iran's nuclear programme was for exclusively peaceful purposes. Iran and other relevant States should cooperate to the fullest extent with the Agency in its investigations.

79. Mr. SREENIVASAN (India) said that his delegation had agreed to the adoption without a vote of the draft resolution in document GOV/2004/20 because the draft resolution expressed appreciation to Iran for its cooperation and its proactive implementation of the measures suggested by the Agency and the Board, thanked the Agency for its thorough and painstaking investigations — including investigations relating to sources of equipment — and encouraged Iran and the Agency to proceed on the present path until all issues had been resolved.

80. Developments since the November 2003 session of the Board justified optimism regarding continued cooperation between Iran and the Agency. Iran had delivered on its commitments to the Board by signing and implementing an additional protocol to its safeguards agreement, by suspending enrichment-related and reprocessing activities and by providing the Agency with access to facilities, materials and personnel. For its part, the Agency was to be commended for dealing with all the complex tasks involved both diligently and impartially.

81. His delegation, which looked forward to the Director General's next report, believed that any action taken by the Board in June should be based on that report.

82. Mr. THIEBAUD (France) said that some recent developments relating to the Iranian nuclear programme were grounds for continued concern. Moreover, there had been no progress in respect of several key issues — in particular, the origin and quantity of the HEU traces detected at the Kalaye Electric Company and Natanz, the nature and extent of the laser enrichment programme, and the heavy water reactor programme with associated hot cells. Iran should respond fully to the Board's request that it take all necessary measures to resolve the outstanding issues.

83. It was even more disturbing that Agency investigations had resulted in the Iranian authorities revealing previously undeclared activities, including a P-2 centrifuge development programme and polonium-210 experiments.

84. However, the Iranian authorities had, by submitting declarations and providing access, enabled the Agency to gain a better understanding of Iran's past nuclear activities. Also, they had signed an additional protocol to Iran's safeguards agreement and had already begun implementing it provisionally pending its entry into force — something which the international community had long been waiting for.

85. While welcoming the decision of the Iranian authorities to suspend Iran's enrichment-related activities and the positive step which they had taken on 24 February by broadening the scope of the suspension, the international community still believed that they should, in order to regain its confidence, unreservedly commit themselves to a comprehensive and unrestricted suspension throughout Iran.

86. Despite the serious failings reported by the Director General, the French authorities believed that the main priority at present was encouragement of the cooperation to which the Iranian Government had committed itself. They hoped that Iran's future actions would justify that belief. His country welcomed the positive steps taken by Iran in accordance with the policy of cooperation and

transparency to which it had committed itself in the joint declaration made in Tehran by the Iranian Government and the Ministers of Foreign Affairs of Germany, the United Kingdom and France. Iran should continue taking such steps in order to fully meet the requests made by the Board.

87. The Iranian authorities needed to demonstrate increased cooperation and transparency, submit necessary information without awaiting Agency requests and — before the meetings of the Board in June — provide an exact, complete and final description of Iran's past and present nuclear programme.

88. In addition to the complete suspension of Iran's enrichment-related and reprocessing activities, the Iranian authorities should demonstrate their commitment by ratifying the additional protocol as soon as possible.

89. Pending the submission of information and declarations which Iran still had to submit, the Director General and the Board of Governors had not yet drawn any conclusions about Iran's nuclear activities. Before the Board's June session, the Iranian authorities should provide all the details necessary for resolving the outstanding issues and evaluating the overall compliance of Iran with its commitments. The draft resolution just adopted envisaged that in June the Board would examine the progress made in verifying Iran's declarations. At that time, the Board would have to assess the efforts made by Iran in that connection. If the report which the Director General had been requested to provide in May stated that there had been full cooperation on the part of the Iranian authorities, satisfactory progress towards the resolution of outstanding issues and no significant new failings, the Board could then consider whether the conditions existed for it to deal in future with the question of Iran's nuclear activities in accordance with its normal practice regarding the implementation of safeguards agreements and additional protocols.

90. Mr. HONSOWITZ (Germany) said that, although the Board now had a clearer picture of Iran's nuclear programme, some important questions were still unresolved.

91. Germany welcomed the steps taken by Iran to enhance the confidence of the international community, particularly its signing of an additional protocol to its safeguards agreement and its declaration of willingness to implement the additional protocol provisionally pending its entry into force — a willingness already demonstrated by, inter alia, improvements as regards the granting of access for Agency inspectors. However, Iran should ratify the additional protocol without delay.

92. Iran's increasing cooperation with the Agency was appreciated, but Iran needed to be more forthcoming. It should further intensify its cooperation and speed up the delivery of information requested by the Agency.

93. The immediate full suspension of all enrichment-related and reprocessing activities was of utmost importance for enhancing confidence. His country welcomed the extended commitment made by Iran on 24 February 2004 as an important step in the right direction.

94. Germany deplored the failure of Iran to declare its possession of a P-2 centrifuge design and related R&D activities. That failure was inconsistent with Iran's declared commitment to full transparency. His country was equally concerned about the still unclear origin and quantity of the LEU and HEU contamination found at the Kalaye Electric Company and Natanz. In addition, there were important open questions relating to — inter alia — the experiments leading up to the production of polonium-210, heavy water technology and laser enrichment experiments.

95. Iran needed to act promptly and in a spirit of full transparency and proactive cooperation so that the Agency might resolve all outstanding issues before the June session of the Board.



96. If the report to be provided by the Director General in May indicated full cooperation on the part of Iran, good progress towards resolving all the outstanding issues and no further significant failures, the Board could in June consider whether the conditions existed for it to deal with the question of Iran's nuclear activities in accordance with its normal practice regarding the implementation of safeguards agreements and additional protocols.

97. Meanwhile, Germany would like to see all countries cooperating fully with the Agency in the clarification of the outstanding issues.

98. Mr. TAKASU (Japan) said that his country welcomed: the decision of Iran to sign an additional protocol to its safeguards agreement and its intention to act in accordance with the additional protocol pending its entry into force; the provision by Iran of information on all declared nuclear material for Agency verification; Iran's active cooperation with the Agency, including the provision of requested access; and the decision of Iran to expand the scope of its suspension of enrichment-related activities. It looked forward to further proactive behaviour on the part of Iran.

99. Nevertheless, the failure of Iran to mention its possession of P-2 centrifuge design drawings and its activities relating to polonium-210 was a matter of serious concern in the light of Iran's claim to have provided "a full picture of its nuclear activities" in the declaration made by it on 21 October 2003.

100. Further analysis would be required in order to clarify the HEU contamination issue. However, Iran's stated determination to cooperate with the Agency in clarifying that issue was encouraging.

101. It was essential that Iran respond sincerely to requests made by the Board in the resolutions adopted in September and November 2003. In order to dispel the international community's serious concerns, Iran should speedily move to ratification of the additional protocol, provide explanations acceptable to the Agency regarding all outstanding issues and further intensify its cooperation with the Agency — particularly through the prompt provision of detailed information.

102. Because of its experience as the only victim of nuclear weapons, Japan had a strong position of principle on nuclear non-proliferation issues and strengthening of the NPT regime. In its view, it was indispensable that the Board send a clear and unified message to Iran and the international community regarding the issues under consideration, solution of which was essential for maintaining the NPT regime and strengthening the Agency's safeguards system. His delegation therefore welcomed the fact that the draft resolution in document GOV/2004/20 had been adopted by consensus.

103. Mr. ZHANG Yan (China) said that since the Board's November 2003 session Iran had signed an additional protocol to its safeguards agreement and undertaken to act in accordance with the provisions of the additional protocol pending the completion of the ratification process. Recently, it had announced that it would expand the scope of the suspension of its uranium enrichment-related activities. China believed that, with Iran's cooperation, the Agency was making good progress in its verification activities in Iran and that the situation was continuing to develop steadily in the right direction. The positive developments which had occurred showed that the actions taken by the Board since November had been appropriate and that the Iranian nuclear issue could very well be resolved through peaceful dialogue within the framework of the Agency. China greatly appreciated the cooperative spirit displayed by Iran and the constructive efforts made — in particular — by the Agency and the United Kingdom, France and Germany.

104. China, which consistently maintained that Iran should cooperate fully with the Agency, hoped that Iran would ratify the additional protocol at the earliest possible date.

105. In his report, the Director General had drawn attention to a number of issues — including some new ones — requiring clarification by Iran. China hoped that Iran would continue to cooperate fully with the Agency with a view to clarifying those issues as soon as possible.

106. The resolutions adopted by the Board on the Iranian nuclear issue had provided a basis for a peaceful solution. China would support the Director General and the Secretariat as they took further necessary actions under the authority of the Board. At the same time, it was of the view that, in addressing the remaining issues, the Board should encourage constructive dialogue, consultations and cooperation with Iran in order that the Iranian nuclear issue might be appropriately resolved within the framework of the Agency — an outcome that would be not only of great significance for preservation of the international nuclear non-proliferation regime and the Agency's credibility and for the promotion of international cooperation in the peaceful uses of nuclear energy, but also in the interests of the entire international community, including Iran, the right of which, as a party to the NPT, to use nuclear energy for peaceful purposes should be respected.

107. Mr. BERDENNIKOV (Russian Federation) said that his country welcomed the fact that Iran had signed an additional protocol to its safeguards agreement. Iran had thereby demonstrated its intention to move steadily towards ensuring full transparency of its nuclear programme. Russia would like to see many more Member States concluding safeguards agreements and additional protocols. The fact that Iran had been voluntarily implementing the additional protocol signed by it since the date of signing was also very welcome.

108. The Russian Federation greatly appreciated the Agency's efforts to carry out the verification activities provided for in the additional protocol. In its view, ratification of the additional protocol — after which all formalities connected with its entry into force should have been completed — would not take very long.

109. One of the most welcome decisions taken by Iran had been its voluntary decision to suspend all uranium enrichment-related and reprocessing activities. As stressed in the resolution adopted by the Board on 26 November 2003, the voluntary suspension by Iran of all such activities was “of key importance to rebuilding international confidence”.

110. A number of European countries had recently worked closely with Iran on a wide range of issues and had made significant progress. Russia, which greatly appreciated their efforts, had continued to engage with the Iranian leadership with a view to strengthening Iran's cooperation with the Agency, and it welcomed Iran's decision to suspend the assembly and testing of centrifuges and the production of centrifuge components and to accept Agency verification of the suspension.

111. Cooperation between the Iranian authorities and Agency inspectors had also significantly improved, as a result of which the Iranian nuclear programme was becoming increasingly transparent for the international community. Particularly noteworthy were the provision by Iran of information on all its declared nuclear material and the granting of access to all locations to which Agency inspectors had requested access, including workshops at military sites. Iran's cooperation had enabled Agency inspectors to gain a fuller picture of the Iranian nuclear programme and to obtain additional information about the work carried out on second-generation centrifuges.

112. As could be seen from the Director General's report, the Agency proposed to continue its verification work in Iran with a view to clarifying certain outstanding issues. The Russian Federation, which would support the Director General's approach, was sure that the Iranian authorities would continue their active cooperation with the Agency in a constructive manner, strictly observing the provisions of Iran's safeguards agreements and, as a confidence-building measure, implementing the provisions of the additional protocol. It hoped that intensification of the process of successful

cooperation between Iran and the Agency would soon enable the Board to draw appropriate conclusions and close the “Iran file”.

113. It was in that spirit that his delegation understood operative paragraph 9 of the resolution just adopted.

114. Mr. ABDENUR (Brazil) said his delegation was pleased that the draft resolution in document GOV/2004/20 had been adopted without a vote and with strong and wide support from the Board’s membership.

115. His Government welcomed the fact that Iran had been acting constructively in response to the serious and legitimate concerns expressed in the Board and within the international community at large. Also, it was pleased that Iran had gone so far as to sign and provisionally apply an additional protocol to its NPT safeguards agreement with the Agency. It hoped that the Iranian Government would continue to cooperate fully with the Agency, by — inter alia — providing access to all locations to which the Agency requested access and to all requested information, in order that all outstanding issues might be satisfactorily clarified.

116. The Director General and the Secretariat were to be commended for the way in which they were carrying out their important mission, and they had his Government’s full support. Brazil attached particular importance to a successful completion by the Agency of its investigation of the supply routes and sources of the technology, materials and equipment in question, as the existence of such an illicit trafficking network was a serious new challenge to the nuclear non-proliferation regime.

117. Brazil looked forward to seeing the issue of Iran’s nuclear activities clarified at the earliest possible date, so that the application of safeguards in Iran might once again be based on the normal procedures consistent with Iran’s commitments vis-à-vis the Agency.

118. Ms. BRIDGE (New Zealand), thanking the Director General for his report, said her delegation had noted that the report was of an interim character and that a number of issues still had to be clarified.

119. New Zealand was encouraged by the markedly great cooperation of Iran in recent months, including the signing by Iran of an additional protocol to its NPT safeguards agreement and Iran’s undertaking to act in accordance with the provisions of the additional protocol. Also, her country welcomed the further information and access to sites — including workshops at military locations — and personnel provided by Iran and Iran’s agreement to take further important steps with regard to the suspension of reprocessing and uranium enrichment-related activities as a confidence-building measure. They augured well for the future.

120. At the same time, New Zealand was disappointed at the further revelations about Iran’s nuclear activities made and the still outstanding issues identified in the Director General’s report. Her delegation had noted in particular the serious concern of the Director General about the omission of information about P-2 centrifuges from Iran’s 21 October declaration — an omission which the Director General had described as a setback to Iran’s policy of transparency. It had also noted that LEU and HEU contamination remained a major outstanding issue and that the purpose of Iran’s production of polonium had been described as a concern.

121. New Zealand urged Iran to ensure full cooperation with the Agency and full transparency in order that the outstanding issues might be resolved as soon as possible.

122. Also, it strongly endorsed the Director General’s call for full cooperation on the part of third countries with regard to foreign supply routes and sources of sensitive nuclear technology.

123. The current process of engagement between Iran and the Agency was the key to building confidence within the international community, and it must be maintained. Her country looked forward to the time when all outstanding issues would have been resolved and Iran's nuclear programme was no longer in question.

124. New Zealand, which had full confidence in the Director General and his staff, welcomed the fact that the draft resolution in document GOV/2004/20 had been adopted by consensus and that the international community had thereby spoken with a single voice.

125. Mr. GANDARIAS CRUZ (Cuba) said that his delegation had had the privilege to participate, together with the Chairman of the Vienna Chapter of NAM, in the negotiations which had led to the precarious consensus on the draft resolution just adopted. His delegation's basic concern had been to arrive at a text which precisely reflected the results of Iran's cooperation with the Agency. In its view, however, some parts of the draft resolution should have been worded differently.

126. His delegation hoped that an immediate consequence of the exercise just completed would be a strengthening of the multilateral regime of which the Agency was a part. It also hoped that closer cooperation between Iran and the Agency would permit a return to normality as regards the implementation of NPT safeguards in Iran.

127. Mr. Chung-ha SUH (Republic of Korea), having welcomed the adoption without a vote of the draft resolution in document GOV/2004/20, commended the Director General and his verification staff on the strenuous efforts made and unique professionalism displayed by them in achieving significant progress in the implementation of Iran's NPT safeguards agreement.

128. His country welcomed the continued commitment of Iran to cooperation with the Agency in resolving the various outstanding safeguards issues, and particularly the granting to the Agency of access to all locations to which the Agency had requested access, including a number of workshops at military sites. It also welcomed the signing of an additional protocol by the Iranian Government, and it hoped that the additional protocol would be ratified soon.

129. His country had noted the decision of Iran to expand the scope of the suspension of its enrichment-related and reprocessing activities. Full implementation of that decision would be an important confidence-building measure. It was to be hoped that Iran would continue to cooperate fully with the Agency, providing the additional information necessary for effective monitoring and verification of the expanded suspension.

130. At the same time, his delegation had noted with concern the questions raised by the Director General in his report and his introductory statement.

131. Above all, Iran should, as it had committed itself to doing, provide further clarifications regarding its possession of P-2 centrifuge designs and related R&D work in order that the Agency might gain a complete picture of its nuclear activities.

132. In addition, the discrepancies between Iran's explanations and the results of environmental sample analyses relating to HEU and LEU contamination had still to be resolved, and the issue of the production of polonium-210 called for further clarification. As the Director General had emphasized, it was vitally important that Iran promptly provide all the information which the Agency requested in order to verify the correctness and completeness of the declaration made by Iran regarding its nuclear material and activities.

133. His delegation endorsed the Director General's appeal for full and prompt cooperation on the part of all third countries, which should help the Agency to clarify the outstanding issues with regard

to foreign sources of nuclear technology and equipment. It hoped that those countries would offer the Agency their unrestricted cooperation.

134. The importance which the international community attached to nuclear non-proliferation could not be overemphasized. In that connection, his Government had consistently advocated a strong and credible nuclear non-proliferation regime and extended its unwavering support to the Agency's safeguards system. In line with that commitment, the Republic of Korea attached great importance to the principle of engagement and to the resolution of contentious issues through dialogue and cooperation.

135. His country hoped that Iran would intensify its cooperation with the Agency, so that the issue under consideration might be resolved to the benefit of Iran and of the international community and the common goal of nuclear non-proliferation and greater peace and security in the region and beyond achieved.

136. Mr. MINTY (South Africa) commended the Agency for its highly professional efforts and expressed appreciation for the cooperation extended by Iran to the Agency.

137. The Director General's report and introductory statement reflected the substantial progress made with regard to the implementation of Iran's NPT safeguards agreement. In addition, however, they highlighted a number of issues of concern that required further clarification.

138. For over a decade, since the dawn of democracy in South Africa, his Government had been consistently stating its position of principle regarding the peaceful uses of nuclear energy in conformity with the NPT. While recognizing the importance of promoting international cooperation in the field of peaceful nuclear activities and the exchange of scientific information for the further development of applications of atomic energy for peaceful purposes, it believed that the possession of capabilities which could be utilized in the development of nuclear weapons placed a special responsibility on the States with such capabilities.

139. The Agency — as the only internationally recognized, credible and competent authority for verifying compliance with safeguards agreements — must be able to verify with full confidence that nuclear capabilities were being used for peaceful purposes only, and to do so through mechanisms such as the implementation of additional protocols. The States possessing capabilities which could be used in the development of nuclear weapons bore a concomitant responsibility to build confidence within the international community in their peaceful uses of nuclear energy, particularly those States which had developed full nuclear fuel cycles.

140. Regarding the nuclear capabilities being developed in Iran, his delegation had noted from the Director General's report that the Iranian authorities had provided additional information to the Agency in order to resolve some of the outstanding issues.

141. His delegation welcomed the signing of an additional protocol by Iran on 18 December 2003 as an important confidence-building measure and looked forward to early implementation of the additional protocol. Also, it had noted Iran's active cooperation with the Agency in providing access to all locations to which the Agency had requested access, and it believed that Iran's decision to expand the scope of the suspension of enrichment activities to cover remaining enrichment activities would further contribute to confidence-building.

142. A matter of concern that would require further clarification was the reported omission from Iran's letter dated 21 October 2003 of any reference to Iran's possession of P-2 centrifuge design drawings and to associated research, manufacturing and mechanical testing activities. Also, the major outstanding issue of the LEU and HEU contamination found at the Kalaye Electric Company workshop and Natanz also needed to be resolved. Furthermore, the reported discovery that Iran had

produced and experimented with polonium required clarification. South Africa would like all third countries whose cooperation was essential to provide their fullest assistance in support of the Agency's work.

143. His delegation welcomed the fact that the draft resolution in document GOV/2004/20 had been adopted without a vote. It interpreted operative paragraph 9 to mean that the Board would reach appropriate conclusions at its June meetings on the basis of the Director General's next report.

144. His delegation believed that the Board should continue acting in a coordinated and unified manner in order to resolve all the outstanding issues on the basis of consensus. It was grateful to the Director General and his staff for keeping the Board informed of developments related to implementation of Iran's NPT safeguards agreement and hoped that the outstanding issues would be resolved soon.

145. His delegation hoped that all members of the Board would remain committed to working by consensus and acting on a basis of collective unity. Genuine unity had eluded the Board on the present occasion, although it had, in his delegation's view, been within reach. Perhaps the Board would be able to build on its positive experience during the current session and work as a whole for consensus from the very outset. South Africa believed that in future all Board members would succeed in working in a cooperative and transparent manner and, through genuine negotiations and compromise, achieving unity and consensus.

146. Mr. BRILL (United States of America) said that three days previously the Board had addressed the issue of safeguards implementation in the Libyan Arab Jamahiriya and had discharged its statutory responsibilities. At the present meeting, the Board was considering another critically important nuclear non-proliferation issue — that of Iran. Although the Director General had rightly referred to some "common elements" in the Libyan and Iranian programmes, the two cases were more remarkable for their present differences than for their past similarities.

147. Libya was a Member State that had in December 2003 taken a far-sighted and courageous decision to turn voluntarily away from the pursuit of weapons of mass destruction. The Libyan Government had recognized that the pursuit of — and even the possession of — such weapons would have eroded the security of its people and would have had a crippling effect on the economic development of Libya and on Libya's prospects for integration into the international community. The decision taken in December and the many steps which Libya had taken since then to implement it had moved the issue quickly towards resolution, had increased security in the region and the world and had set a constructive example for others to follow.

148. Iran, in contrast, was continuing to pursue a policy of denial, deception and delay. Time after time, when Agency inspectors had confronted the Iranian Government with verified facts which it could no longer contest, Iran had revised its story and blamed others for its duplicity. From the beginning, however, the responsibility for prolonging the Agency's investigations had lain solely with Iran.

149. Regrettably, the months during which Agency inspectors had been trying to uncover the full facts about Iran's nuclear programme were now beginning to turn into years. In August, it would be two full years since the public revelations which had given the Agency the initial leads it had needed in order to start peeling away the layers of concealment put in place by Iran over a period of many years.

150. On 21 October 2003, finding itself under increasing pressure due to the Secretariat's inspections and the adoption by the Board of a strong resolution in September. Iran had reached a political agreement with France, Germany and the United Kingdom. In that agreement, it had committed itself

to “full cooperation with the IAEA” and “full transparency” in resolving all outstanding issues. Two days later, the Agency had received a declaration which Iran had characterized at that time as “the full scope of Iranian nuclear activities”.

151. At the November meetings of the Board, the Iranian Ambassador had given an explicit assurance that his country had gone to unprecedented lengths in trying to secure the trust and win the confidence of the international community by disclosing all its past peaceful nuclear activities. That explicit assurance had not been qualified by any reference to what Iran was legally required to disclose under either its comprehensive safeguards agreement or the additional protocol. Iran’s point of reference had been the trust and confidence of the international community, which Iran had claimed to have earned by having finally “come clean” about “all” its past and present nuclear activities.

152. At its present meeting, the Board had witnessed an attempt to substitute new assurances for the assurance given in November, which had proved to be less than credible, so that the new assurances did not deserve much credence.

153. Most Governors had been present when the Iranian Ambassador had given that assurance. Some had been sceptical; others had been ready to take Iran at its word. Common ground had been found in a resolution in which the Board had strongly deplored “Iran’s past failures and breaches of its obligation to comply with the provisions of its Safeguards Agreement”, had noted with the gravest concern Iran’s pattern of concealment and the contradictions in the varying explanations given by Iran of its activities, had requested the Director General to confirm that the information which Iran had provided in October 2003 was correct and complete and had decided that, if further serious Iranian failures came to light, it would meet to consider “all options at its disposal”.

154. Four months later, the Director General’s latest report provided a basis on which the Board could assess the value of the assurance given to it in November. The report set out facts that — by any measure — were remarkable, making it clear beyond question that the assurance that Iran had revealed “all” its nuclear activities was just another measure in its ongoing policy of deception. To cite but two examples from the report:

- When Agency inspectors had confronted Iran in January 2004 with new information, Iran had had to admit that it had failed to declare the P-2 centrifuge design drawings which it possessed and the associated research and testing which it had conducted — and that it had not previously acknowledged even the existence of a P-2 programme. There was no reason to believe that, if Agency inspectors had not followed up leads discovered during their work in Libya, Iran would have declared the P-2 programme. His delegation shared the Director General’s “serious concern” about Iran’s concealment and agreed with the Director General that the explanations which Iran had offered to date were “difficult to comprehend”;
- Agency inspectors had had to discover for themselves that Iran had carried out experiments for the purpose of producing polonium-210, a rare and fairly toxic substance that could serve as a neutron initiator in nuclear weapons but had very few civilian applications, none of which was plausible in the Iranian context given the alternatives available. Iran had not been able to document or otherwise persuasively explain why it had carried out the experiments in question.

155. The Director General’s report detailed numerous cases of information provided by Iran in explanation of its nuclear activities turning out, once again, to be either not complete or not persuasive. For example, still no credible answer had been given to the question why one room at the Kalaye Electric Company had been contaminated with uranium enriched to the 36% level. Indeed, no credible answer had yet been given to the broader question how the evidence of nuclear activities in

Iran, confirmed by environmental sampling, could be squared with the assurance given by Iran that it had never enriched uranium to more than 1.2% — an assurance which itself ran counter to the initial insistence of Iran that it had never enriched uranium at all. The issue was one which continued to pose a challenge both to Agency inspectors and to the broader international community.

156. In paragraph 75 of his report, the Director General indicated that the enrichment issue remained “the major outstanding issue” faced by the Secretariat despite all the intensive work which it had done since November. It was extraordinary that the Director General had had to state that “the Agency is still waiting for Iran to provide requested information” not only about the origin of centrifuge equipment and components but also about “the locations in Iran to which such equipment and components were moved and the associated details of timescales, and the names of individuals involved.”

157. As the months passed, the Board should once again ask whether it could really be so difficult for Iran to provide the information which the Agency needed in order to round off that aspect of its investigations. The Board should consider whether the real reason for the continuing delays was the reason why Iran had in 2003 refused for months to permit environmental sampling at the Kalaye Electric Company — the carrying out of extensive modifications intended to prevent the Agency from verifying the activities previously conducted there.

158. Was it possible that, even as the Board was meeting, squads of Iranian technicians were at still undeclared sites tiling over, painting over, burying, burning or carting away incriminating evidence before those thus sanitized sites were finally notified to the Agency in a demonstration of full cooperation and transparency? Was it possible that nuclear activities were continuing at facilities which Iran had no intention of declaring?

159. Regarding the facts which the Director General’s report revealed about the manufacturing of centrifuge components in military-industrial workshops, the Agency was to be commended for its conscientious pursuit of the truth about Iran’s nuclear programme, including the extent to which that programme involved the Iranian military. In a country like Iran, with a sophisticated and well-capitalized energy sector, it was more than curious that a nuclear programme said to be purely civilian in nature and purely for power generation purposes seemed to have much closer ties to the Iranian military than to the rest of the civilian energy sector. His delegation looked forward to learning whether the declarations to be made by Iran pursuant to the additional protocol clarified the nature and extent of military involvement in the Iranian nuclear programme. Also, the Agency should follow up on any indications that A.Q. Khan might have provided nuclear weapons design information to Iran.

160. The statement made by the Iranian representative earlier in the present meeting and the willingness of Iran to endorse only those aspects of the Director General’s report with which it agreed spoke volumes about Iran’s attitude towards the Agency.

161. The United States hoped that robust implementation of the additional protocol in Iran would help to throw much-needed light on a number of outstanding issues. In that connection, however, all Board members had no doubt been troubled by the recently reported public statement of a senior Iranian governmental official that, in addition to the P-2 centrifuge programme, Iranian experts were engaged in other types of research which Iran had not reported to the Agency and did not intend to report. Such statements hardly increased the international community’s confidence in the commitment of Iran to its safeguards agreement and the additional protocol.

162. The United States had supported the efforts of France, Germany and the United Kingdom — announced in October — to reach an accord with Iran on an internationally verifiable suspension and then cessation of Iran’s enrichment-related and reprocessing activities. It had said at the time that implementation of such an accord by Iran, combined with full, verifiable transparency, would be the



best way for Iran to build international confidence regarding the nature of its nuclear programme. However, Iran had, through its actions and repeated public statements, made a mockery of that accord. Far from suspending all enrichment-related activities on the path to cessation, Iran had continued until January 2004 to manufacture, assemble and test centrifuges and to engage in construction work at the massive Natanz site.

163. The United States was concerned that the announcement by Iran in February 2004 that it would suspend centrifuge assembly and testing and centrifuge component manufacture “to the furthest extent possible” might prove to be yet a further tactical diversion and that Iran might intend to continue its programmes in defiance of the Board’s resolutions. In that regard, it was deeply troubled by statements made by senior officials in Tehran — issued almost at the time when Iran was announcing a new commitment to suspending the assembly of centrifuge components — to the effect that Iran intended to produce and export nuclear fuel and by more recent statements to the effect that Iran definitely intended to resume its enrichment activities when its relations with the Agency returned to normal. Also, the United States found it difficult to comprehend what commercial obligation could outweigh a sovereign decision by Iran to suspend the domestic manufacture of centrifuge components — something that, as the Director General had reported, was taking place mostly at military-controlled workshops. Did Iran see suspension and cessation as a route to better relations with the world community or merely as a short-term manoeuvre intended to forestall a Board report to the United Nations Security Council or other criticism by the Agency? The fact that, after months of resistance, Iran’s latest partial step regarding suspension had come only just before the issuing of the Director General’s report spoke volumes.

164. Whatever Iran’s motives might be, the resolution adopted by the Board at the present meeting made it clear, as had the resolutions adopted in September and November 2003, that only a prompt and comprehensive suspension of all enrichment-related and reprocessing activities could begin to build international confidence in Iran’s intentions after the breaches, failures and deception that had come to light during the past year. Iran must respond positively and fully to the Board’s concerns about the suspension issue.

165. The resolution which the Board had just adopted contained no definitive judgements, but it made it clear that Iran had yet to discharge the obligation of full cooperation, compliance and transparency essential to the fulfilment of its legal commitments — not to mention its more recent political commitments. That clear statement of the facts was common ground on which all Board members stood. As stated in the resolution, the Board would in June consider how to respond to Iran’s omissions of important information and to other relevant issues. Although Iran was continuing to press in Vienna and in many other capitals for its file to be closed in June, there was no indication that the work of the Secretariat — or the Board — would have been completed by then. No member of the Board should lend support to efforts to impose artificial restrictions on the authority and responsibility of the Board and the Secretariat to perform their duties under the Statute and safeguards agreements. Doing so would be inconsistent with the responsibilities of Board members.

166. Libya had demonstrated that a country genuinely committed to reversing its course could move swiftly and proactively in eliminating a weapons of mass destruction programme. In Iran’s case, in contrast, as at every Board session during the past year, Board members were once again finding it necessary to call on Tehran to intensify its cooperation with the Agency. The “Iran file” could and would not be closed until all the facts were known and an appropriate finding of the Board had been made regarding them.

167. In the light of the very troubling news reports of the past 24 hours about Iran’s sudden decision to halt inspections for at least a number of weeks, his delegation believed that Board members would benefit from information from the Secretariat about what impact that decision might have on the

Agency inspectors' work. Could the Secretariat tell the Board whether the inspections which had been postponed were to have been essentially routine inspections, or had inspectors been planning to visit new sites and facilities? Had Iran said how long the postponement would last? How would the delay affect inspection plans and schedules? Given Iran's record of "sanitizing" sites before allowing inspectors to carry out environmental sampling, could the postponement provide time for work that would affect the inspectors' ability to address all relevant outstanding issues and draw closer to conclusions about the Iranian nuclear programme?

168. Referring to document INFCIRC/628, entitled *Communication of 5 March 2004 from the Permanent Mission of the Islamic Republic of Iran concerning the Report of the Director General contained in GOV/2004/11*, he said that his delegation — and no doubt all other delegations — would appreciate from the Secretariat a written statement of its reactions to Iran's continued assertions that the Director General's report was full of mistakes and omissions.

169. Mr. HALPHEN PÉREZ (Panama), having commended the Director General on his report, said that the Board's adoption without a vote of the draft resolution contained in document GOV/2004/20 had been an event of the utmost importance.

170. Mr. KANGAI (Zimbabwe)\* said that his country welcomed Iran's increased cooperation with the Agency. Iran was to be commended for signing an additional protocol to its NPT safeguards agreement with the Agency and for deciding to implement the additional protocol provisionally pending its ratification. It was also to be commended for its decision to suspend uranium enrichment-related and reprocessing activities in order to build international confidence in its nuclear programme.

171. His delegation was convinced that, if the verification process in Iran was allowed to continue unimpeded, international confidence would be restored and closure achieved in the matter under consideration.

172. Mr. ZAMANINIA (Islamic Republic of Iran)\* said that the Governor from the United States of America had, in the statement just made by him, presented arguments relating mainly to the past — to reports submitted to the Board by the Director General in 2003. To use an expression used by the Governor from the United States, that "spoke volumes". For its part, the Iranian delegation had a forward-looking approach to the matter under consideration.

173. The Governor from the United States had suggested that in his first statement he had been selective, focusing exclusively on resolved issues. However, he had by no means been selective — he had referred to the contamination issue, the P-2 centrifuge issue and the questions of plutonium and polonium.

174. As had been stated on previous occasions, there was nothing sinister about the involvement of Iran's defence industry in the nuclear programme under consideration. The defence industry, which had the precision equipment necessary for making centrifuge components, was manufacturing also other things for the civilian sector — for example, cellular phones and even cooking oil. The situation in Iran in that respect was similar to that in many other countries.

175. Although Iran was cooperating more and more with numerous other countries and with the Agency, which were following the issues connected with its nuclear programme very closely, relations between Iran and the United States seemed to be based very much on what was reported in the media, which tended to speculate a great deal. If the United States were to consult more with those countries and with the Agency, it would find itself less isolated in its stance.

176. The DIRECTOR GENERAL, responding to the last point made by the Governor from the United States of America, said that a Secretariat reply to Iran's note verbale dated 5 March 2004 would be circulated in due course.

177. As regards the Governor's questions about the decision of Iran to halt inspection for some time, clearly inspection delays were unwelcome — a point he had made to Iran. What would be affected by the decision were a technical visit to follow up on P-2 centrifuge and other issues and an ad hoc inspection. He hoped that the Iranian authorities would reconsider the decision soon and that Agency inspectors could then return to Iran within a few days.

178. He was grateful to the Board for adopting a resolution that reflected the essence of what he would like to see. As he had noted, marked progress had been made. For further progress to be made so that the Agency could finish its job, intensified, proactive and prompt cooperation would be required from Iran, particularly in the provision of information. He had made it clear to the Board that Iran was providing the Secretariat with satisfactory access. Also, the suspension of enrichment activities was a good confidence-building measure, which he hoped would be comprehensive and verifiable. He looked forward to receiving a declaration made by Iran pursuant to the additional protocol to its safeguards agreement. The earlier he received it, the better able he would be to report progress in June. Also, it was his understanding that information on exports and imports would be forthcoming shortly.

179. He hoped that all the information which the Secretariat needed would be made available in the following few weeks. He expected an intensification of inspection activities, and he would view any delays with concern.

180. He looked forward to the day when the issue of the implementation of NPT safeguards in the Islamic Republic of Iran was no longer on the Board's agenda, but that day would not arrive until the Agency had finished its job. He would continue working closely with Iran to that end.

181. Mr. JENKINS (United Kingdom) requested that the resolution just adopted be placed on the Agency's website.

182. The CHAIRMAN suggested to the Board that, in line with what had been done on previous occasions, the resolution just adopted be made public as document GOV/2004/21.

183. Mr. ZAMANINIA (Islamic Republic of Iran)\* requested that the Chairman's introductory statement to the agenda item also appear on-line.

**The meeting was suspended at 3:40 p.m. and resumed at 3:50 p.m.**

184. The CHAIRMAN said that, having consulted the Secretariat's Legal Adviser, he understood that there were two separate issues: firstly, making public the text of a Board resolution — for which Board approval had been given previously; and secondly, making public the text of part of the official record of a Board meeting — namely, the part containing his introductory statement — for which Board approval was needed.

185. Mr. BRILL (United States of America) proposed that the whole official record of the discussion of the present agenda item be made public.

186. The CHAIRMAN said that, if he heard no objection, the text of the official record of the Board's deliberations under the present agenda item would be made public.

187. It was so decided.

188. Mr. BRILL (United States of America) further proposed that, in the interests of full transparency, the texts of the Director General's reports on Iran and Libya be made public.

189. The CHAIRMAN said that, if he heard no objection, the texts of the Director General's reports on implementation of the NPT safeguards agreement in the Islamic Republic of Iran, contained in

document GOV/2004/11, and on implementation of the NPT safeguards agreement of the Socialist People's Libyan Arab Jamahiriya, contained in document GOV/2004/12, would be made public.

190. It was so decided.

191. Mr. ZAMANINIA (Islamic Republic of Iran)\* proposed that the Director General's introductory statement of 8 March 2004 also be made public.

192. The CHAIRMAN informed him that it had already been made public.

## **7. Any other business**

193. The CHAIRMAN invited Governors to take up any matters referred to by the Director General in his introductory statement or any other items of interest to them. As members of the Board were aware, he had been conducting extensive consultations on the non-proliferation issues referred to by the Director General in his statement.

194. Mr. JENKINS (United Kingdom) expressed his country's continued support for the Agency's change management programme. Since the publication of the Mannet report in 2002, the Secretariat had been making progress in a number of areas in response to its recommendations and, encouraged by that fact, the United Kingdom had decided to make a further extrabudgetary contribution of US \$100 000 to support two projects: a project to improve the procedures for the preparation of documents for the Agency's Board meetings and the General Conference, and a leadership training programme that it was hoped would provide a foundation for the improvements in change management that Mannet had identified as a priority. He encouraged other Member States to support the Agency's efforts in that area.

195. Ms. HALL (Canada) noted that, in his introductory remarks, the Director General had raised the issue of the discovery of a complex black market in nuclear technology, material and expertise and had expressed views on what should or could be done to adapt the non-proliferation regime to meet those new challenges. Her country was deeply concerned about the recent revelations of the existence of a clandestine international procurement network for nuclear items of proliferation significance, but it did not share the view that the Agency's safeguards system or existing export control mechanisms had been inadequate. The fact that those involved in that network had been exposed was evidence of the effectiveness of the current arrangements. There was, however, room for improvement.

196. Canada was actively involved in multilateral efforts to address that serious threat to the integrity of the nuclear non-proliferation regime. Better multilateral enforcement of international nuclear non-proliferation norms was required. Member States also needed to look at ways of strengthening their national export control and law enforcement measures. Universal adherence to the additional protocol would assist the Agency by providing increased information about the export and import of items of proliferation significance. Article 2.a.(ix) of the Model Additional Protocol (INFCIRC/540) required that such exports and imports be reported to the Agency. She called on all Member States which had not yet done so to implement an additional protocol, as it was the current safeguards standard.

197. All countries needed to work together closely to deal with the international nuclear black market. Several countries that had in the past strongly resisted controls on the transfer of sensitive nuclear technology were now directly implicated. Increased information-sharing among States and among the existing export control mechanisms would be a useful initiative. An effective and

immediate response was essential so as not to undermine the credibility of the nuclear non-proliferation regime or cast a shadow on legitimate cooperation in the peaceful uses of nuclear energy.

198. The Director General had initiated an interesting debate about the current state of the international fuel cycle, and the desirability of new approaches to address proliferation concerns while ensuring unimpeded cooperation in the peaceful uses of nuclear energy. The recent instances of non-compliance by States with their nuclear non-proliferation obligations had underscored the need to examine how the transfer of sensitive technology should be controlled. Canada acknowledged that all States had the right to benefit from the peaceful uses of nuclear energy and it would continue to share the benefits of its large and mature nuclear programme under the appropriate conditions. However, States' rights to have access to nuclear items and expertise had to be balanced by concomitant obligations, particularly where there were strong concerns about peaceful intentions or about the impact on regional and international stability and security.

199. Her country shared the view that many of the concerns associated with international transfers of nuclear items of proliferation significance might be alleviated by new cooperative arrangements whereby guarantees were provided regarding supply in return for increased predictability regarding end use. The Agency could play an important role in that regard. While excellent discussions had taken place at the technical level in the late 1970s and early 1980s on assurance of supply and multilateral nuclear fuel cycle centres, the political impetus had been lacking.

200. Traditional notions regarding the relationship between compliance with non-proliferation obligations and cooperation on peaceful uses might require rethinking. The best place for such discussion was within the Agency. Canada therefore welcomed the Director General's decision to establish an expert group to examine those issues and looked forward to participating in it. It would also be working in other multilateral fora to develop new ideas and approaches for addressing nuclear fuel supply issues.

201. Ms. STOKES (Australia) said that both the Director General and President Bush had underscored the fundamental importance of non-proliferation to national and international security and the need to improve international measures. While there were differences in their ideas, there was sufficient common ground to suggest that there was scope for valuable work within the Agency.

202. Both had identified as a priority the need to tighten export controls, a matter highlighted by the recent exposure of the A.Q. Khan proliferation network, a sophisticated nuclear black market capable of supplying everything from nuclear weapon design information to technology to produce fissile material, whose customers were States of proliferation concern. It was a matter of great concern that States had been able to acquire sensitive nuclear material, equipment and technology covertly while subject to Agency safeguards. Clearly, something needed to be done to stop proliferators who professed one thing but did the opposite, and the Agency had a central role to play. The Khan network illustrated the critical importance of effective national controls on the production and export of sensitive technology and materials, and of international coordination in the application of national laws. Australia welcomed the proposed Security Council non-proliferation resolution, which amongst other things would require States to enact strict export controls, and it hoped that it would be adopted soon. It was also in favour of a code of conduct for nuclear trade and supply and had participated in the Proliferation Security Initiative.

203. The Director General and President Bush had also called for action to limit the spread of proliferation-sensitive technology, particularly enrichment and reprocessing technology. It was time to consider a moratorium on new enrichment and reprocessing projects while an appropriate framework was developed to ensure that such projects did not pose a potential risk to non-proliferation objectives. Australia was ready to work on the elaboration of the proposals made by President Bush and it

supported the Director General's proposal that an Agency group study those issues. The Director General should report back to the Board on the outcomes of that study.

204. Her country welcomed the strong support of the Director General and President Bush for the additional protocol. That instrument was now the comprehensive safeguards standard and should soon become a basic condition for nuclear supply. The international community would need to look closely at States which continued to resist concluding an additional protocol. As part of its commitment to promoting the universality of the additional protocol, Australia provided extensive assistance to countries in its region including training and expert seminars covering all aspects of additional protocol implementation.

205. Australia was also open to exploring President Bush's ideas relating to the Agency's Board of Governors.

206. Mr. SREENIVASAN (India), requested the Chairman to include in his summing-up the proposals he had made regarding illicit trafficking and trading in nuclear material, equipment, technology and expertise under agenda item 4(b) on implementation of the Libyan NPT safeguards agreement.

207. Moreover, the Agency should not lend legitimacy to the phrase "nuclear black market" as that would shift the focus away from State responsibility in implementing non-proliferation commitments. The Agency should continue to seek cooperation and authoritative information from the States concerned.

208. Ms. AZURÍN (Peru) said that the nuclear non-proliferation regime was suffering from a lack of comprehensive safeguards agreements in some countries, slow progress with achieving the universality and entry into force of additional protocols — the new standard for effective verification, and a lack of political will to take concrete steps aimed at achieving complete disarmament.

209. Another cause for concern was the lack of universally agreed and transparent guidelines for the export and import of nuclear material, technology and expertise, particularly for the most sensitive stages of the nuclear fuel cycle. That facilitated the illicit transfer of such goods and services, posing a threat to every State's right of access to nuclear science and technology and to international cooperation to develop the peaceful uses of nuclear energy, as recognized in the Agency's Statute and related agreements such as the NPT. The time had come to look into the establishment of mechanisms which would give the Agency access to information on such transactions, and into ways of strengthening relevant controls. Peru therefore supported the Director General's decision to set up a group of experts to look into the matter.

210. In conclusion, she appealed to all Member States party to the NPT to work together at the forthcoming NPT Review Conference to achieve concrete progress with respect to disarmament and nuclear non-proliferation.

211. Mr. CAMPUZANO PIÑA (Mexico) said that it was vitally important to find better ways to combat illicit trafficking in nuclear technology and equipment. Recent events had highlighted the vulnerability of the verification regime and had undermined the international community's non-proliferation efforts.

212. A truly effective non-proliferation system could be achieved only through general, complete and verifiable disarmament. As long as nuclear weapons existed on the face of the earth, the risk remained of their possible use and of people wishing to acquire such weapons. The international community had a responsibility to comply with all commitments assumed under the NPT.

213. Furthermore, a commitment to non-proliferation should go hand in hand with firm support for international cooperation in the peaceful use of nuclear technologies, demonstrated by firm financial support for the TCF.

214. Mr. BRILL (United States of America) said that, as recent developments had demonstrated, it was now easier than before for States and non-State actors to acquire weapons of mass destruction, their means of delivery, and the means to hide, build and transport them. In February 2004, President Bush had proposed seven measures to strengthen world efforts to stop the spread of such weapons. The first was an expansion of the Proliferation Security Initiative through law enforcement cooperation. The second was the enactment and enforcement of effective domestic laws and controls to support non-proliferation by criminalizing proliferation, implementing strict export controls, and ensuring the security of sensitive material on national territory. The third was an expansion of G-8 global partnership donors, funds and recipients beyond Russia to other States of the former Soviet Union, and to other countries with special proliferation needs such as Iraq and Libya. The fourth was the strengthening of the NPT by preventing the spread of proliferation-sensitive nuclear fuel cycle technology. President Bush had also proposed that the NSG refuse to transfer enrichment or reprocessing equipment or technology to any State that did not already possess a full-scale, functioning enrichment or reprocessing plant. At the same time, leading nuclear fuel exporters would work to ensure that States renouncing enrichment and reprocessing would have reliable access at reasonable cost to fuel for civilian reactors. The fifth was the promotion of universal acceptance of the additional protocol. His country was in favour of making signature of an additional protocol a condition for nuclear supply by the end of 2005 and urged other States to support that initiative by making statements to that effect at the Preparatory Committee for the forthcoming NPT Review Conference. The United States' additional protocol was reaching the final stages of the ratification procedure. The sixth was the strengthening of the Agency's capability to ensure compliance by creating a special committee of the Board of Governors to focus on safeguards and verification. His Government would soon be providing detailed ideas on the mandate of the proposed new committee. The seventh was that countries under Agency investigation for violating nuclear non-proliferation obligations — meaning a State that was the subject of a summing-up by the Chairman of the Board or a Board resolution citing safeguards failings, calling on the State to rectify those failings and requesting the Director General to report back to the Board — should not be allowed to be members of the Board or of the proposed new special committee. His country would welcome views on how it could be ensured that regional groups did not nominate for the Board a State which was actively being investigated by the Agency for safeguards failings, and that the General Conference did not elect such a State to serve on the Board.

215. The challenges facing the world were sobering. The continued spread of weapons of mass destruction and related technologies threatened the interests of every responsible government and the future well-being of every person. By working together, and with the valued leadership of the Director General, the United States believed that solutions could be found.

216. Mr. THIEBAUD (France) said that a collective effort in all international fora and regional groups was required to meet the challenges facing the nuclear non-proliferation regime. The Agency's investigations had uncovered the existence of a vast network for trafficking in sensitive technologies. France applauded the Secretariat's intention to pursue those investigations and requested the Director General to provide the Board with a report on that work. It also urged all Member States to contribute to those efforts. It was vital that the world community had a wide-ranging system of non-proliferation measures based on safeguards, export controls and dialogue with all countries concerned.

217. The Director General had also referred in his introductory statement to the importance of the broadest possible adherence to the additional protocol. France entirely agreed with that view and had spared no effort in promoting comprehensive safeguards and the additional protocol at a number of seminars and meetings..

218. His country welcomed the Director General's plan to establish a group of experts to look into the options for strengthening international control of sensitive technologies, and he requested the Director General to consult with the Board at its forthcoming series of meetings on the proposed terms of reference and composition of that group.

219. Finally, it would be useful for the Board, at its forthcoming series of meetings, to continue its discussion of the initiatives proposed by the various delegations in a more structured manner.

220. Mr. RUIZ (Spain) agreed with the Director General's analysis of the problem with respect to the nuclear black market. The international community should learn lessons from what had happened with a view to preventing any recurrence. Shortcomings had been highlighted in the nuclear non-proliferation regime which could be corrected only through collective action. Universal adherence to the additional protocol was vital to solving the problem and he called on all members of the international community to help achieve that goal as soon as possible.

221. Multilateral control of sensitive aspects of the nuclear fuel cycle was a complex issue. It was appropriate that the Agency should examine the matter in detail and make recommendations. The Director General's ideas on control of exports of material, equipment and sensitive technologies had a direct impact on the Agency's verification task and were a useful contribution to discussions taking place in all relevant fora. The Board should express a preliminary collective opinion on the issue without delay.

222. Mr. RAMZY (Egypt) said that the non-proliferation regime was facing new and old challenges. Any attempt to reinforce it should take both into account.

223. The foundation on which the regime was built — namely non-proliferation, disarmament and the right to nuclear technology for development — had been under mounting stress for some time and the persistent difficulties experienced over the years had precluded any meaningful movement on disarmament. The NPT remained the cornerstone of the non-proliferation regime. Its credibility and effectiveness rested not only on its universal acceptance but also on the honouring of all its provisions. His country agreed with the Director General that the parties to the NPT should consider measures aimed at re-engineering the non-proliferation regime and reviving the stalled nuclear arms control and disarmament process. However, it was essential that such a process be based on the achievements of and commitments made at the 1995 and 2000 NPT Review Conferences.

224. Egypt was of the view that export controls should be universal, inclusive and non-discriminatory. However, they should in no way infringe on the inalienable right of States to benefit from the peaceful uses of nuclear energy and technology.

225. With regard to the proposal that the nuclear fuel cycle be brought under some sort of multilateral control in a limited number of regional centres, he noted the Director General's intention to appoint a group of experts and looked forward to his report on that matter, which was extremely important, had wide-ranging implications and required careful consideration.

226. His country also looked forward to discussing in detail the aforementioned ideas and others during the NPT review process, at the Agency, and in other relevant fora. In so doing, it would be guided by its unwavering commitment to upholding the multilateral non-proliferation and disarmament process.

227. Mr. Chung-ha SUH (Republic of Korea) welcomed the Director General's timely and forward-looking initiative for strengthening the nuclear non-proliferation regime and the four policy proposals outlined in his introductory statement to adapt the regime to existing challenges. The Agency should continue to play a pivotal role in directing the international community's attention to that crucial issue.



228. Verification was one of the three pillars of the Agency's mandate, and strengthening the Agency's verification capability was therefore a priority. In particular, it was increasingly apparent that the additional protocol was an essential tool and an indispensable precondition for the Agency to provide reliable verification assurances. It should therefore be universally applied.

229. Given the growing evidence of nuclear black market networks, a strong export control regime had become an indispensable component of collective efforts to ensure the non-proliferation of weapons of mass destruction. As the current Chairman of the NSG, he agreed with the Director General's assessment that the current system needed tighter controls and a broader scope. The NSG had been pursuing extensive outreach dialogues with governments not participating in the NSG in order to make the NSG more inclusive and broadly based. Priority should be given to issues such as effective enforcement mechanisms for domestic implementation of export controls, enhanced physical protection of nuclear material and facilities, and institutionalization of cooperation mechanisms between the NSG and the Agency.

230. Given the current system's intrinsic limits, there should be a readiness to examine more fundamental steps and, if necessary, re-engineer the non-proliferation regime. It could not be denied that the proliferation-sensitive parts of the nuclear fuel cycle were the Achilles heel of the regime. Redesigning the system would be a difficult task, but in view of the current challenges the international community could not and should not shun its collective duty. The Director General's proposal to establish a group of experts to examine in depth the feasibility and possible modalities of a multilateral approach was a welcome first step. He hoped the group would produce constructive ideas accommodating the various views, and share its findings with the Board soon.

231. Finally, the importance of nuclear disarmament should not be forgotten. In that connection, he emphasized the importance of the early entry into force of the CTBT and an early start of negotiations on a fissile material cut-off treaty.

232. Mr. TAKASU (Japan) thanked the Director General for drawing the Board's attention to his concerns about the recent serious challenges to the international non-proliferation regime. Japan fully supported the universal application of the additional protocol which provided the Agency with the tools to detect undeclared nuclear activities. That instrument was essential for effective verification and should become the standard for all countries party to the NPT. On the other hand, the concept of multilateral control of sensitive nuclear material needed to be examined thoroughly to determine whether that would in fact be an effective and feasible means of dealing with the recent challenges to the non-proliferation regime posed by undeclared nuclear activities and the procurement of nuclear equipment, materials and technology from illicit trading networks. The additional protocol gave the Agency the authority it needed to deal with those challenges effectively and its universal application should therefore be emphasized above all other worthwhile initiatives.

233. The strengthening of the international non-proliferation regime could not be achieved without cooperation from the entire international community, i.e. not only non-nuclear-weapon States that had concluded a safeguards agreement, but also nuclear-weapon States and so-called threshold States. Many States had yet to conclude a comprehensive safeguards agreement and an additional protocol. Given that situation, a multilateral control system would be difficult to implement effectively and globally without discrimination and it might impact the right of non-nuclear-weapon States to the peaceful use of nuclear energy.

234. Ms. BRIDGE (New Zealand) said that the activities revealed by the Director General's ongoing investigations, including a complex black market for the supply of sensitive nuclear technology, undermined the non-proliferation efforts of governments in the context of the Agency and other organizations and were of deep concern to New Zealand. The recent proposals put forward by the

Director General, President Bush and others provided an opportunity to re-invigorate the debate on appropriate international responses. The issues were complex and a variety of views existed on the suggestions made so far. Nevertheless, the risks were great and growing, and they required urgent collective action. Her country supported the further thorough consideration of all proposals and options and was ready to play its part constructively. The existing multilateral framework needed to be strengthened so that it would be better able to confront the new challenges, and in a way that would help build confidence and trust on all sides.

235. New Zealand recognized the additional protocol as the new verification standard and as crucial to the Agency's ability to fulfil its assurance role effectively, and it encouraged all members that had not yet done so to conclude safeguards agreements and additional protocols, particularly States with advanced nuclear industries. It also supported the notion of a strengthened and universal export control system for sensitive nuclear technology that, at the same time, did not undermine access to peaceful uses. The Director General's recent revelations starkly demonstrated the limitations of the international export controls that were currently in place. In addition, a more effective global regime for the physical protection of nuclear and radioactive material was needed. Other proposals warranted careful further study. In particular, she welcomed the Director General's intention to convene a group of experts in the near future to explore options for strengthening assurances in relation to some of the most proliferation-sensitive parts of the nuclear fuel cycle.

236. As a member of the New Agenda Coalition group of countries, New Zealand was of the opinion that any examination of measures to strengthen international security had to address not only proliferation of all kinds, but also the urgent need to move forward on nuclear disarmament. Leadership and commitment were required in that area. She therefore welcomed the Director General's call for agreement at the 2005 NPT Review Conference on urgently needed measures to revive the nuclear arms control and disarmament processes. Her country believed that agreement on a specific course of action on nuclear disarmament, together with a timetable, were essential if security concerns were to be addressed and international peace and stability achieved and sustained.

237. Mr. ZHANG Yan (China) said that preventing the proliferation of weapons of mass destruction, including nuclear weapons and their delivery systems, was desirable for the maintenance of international and regional peace and security and was in the common interest of all countries. Through untiring efforts over a long period, the international community had managed to establish a relatively comprehensive international non-proliferation regime which had played a significant role in curbing the spread of nuclear weapons. However, the existing regime was not perfect and, with the ever-changing world security situation, some new developments and challenges had emerged, including the complex international nuclear black market network mentioned by the Director General in his statement. Thus, the international community needed to take appropriate measures to reinforce and improve the non-proliferation regime. In his statement, the Director General had put forward some new proposals for addressing concerns over nuclear proliferation, and politicians, experts and scholars from different countries had also provided views and suggestions which should be carefully studied.

238. As a party to the NPT and an Agency Member State, China supported efforts to curb the spread of nuclear weapons and strictly fulfilled its obligations under the relevant international instruments. It had gained much from its extensive participation in the multilateral non-proliferation regime, actively learning from the valuable experience of other countries and steadily strengthening and improving its own national legislation and regulations. In the preceding year the Chinese Government had issued a white paper on China's non-proliferation policies and measures, and it intended to make a greater effort within the framework of the United Nations to preserve and enhance the current international non-proliferation regime. It had already formally applied for membership of the NSG and had been expanding its consultations and exchanges with other multilateral regimes such as the MTCR and the Wassenaar Arrangement.

239. The Agency's safeguards and verification system was an important component of the international non-proliferation regime and had played a significant role in verifying compliance with non-proliferation commitments. China supported the Agency's work in that area and valued the efforts of Member States and the Secretariat to persuade more countries to sign, ratify and implement safeguards agreements and additional protocols. China had been one of the first nuclear countries to ratify and implement an additional protocol and it hoped that all other countries would take similar steps, particularly those with significant nuclear activities.

240. Non-proliferation of nuclear weapons and the peaceful use of nuclear energy were the two major goals laid down in the NPT and the Agency's Statute. China had always maintained that no country should engage in nuclear proliferation under the pretext of using nuclear energy peacefully. However, at the same time as ensuring non-proliferation, the legitimate right of all countries, particularly developing countries, to the peaceful use of nuclear energy had to be assured. In formulating non-proliferation measures, the international community should be guided by the purpose and objectives of the NPT and the Statute.

241. Mr. NAQVI (Pakistan), noting the references to the recent revelations of an illicit nuclear network involving, in particular, A.Q. Khan and his associates, said that his Government had taken strict and swift action and Mr. Khan was still under investigation. Pakistan was also extending the necessary cooperation to the Agency, which had already been acknowledged by the Director General in his report. Pakistan supported international efforts to control proliferation in every possible manner. However, it should be noted that the illicit network in question had not been confined to one country: it had spanned many regions of the world and included entities from many States. All States should therefore join in the efforts to control such activities.

242. With respect to the Director General's proposal to convene an expert group on that issue, he stressed that any options that might be considered should be consistent with the rights and obligations of Member States and take full account the differentiated nature of those rights and obligations.

243. In conclusion, he noted that many delegations had emphasized the need to review the state of the non-proliferation regime and its efficacy in a global context.

244. Mr. GANDARIAS CRUZ (Cuba) said that, though his country recognized the importance of nuclear non-proliferation and appreciated the Director General's concerns and the need for urgent measures, the dangers of proliferation would continue to exist as long as excessive concentrations of nuclear armaments in some States created security concerns in others, and as long as such weapons and unsecured sources could fall into the hands of people who believed that everything could be bought and sold. Unfortunately, there were people and organizations of that view in both developed and developing countries. Perhaps the new challenges the international community was now discussing only existed because it had not been capable of dealing with the old challenges. Any initiative related to non-proliferation should be accompanied, in a balanced manner, by new progress in disarmament, and it should not infringe on the right of developing countries to the peaceful use of nuclear energy.

245. Mr. MINTY (South Africa) said that his country was seriously concerned by the recent revelations regarding the existence of an international network trading in and smuggling technology, material and equipment that could be used for the development of nuclear weapons, and involving both developed and developing countries. The Director General had also identified other areas of concern relating to the non-proliferation regime, including the failure of some countries to fulfil their legal obligation to conclude and bring into force safeguards agreements and the slow progress with the conclusion and entry into force of additional protocols. South Africa strongly supported the Director

General's view that tangible progress had to be made on all those fronts in the near future and it looked forward to the outcome of the Agency's ongoing investigations.

246. As a member of the New Agenda Coalition, South Africa had long held that disarmament and non-proliferation were inextricably linked, that real and irreversible movement on nuclear disarmament would reinforce the irreversibility of non-proliferation, and that the only guarantee against the use or threat of use of nuclear weapons was the elimination of such weapons. The continued retention of nuclear weapons by the nuclear-weapon States, the operation of unsafeguarded nuclear facilities by some States, and the nuclear weapons aspirations of others all added to the threat posed by those weapons and their potential proliferation. South Africa's own experience clearly demonstrated that nuclear weapons were not the source of security that those who possessed them, or aspired to possess them, seemed to believe. Nuclear weapons and the threat they posed were, in fact, sources of greater insecurity. As long as they existed in the arsenals of some countries, others would aspire to possess them. History had shown that the insecurity created by the possession of superior power by a few would be countered by the need of others to establish a balance.

247. His country strongly supported the tightening of controls on the export of nuclear material, especially in view of recent events. However, it was imperative that any such control system should be universal, transparent and equitable and that it should preserve the inalienable right of all States to the peaceful use of nuclear energy. In that connection, States should have reliable access, at reasonable cost, to fuel for civilian nuclear reactors which were being used for peaceful purposes only, and his country therefore supported the creation of a safe, orderly system for supplying fuel for civilian reactors without adding to the danger of nuclear weapons proliferation. The criterion for such supply, however, should be acceptance of the additional protocol rather than renunciation of enrichment and reprocessing technology. Several countries had such technology and the objective should not be to maintain the status quo but to be equitable and avoid discrimination.

248. The NPT was the cornerstone of nuclear disarmament and non-proliferation and the Agency was the custodian of its safeguards system. South Africa supported the universal application of the additional protocol and noted with concern that 44 States party to the NPT had not yet taken the first basic step before the additional protocol could be signed, namely the conclusion of a safeguards agreement with the Agency as required by Article III of that Treaty. He urged those States that still had to fulfil that treaty obligation to do so without delay. He also encouraged the Agency to continue its efforts to assist those States by guiding them through the process.

249. The 2005 NPT Review Conference would provide an ideal opportunity to reach agreement on the strengthening of nuclear disarmament and non-proliferation. The NPT remained the only international instrument that not only strove to prevent the proliferation of nuclear weapons but also contained a legal commitment to their elimination. His country believed that the international community should redouble its efforts to achieve universal adherence to the NPT, strengthen the multilateral institutions responsible for disarmament and non-proliferation, and be vigilant against any steps that might undermine its determination to prevent the proliferation of nuclear weapons.

250. Mr. PELÁEZ (Argentina) said that support for international non-proliferation agreements and the Agency's safeguards system and for a multilateral approach were essential elements of Argentina's foreign policy. His country had noted the ideas and proposals put forward by the Director General with a view to strengthening the nuclear non-proliferation regime in the context of the existing challenges, and it looked forward to future Board meetings and to the 2005 NPT Review Conference where they would be discussed.

251. With regard to the Director General's intention to convene an expert group to analyse aspects of the fuel cycle, he requested that the Board be kept informed and be consulted as to the terms of reference and functioning of that group, whose members should be drawn from all geographical areas.

252. Finally, as a member of all organizations involved in export controls on sensitive technologies, Argentina supported the proposals to strengthen the implementation and effectiveness of such controls.

253. Mr. JENKINS (United Kingdom) thanked the United States Governor for his brief summary of the recent speech by President Bush addressing the need to strengthen the non-proliferation regime. The United Kingdom Government had taken careful note of the President's suggestions and of the ideas put forward by the Director General. The Prime Minister and Foreign Secretary of the United Kingdom had also outlined some preliminary thoughts on the subject in recent statements.

254. His country agreed that the time was right for the international community to tackle those issues in a positive spirit and to draw such constructive conclusions as it could. Recent revelations had made it clear that there was no room for complacency. Emerging threats, especially from non-State actors, needed to be confronted.

255. At the same time, as the Director General had noted in his introductory statement, the issues were complex. Some of the ideas that had been floated, particularly relating to the fuel cycle, resembled ideas which had already been examined a number of years previously, with no results. Some would require major changes in international agreements. Others, such as those relating to waste management, touched on matters that had hitherto been viewed solely as national responsibilities. While his Government was ready to consider all suggestions with an open mind, any steps taken had to be practical and likely to achieve the desired non-proliferation results. It looked forward to the further examination of those ideas in the Board of Governors and elsewhere.

256. Mr. ABDENUR (Brazil) said that, as he would be leaving Vienna soon, he wished to review developments over the preceding two years. During that period, the Board had had many important issues before it. The issues of greatest concern had included Iraq, where it had only recently become clear that the actions following the Gulf War had successfully put an end to that country's nuclear weapons programme; the DPRK, which had done the unthinkable and announced that it was withdrawing from the NPT and starting production of nuclear weapons; Libya, where the international community had discovered to its surprise that it had been possible for a relatively small country to obtain impressive amounts of equipment, technology and material for a nuclear weapons programme through an illicit trafficking network; and Iran, where it was to be hoped that the outstanding issues would be resolved and that country would maintain its commitment to the peaceful uses of nuclear energy.

257. Brazil was a developing country that believed in democracy, free markets and human rights, and maintained rich ties with many other countries and international organizations. It was also rich in resources such as oil, gas, water and even uranium. An ambitious nuclear programme in the 1960s and 1970s had had to be scaled back as a result of economic crisis, but the country had been thankful for the existence of its two nuclear power plants some years ago during an unprecedented drought. In the 1980s and 1990s, a process of confidence-building between Brazil and Argentina had led to the founding of ABACC, and in 1988 his country had adopted a new constitution under which nuclear energy could be used only for peaceful purposes, as well as deciding to sign the NPT.

258. The Agency was an ever-evolving source of ideas and initiatives, and the Board of Governors was continuously elaborating regulatory frameworks and programmes to advance the goals of the organization. Every idea and concept put forward carried wider implications, including the question of consistency with the principles of international law, and therefore the Board's decisions could never

be taken hastily or in isolation from the broader political, legal and institutional context. The recent ideas on possible measures to address security concerns were no exception. Ideas were always welcome, but acting on them required thorough debate and a clear view of the implications, particularly in view of their impact on the delicate balance of the rights and obligations of States with respect to nuclear disarmament and non-proliferation.

259. There was no doubting the seriousness of the challenges facing the international community and the need to ensure that nuclear material, equipment and technology did not fall into the wrong hands. Effective action to counter illicit trafficking in nuclear sources and technologies had to be taken in a manner that took full account of the principles of universality and transparency, and the inalienable right of all States to use nuclear energy for strictly peaceful purposes, a right which was enshrined in the Agency's Statute and the NPT.

260. A striking and worrisome development over the preceding few years had been a renewed emphasis on non-proliferation, with less attention being paid to nuclear disarmament. The modest achievements in that area had a precarious basis, as they lacked the seal of multilateral, verifiable agreements and could easily be reversed.

261. While the NPT remained the cornerstone of nuclear disarmament and non-proliferation and had been renewed indefinitely, it was disheartening that the 13 steps for nuclear disarmament agreed upon at the 2000 NPT Review Conference had been systematically eroded by various reservations and other restrictive statements from the nuclear-weapon States. The whole edifice of disarmament and non-proliferation had been further undermined by the emergence of new strategic and military doctrines based on the development of new nuclear weapons and the use of those weapons on a pre-emptive basis, even against non-nuclear-weapon States.

262. On the other hand, non-proliferation efforts were becoming increasingly selective. Paradoxically, ever harsher measures were being contemplated with regard to the transfer of technology and equipment to developing countries, while at the same time serious proliferation issues and episodes were either being overlooked or treated with complacency. Non-proliferation was being enhanced vertically while considerable scope was allowed for the horizontal spread of nuclear weapons.

263. It was a particularly serious matter that some countries continued to develop nuclear capabilities, including military programmes, outside the scope of the NPT regime. At the same time, no effective efforts were being made to address the root causes of regional tension underlying certain proliferation episodes. As a result, the risk of devastating nuclear conflict continued to exist in certain parts of the world.

264. In sharp contrast, Latin America took pride in the fact that it had established the world's first nuclear-weapon-free zone. All member countries faithfully abided by the NPT regime and by their safeguards obligations. Nevertheless, the countries concerned faced an environment where the very bases of the NPT were being eroded, tighter control schemes were being put in place and restrictions were being imposed on the sovereign right of developing countries to use nuclear energy for peaceful purposes. Moreover, the chances of the CTBT entering into force had been significantly reduced, while some countries that radically opposed that treaty were nevertheless looking forward to setting up its monitoring system in order to verify compliance by those that were most unlikely ever to test a nuclear device. Ideas also seemed to be emerging which might relegate the Agency to a rather secondary role in the non-proliferation field. Brazil advocated a central and active role for the Agency in that area.

265. The Agency's activities were increasingly being tilted towards verification, to the detriment of equally important responsibilities in the area of promotion and technical cooperation. A proper balance

between the Agency's statutory activities had to be preserved. Furthermore, there was an urgent need to redress the current shortfall in TCF resources. He trusted that the major donor countries would honour their special responsibilities in upholding those fundamental activities of the Agency for the legitimacy, credibility and efficacy of the organization would be seriously hampered if its activities unfolded in a lopsided manner.

266. The Agency had as yet not become closely involved in the vigorous agenda for development cooperation, social inclusion and poverty eradication established by the United Nations, including the goals set by the Millennium Declaration and various global conferences of the past decade. It should become more fully integrated in the mainstream of those international efforts.

267. One particular concern was that an increasing number of developing countries were being deprived of the right to participate in the Board's deliberations as a result of their being in arrears with their contributions. That situation also strongly affected the Agency's support for their technical cooperation projects, and its impact in terms of the inclusiveness and universality of the organization should be a matter for deep reflection. It was leading to increasing marginalization of developing countries in international organizations, which ran counter to the principles of the United Nations. Brazil therefore believed that, in both the United Nations and the Bretton Woods system, greater awareness of that crucial problem should be promoted with a view to giving developing countries more leeway in meeting their financial obligations. The stabilization programmes conducted under the aegis of the IMF should exclude the payment of contributions to international organizations from primary surpluses and budgetary targets, as those payments had no domestic inflationary fall-out and a limited impact on a country's hard currency resources.

268. In conclusion, he offered his best wishes to Board members, the Director General and the Secretariat and expressed the hope that the Agency would continue to be a lively and vigorous force for the preservation of peace and security in the world.

269. Ms. FEROUKHI (Algeria)\* said that trafficking in nuclear material, equipment, technology and expertise not only put the non-proliferation regime and progress in disarmament at risk, it could also have a negative impact on international cooperation and the right of Member States to develop atomic energy for exclusively peaceful purposes. Given the complexity of the problem, coordination between the Agency and other international organizations and organizations within the United Nations system was essential. Algeria supported the efforts that were being undertaken by the Secretariat, the Board of Governors and the international community.

270. Mr. STURM (Austria)\* underlined the importance of universal application of the additional protocol, which was the current standard for the Agency's comprehensive safeguards system. That system had to be maintained and improved as need arose. At the same time, States party to the NPT had a responsibility to take all necessary steps to enable the Agency to implement the system. Under Article III(1) of the NPT, non-nuclear-weapon State parties had an obligation to embark on negotiations with the Agency without delay with the aim of bringing into force an additional protocol at the earliest possible date. Moreover, Article 2 and Annex II of the additional protocol imposed the requirement that the Agency be informed of all exports of sensitive nuclear or nuclear-related technology of relevance to its verification mandate.

271. With regard to the Convention on the Physical Protection of Nuclear Material, Austria had held extensive discussions with other State parties in order to arrive at an amendment proposal that enjoyed the broadest possible support. Significant progress had been made and his delegation was confident that a well-balanced amendment proposal would shortly be sent to the Director General with the request to convene an amendment conference. Austria invited all parties to the Convention to support that initiative.

272. The CHAIRMAN, summing up the discussion, said that several members had noted the ideas put forward by the Director General in his introductory statement with a view to strengthening the nuclear non-proliferation regime. Some members had expressed concern that the risk of nuclear proliferation was increasing, referring in particular to the recent revelations concerning an international network for illicit trafficking and trading in nuclear material, equipment and expertise. They had underlined the importance of finding ways and means to strengthen national export controls on proliferation-sensitive nuclear items and had emphasized also the importance of full cooperation by all Member States with the Agency in its investigation of the supply routes and the sources of sensitive nuclear technology and related equipment. Other members had emphasized the need for universal treaty-based export controls without prejudice to the right of States to access nuclear technology for peaceful purposes as enshrined in the NPT. The importance of fostering international cooperation for the promotion of the peaceful applications of nuclear energy had been underlined.

273. Some members had addressed the importance of achieving universality of the NPT. They had emphasized that the Treaty was based on a balance between nuclear non-proliferation and disarmament, nuclear verification and cooperation in the peaceful uses of nuclear energy. They had stressed that all aspects were equally important and should receive equal emphasis.

274. Several members had recalled the importance of universal acceptance and application of comprehensive safeguards agreements with the Agency and had emphasized the importance of that for the credibility of the nuclear non-proliferation regime. States that had not yet done so had been called upon to sign and implement safeguards agreements.

275. Several members had emphasized that the additional protocol to safeguards agreements was an essential tool for the Agency to provide credible assurances regarding the absence of undeclared nuclear material and activities. The importance of achieving universality of the additional protocol had also been emphasized and States that had not yet done so had been called upon to sign and implement additional protocols.

276. Some members had reaffirmed the importance of strengthening the global system for physical protection of nuclear and other radioactive material and nuclear facilities.

277. Some members had referred to specific measures for strengthening the Agency's ability to respond to the new challenges to the nuclear non-proliferation regime and for preventing the spread of nuclear weapons, including measures to strengthen control over the most sensitive parts of the nuclear fuel cycle. In that regard, several members had welcomed the Director General's intention to convene a group of experts to consider options for strengthening control over the front end and back end of the nuclear fuel cycle and had requested the Director General to report to the Board on the findings of that group. The view had also been expressed that that issue should be carefully considered in terms of its feasibility and practicability.

278. Some members had called on States party to the NPT to consider concrete ways and means to strengthen the non-proliferation regime at the NPT Review Conference to be held in 2005. Several members had emphasized that progress in nuclear disarmament was a cornerstone for strengthening that regime.

279. The Chairman's summing-up was accepted.



## – Tributes

280. The CHAIRMAN bade farewell to those colleagues who had already left or would be leaving Vienna shortly: Ambassador Abdenur of Brazil; Ambassador Moreno of Italy; Ambassador Noirfalisse of Belgium; Ambassador Al-Mulla of Kuwait; and Ambassador Salehi of Iran. Others who were leaving were: Ms. Aviram Neuman of Costa Rica; Ambassador Walther of Norway; Ambassador Badji of Senegal; Ambassador Milinković of Serbia and Montenegro; Ambassador Bekhbat of Mongolia; and Mr. Endo and Mr. Kaneko of Japan.

281. Finally, he offered condolences at the death of Ambassador Urruela Prado of Guatemala.

**The meeting rose at 5.40 p.m.**