

IAEA Board of Governors
Record of the 1108th Meeting
GOV/OR.1108

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Any other business

Board of Governors

GOV/OR.1108

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Record of the 1108th Meeting

Held at Headquarters, Vienna, on Friday, 17 September 2004, at 3.10 p.m.

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[*] GOV/2004/71.

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.)

Ms. ESPINOSA CANTELLANO		Chairperson (Mexico)
Ms. KELLY	_____	Argentina
Mr. SMITH		Australia
Mr. NIEUWENHUYS		Belgium
Mr. VIEIRA DE SOUZA		Brazil
Ms. HALL	}	Canada
Mr. WAGSTAFF		
Mr. ZHANG Huazhu		China
Mr. CARRERA DORAL		Cuba
Mr. POČUCH		Czech Republic
Mr. CHRISTENSEN		Denmark
Mr. RAMZY		Egypt
Mr. THIEBAUD	}	France
Mr. ALBERT		
Mr. HONSOWITZ		Germany
Mr. RÓNAKY		Hungary
Mr. SHARMA		India
Mr. DE CEGLIE		Italy
Mr. TAKASU		Japan
Mr. Chang-beom CHO		Korea, Republic of
Mr. GULAM HANIFF		Malaysia
Ms. OLAMENDI		Mexico
Mr. DE VISSER		Netherlands
Ms. BRIDGE		New Zealand
Mr. UMAR		Nigeria
Mr. NAQVI		Pakistan
Ms. AZURÍN		Peru
Mr. NIEWODNICZAŃSKI		Poland
Mr. BERDENNIKOV		Russian Federation
Mr. KURDI		Saudi Arabia
Mr. MINTY		South Africa
Mr. MUÑOZ RODRIGUEZ		Spain
Mr. AHMAD		Sudan
Ms. BEN AMOR MISSAOUI		Tunisia
Mr. ANDREWS		United Kingdom of Great Britain and Northern Ireland
Mr. SEMMEL		United States of America
Mr. NGUYEN TRUONG GIANG	_____	Vietnam

Attendance (continued)

Mr. ELBARADEI	Director General
Mr. GOLDSCHMIDT	Deputy Director General, Department of Safeguards
Mr. WALLER	Deputy Director General, Department of Management
Mr. CHITUMBO	Director, Division of Operations (A), Department of Safeguards
Mr. ANING	Secretary of the Board

Representatives of the following Member States attended the meeting:

Algeria, Angola, Austria, Azerbaijan, Bulgaria, Burkina Faso, Chile, Colombia, Costa Rica, Côte d'Ivoire, Croatia, Estonia, Finland, Indonesia, Islamic Republic of Iran, Iraq, Ireland, Israel, Kazakhstan, Kenya, Kuwait, Lebanon, Libyan Arab Jamahiriya, Luxembourg, Mongolia, Morocco, Namibia, Norway, Philippines, Portugal, Romania, Serbia and Montenegro, Singapore, Slovenia, Sri Lanka, Sweden, Switzerland, Syrian Arab Republic, Thailand, Turkey, Ukraine, United Arab Emirates, Venezuela, Yemen, Zimbabwe.

Abbreviations used in this record:

ASEAN	Association of Southeast Asian Nations
AVLIS	atomic vapour laser isotope separation
Bamako Convention	Convention on the Ban of the Import into Africa and the Control of Transboundary Movement and Management of Hazardous Wastes within Africa
Bangkok Treaty	Treaty on the Southeast Asia Nuclear-Weapon-Free Zone
CANDU	Canada deuterium-uranium [reactor]
EFTA	European Free Trade Association
EU	European Union
G-8	Group of Eight
KAERI	Korean Atomic Energy Research Institute
NAM	Non-Aligned Movement
NPT	Treaty on the Non-Proliferation of Nuclear Weapons
NSG	Nuclear Suppliers Group
Pelindaba Treaty	African Nuclear-Weapon-Free Zone Treaty
R&D	research and development
Rarotonga Treaty	South Pacific Nuclear Free Zone Treaty
SAGSI	Standing Advisory Group on Safeguards Implementation
Tlatelolco Treaty	Treaty for the Prohibition of Nuclear Weapons in Latin America and the Caribbean
TranSAS	Transport Safety Appraisal Service

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

7. The Agency's budget for 2004 – supplementary appropriation (resumed) (GOV/2004/58, GOV/INF/2004/7)

1. Mr. TAKASU (Japan) thanked the Deputy Director General for Management for the additional explanations and justifications he had provided. Following consultations with his authorities, he was pleased to be able to confirm that Japan was in a position to agree to the proposed supplementary appropriation to the Regular Budget for 2004 as an exceptional and urgent measure, without prejudice to its position with regard to the future financing of security enhancements.
2. The CHAIRPERSON took it that the Board wished to recommend to the General Conference at its forthcoming 48th regular session that it approve the supplementary appropriation to the Regular Budget for 2004 as set out in the draft resolution contained in the Annex to document GOV/2004/58, and that it take the further actions set out in the cover note to that document.
3. It was so decided.

8. Nuclear verification

(a) The conclusion of safeguards agreements and of additional protocols (resumed) (GOV/2004/74 and 75)

4. The CHAIRPERSON said that the Board had a new proposal before it, contained in documents GOV/2004/74 and 75, for the conclusion of a comprehensive safeguards agreement and an additional protocol with Benin.
5. She took it that the Board wished to take the action recommended in document GOV/2004/74 and authorize the Director General to conclude with the Government of Benin, and subsequently implement, the comprehensive safeguards agreement which was the subject of that document.
6. It was so decided.
7. She further took it that the Board wished to take the action recommended in document GOV/2004/75 and authorize the Director General to conclude with the Government of Benin, and subsequently implement, the additional protocol which was the subject of that document.
8. It was so decided.

10. Any other business

9. Mr. Chang-beom CHO (Republic of Korea) said that, in his introductory statement, the Director General had mentioned safeguards issues in the Republic of Korea that had only recently and

unexpectedly emerged. It was particularly regrettable that those issues had been brought to the attention of the Board at a time when the global nuclear non-proliferation regime was facing mounting challenges.

10. As a party to the NPT, the Republic of Korea had long been committed to nuclear non-proliferation and the peaceful uses of nuclear energy and had maintained excellent cooperation with the Agency. Despite its large nuclear energy industry, it had maintained a firm policy of voluntarily renouncing enrichment and reprocessing facilities, let alone nuclear weapons programmes. Therefore, it had made every effort to cooperate proactively and transparently with the Agency as soon as the incidents in question had come to light, and it was certain that they would be clarified soon in a fair and objective manner and hoped that ultimately the outcome would contribute to strengthening the nuclear non-proliferation regime and the NPT safeguards system.

11. The Republic of Korea had ratified an additional protocol on 19 February 2004 and had submitted an initial declaration to the Agency on 17 August 2004. During that process, in June 2004, his Government had discovered that some Korean scientists had carried out laboratory-scale laser isotope separation experiments on a minuscule amount of uranium at facilities newly included in the declaration that had originally been intended for laser isotope separation of non-nuclear materials such as gadolinium, thallium and samarium. The scientists in question had initially embarked upon a government-funded research programme on the laser isotope separation of gadolinium with a view to its use as a burnable poison in nuclear fuel. The Korean Government had begun its investigation of the experiments involving uranium as soon as they had come to light and, so far, had discovered that the experiments had been carried out between January and February 2000 and had been terminated immediately thereafter.

12. On its own initiative, his Government had informed the Agency of the experiments in its declaration and had provided it with all relevant information including: the complete history of the research; the reasons for conducting and halting the experiments; the purpose of the related research; funding and oversight of the research programme and the reporting chain for results; the nature of the nuclear material used in the atomic vapour laser isotope separation (AVLIS) experiments and the current locations of the material; the details of uranium recovery and conversion capabilities associated with the experiments; the equipment involved in the experiments and associated conversion activities; and the details of the experiments, including the number and scale of the experiments, laser design, etc.

13. His country's laser technology research had been carried out with the full knowledge of the international scientific community. Every year since 1993, the Korea Atomic Energy Research Institute (KAERI) had hosted an international symposium on laser spectroscopy with the aim of sharing information and experience acquired in research on lasers and laser spectroscopy. At those symposia, such topics as new laser spectroscopy technologies and their application, laser isotope separation techniques, and applied research on laser isotope separation of gadolinium, thallium and samarium had been discussed. Accordingly, there was no reason to doubt that the scientists' laser isotope separation research had been motivated by anything but a genuine interest in scientific and technological advancement.

14. With regard to the uranium metal production referred to by the Director General, in the early 1980s KAERI had produced about 150 kilograms of uranium metal in small-scale conversion facilities for the purposes of R&D related to the development of radiation shielding material and nuclear fuel for research reactors. The scientists had used natural uranium obtained from the residual product from the manufacture of phosphorus fertilizer from imported phosphate ore. While most of the natural uranium produced had been used to manufacture fuel for the CANDU reactor, which activity had been reported to the Agency in October 1985, the uranium metal production had not been reported since the

scientists involved had not been fully aware of the safeguards obligations pertaining to their R&D activities and the materials used in them. A small amount of the uranium metal produced had been used later in the AVLIS experiment. However, as soon as KAERI had realized that the remaining uranium metal had not been reported it had corrected that oversight and submitted a report to the Agency in July 2004. A team of Agency inspectors had been invited to visit the Republic of Korea between 29 August and 4 September to conduct verification work and his country would provide full cooperation to the Agency as it completed that work.

15. The Director General had also referred to a trace of plutonium in connection with laboratory-scale chemical research experiments on nuclear fuel at an old research reactor in Korea in the early 1980s. The Agency had been discussing that issue with the Government of Korea for several years through regular and routine inspection consultations. Information on the plutonium trace, which seemed to originate from 22-year-old experiments, had been brought to the attention of his Government by the Agency in 1998. As more than two decades had elapsed since the experiments in question, neither his Government nor the Agency had been able to piece together an entirely unambiguous picture of the situation. The Republic of Korea had started operating its first two research reactors in 1962 and 1972. The reactors had been shut down since 1995 and the dismantlement work was expected to be complete by 2007. In November 1997, the Agency's inspectors had conducted an environmental sampling analysis at the reactors. The results had been conveyed to the Korean Government by the Agency in 1998, almost one year after the sample had been taken, and they showed a trace of plutonium at the hot cell of the TRIGA III reactor. His country had been unable to provide any explanation for the trace because it no longer had detailed information on the activities at the reactor. The Agency had carried out further environmental sampling at the same location in September 2002, yielding similar results. His country's authorities had then conducted a more thorough and far-reaching investigation and, in March 2004, had provided the Agency with brief clarifications based on information collected from various sources, including retired scientists.

16. Full cooperation had been provided to the Agency in its inspection work, which was still ongoing. During their recent visit, the inspectors had been given full access to all locations and had been provided with all the information they required, including: the name of the material used in the experiments and its current location; a chemical flow sheet for the experiment; the funding of the experiments and the recipients of the results; the equipment involved in the experiments; details of the experiments and the quantities involved; the reasons for conducting and halting the experiments; and the names of the scientists involved. The inspectors were planning to take another sample to continue their verification work. Further investigation and analysis would be needed to establish an accurate picture of what had happened over 20 years ago. His country would continue to cooperate with the Agency fully and proactively in the interests of full transparency.

17. The Government of the Republic of Korea wished to underline the following points. Firstly, his country did not have any enrichment or reprocessing programme. The experiments in question had been isolated scientific research activities conducted exclusively by scientists and without the knowledge or authorization of the Government. As such, they were completely different from those in some other countries with nuclear programmes of serious nuclear proliferation concern to the international community. Secondly, the experiments had been laboratory-scale and the quantities of material involved had been tiny. They had been terminated many years ago and the equipment had been dismantled. Thus, there was no longer any cause for proliferation concern. Thirdly, the Republic of Korea remained firmly committed to the peaceful uses of nuclear energy and nuclear non-proliferation. Thus, it had ratified an additional protocol and had cooperated, and would continue to cooperate proactively and fully with the Agency, in whose professionalism and competence it had full confidence. Fourthly, his Government would take every necessary step to prevent the recurrence of such incidents, inter alia by strengthening its nuclear material control and management systems by

establishing a new independent government institution, the Centre for Nuclear Energy Technology Control, responsible for monitoring and accounting for the flow of all nuclear material within the country, and by introducing an education programme to make nuclear scientists more aware of safeguards obligations.

18. In conclusion, he expressed the hope that the issues that had arisen would be addressed in a balanced and objective manner proportionate to the facts. The Republic of Korea would continue to abide by all its obligations under the nuclear non-proliferation regime, including its safeguards agreement, would adhere strictly to the Joint Declaration on the Denuclearization of the Korean Peninsula and would continue to participate actively in efforts to strengthen further the global nuclear non-proliferation regime.

19. Mr. GULAM HANIFF (Malaysia), speaking on behalf of the NAM, said that the Foreign Ministers of the NAM had met on 19 August 2004 in Durban, South Africa, to review progress made since the XIII Conference of Heads of States or Government of the NAM.

20. At that meeting, the Ministers had once again stressed the importance of promoting and strengthening the multilateral process and addressing international challenges by abiding strictly by the Charter of the United Nations and the principles of international law. They had stressed their commitment to multilateralism and their rejection of unilateralism, which was increasingly leading to the erosion and violation of international law, to the use and threat of use of force, and to pressure and coercion by certain countries as a means of achieving their policy objectives. Strong condemnation had been expressed for the labelling of countries as good or evil and repressive based on unilateral and unjustified criteria, for unilateral military action taken without proper authorization from the United Nations Security Council, and for threats of military action against the sovereignty, territorial integrity and independence of NAM Member States which constituted acts of aggression and blatant violations of the principle of non-intervention and non-interference. Firm condemnation had also been expressed for unfounded, biased accusations by certain countries against NAM members, and the implications of such allegations for peace, security and stability had been underscored.

21. The Ministers had reiterated their principled positions on nuclear disarmament and the related issue of nuclear non-proliferation and had stressed that non-proliferation efforts should run parallel to nuclear disarmament efforts. They had also reiterated their deep concern over the slow pace of progress towards nuclear disarmament, which remained their highest priority.

22. The establishment of nuclear-weapon-free zones through such instruments as the Tlatelolco, Rarotonga, Bangkok and Pelindaba Treaties remained a positive step towards attaining the objective of global nuclear disarmament. The efforts aimed at establishing new nuclear-weapon-free zones in all regions of the world had been welcomed. Cooperation and broad consultation would be needed. In that context, support had been expressed for Mongolia's nuclear-weapon-free status. The institutionalization of that status would be an important step towards strengthening the non-proliferation regime in that region. Consultations should continue between ASEAN and the nuclear-weapon States on the Protocol of the Bangkok Treaty with a view to the latter becoming parties to the Protocol as soon as possible. The decision by all five Central Asian States to sign the Central Asian Nuclear-Weapon-Free Zone Treaty as soon as possible had been welcomed. Support had also been expressed for the convening, at an appropriate time, of an international conference of the State Parties, ratifiers and signatories of the Tlatelolco, Rarotonga, Bangkok and Pelindaba Treaties to discuss and implement further modalities for cooperation among themselves, their treaty agencies and other interested States.

23. All parties concerned had been urged to take urgent and practical steps to fulfil the proposal initiated by Iran in 1974 for the establishment of a nuclear-weapon-free zone. Israel, as the only

country in the Middle East region that had not joined the NPT or declared its intention to do so, should promptly place all of its nuclear facilities under Agency comprehensive safeguards in accordance with Security Council resolution 487 (1981) and should conduct its nuclear-related activities in conformity with the non-proliferation regime. The acquisition of nuclear capability by Israel posed a serious and continuing threat to the security of neighbouring and other States. Israel's continued development and stockpiling of nuclear weapons had also been condemned.

24. The inalienable right of developing countries to engage in research into and the production and use of nuclear energy for peaceful purposes without discrimination had been reaffirmed. The undue restrictions that persisted on exports to developing countries of material, equipment and technology for peaceful purposes had been noted with concern. Proliferation concerns were best addressed through multilaterally negotiated, universal, comprehensive and non-discriminatory agreements. Non-proliferation control arrangements should be transparent and open to participation by all States. They should not impose restrictions on access to material, equipment and technology for peaceful purposes required by developing countries for their continued development. In that regard, attempts by any Member State to use the Agency's technical cooperation programme as a tool for political purposes in violation of the Statute had been strongly rejected.

25. The Ministers had confirmed that each country's choices and decisions in the field of the peaceful uses of nuclear energy should be respected without jeopardizing its policies or international cooperation agreements and arrangements for peaceful uses of nuclear energy and its fuel cycle policies.

26. Developed countries had a responsibility to promote the legitimate nuclear energy needs of developing countries by allowing them to participate as fully as possible in the transfer of nuclear equipment and material and of scientific and technological information for peaceful purposes.

27. The issue of proliferation should be resolved through political and diplomatic means, and the measures and initiatives taken should be within the framework of international law, relevant conventions and the Charter of the United Nations, and should contribute to the promotion of international peace, security and stability.

28. The Ministers had emphasized the importance of the positive role played by the NAM in the Agency, and the need for all members of the Agency to observe its Statute strictly. They had expressed support for all efforts to strengthen the role of the Agency in conformity with its Statute and had stressed that such efforts should be the product of careful and transparent deliberations among members.

29. There was a need to strengthen radiological safety and protection systems at facilities using radioactive material and at radioactive waste management facilities, including the safe transport of radioactive material. An appropriate international regime should be designed for physical protection of radioactive material during its transport. Efforts should continue at the multilateral level to strengthen existing international regulations relating to the safety and security of transport of such material, and provisions for liability in the event of accidents or damage resulting in contamination of the sea and seabed. It was important to provide affected States with information on shipment routes, mandatory requirements for contingency plans in the event of leakages, accidents or incidents, the commitment to recover the waste material in such an event, and a comprehensive regulatory framework for obtaining compensation in the event of nuclear damage. The Ministers had taken note of the International Conference on the Safety of Transport of Radioactive Material held in July 2003 and had welcomed the adoption by the Agency of an action plan on the safety of transport of radioactive material.

30. The Ministers had welcomed United Nations General Assembly resolution 58/40 on the prohibition of the dumping of radioactive waste and had called upon States to take appropriate

measures to prevent any dumping of nuclear or radioactive waste that would infringe upon the sovereignty of States. They had also welcomed the resolution adopted by the Council of Ministers of the Organization of African Unity in 1991 on the Bamako Convention. They had called for effective implementation of the Agency's *Code of Practice on the International Transboundary Movement of Radioactive Waste* as a means of enhancing the protection of all States from the dumping of radioactive waste on their territory.

31. The inviolability of peaceful nuclear activities had been reaffirmed. Any threat of attack against peaceful nuclear facilities, either operational or under construction, posed a great danger to human beings and the environment and constituted a grave violation of international law, the principles and purposes of the Charter of the United Nations and the regulations of the Agency. There was a need for a comprehensive multilaterally negotiated instrument that prohibited attacks, or the threat of attacks, on nuclear facilities devoted to the peaceful uses of nuclear energy.

32. Satisfaction had been expressed with the consensus among States on measures to prevent terrorists from acquiring weapons of mass destruction, the adoption by consensus of General Assembly resolution 58/48 on measures to prevent terrorists from acquiring weapons of mass destruction had been welcomed, and the need for the threat of nuclear terrorism to be addressed within the United Nations framework and through international cooperation had been underlined. While the most effective way of preventing terrorists from acquiring weapons of mass destruction was through the total elimination of such weapons, progress was urgently needed in the area of disarmament and non-proliferation in order to help maintain international peace and security and contribute to global efforts against terrorism. It was important to support international efforts and, as appropriate, to take and strengthen national measures to prevent terrorists from acquiring weapons of mass destruction, their means of delivery and the materials and technologies related to their manufacture. Noting the adoption of Security Council resolution 1540 on weapons of mass destruction and non-State actors on 28 April 2004, the Ministers had underlined the need to ensure that any action by the Security Council did not undermine existing multilateral treaties on weapons of mass destruction, the relevant international organizations or the role of the United Nations General Assembly. They had further cautioned against the Security Council using its authority to define the legislative requirements for Member States in implementing Security Council decisions.

33. The Ministers had unequivocally condemned international terrorism in all its forms as a criminal act. Terrorism endangered territorial integrity and national and international security, violated human rights, in particular the right to life, destroyed physical and economic infrastructure, and attempted to destabilize legitimately constituted governments. They had expressed their resolve to take speedy and effective measures to eliminate international terrorism, including addressing the underlying causes of terrorism. All States should fulfil their obligations under international law, which included prosecuting or, where appropriate, extraditing the perpetrators of terrorist acts and preventing the organization, instigation and financing of terrorism against other States from within or outside their territory or by organizations based in their territory. The Ministers had reaffirmed their support for General Assembly Resolution 46/51 which unequivocally condemned as criminal and unjustifiable all acts, methods and practices of terrorism wherever and by whomever committed. All States should fulfil their obligations under international law and international humanitarian law to refrain from all practices that allowed terrorists to acquire arms that could be used for terrorist acts in other States, or from acquiescing in or encouraging activities in their territory related to the commissioning of such acts.

34. Serious concern had been voiced over the recent developments on the Korean Peninsula and the hope had been expressed that the problem would be resolved peacefully through dialogue and negotiations. All parties concerned should do everything possible to resolve the nuclear issue

peacefully. The contribution made by the ASEAN Standing Committee and the ASEAN Regional Forum to the peaceful settlement of the issue had been recognized.

35. In conclusion, the NAM took note of the Director General's introductory statement on the implementation of the Republic of Korea's NPT safeguards agreement and welcomed the fact that the Republic of Korea was cooperating fully to enable the Agency to resolve the issue.

36. Mr. DE VISSER (Netherlands), speaking on behalf of the European Union, the candidate countries Bulgaria, Romania, Turkey and Croatia, the countries of the Stabilization and Association Process Albania, Bosnia and Herzegovina, The Former Yugoslav Republic of Macedonia and Serbia and Montenegro, and the EFTA countries Iceland and Norway, members of the European Economic Area, took note of the statement of the Director General concerning the Republic of Korea in which he had expressed serious concern that the conversion and enrichment of uranium and the separation of plutonium had not been reported to the Agency as required by that country's safeguards agreement. That discovery demonstrated that the additional protocol had effectively enhanced transparency. He commended the swiftness with which both the Agency and the Republic of Korea had undertaken to resolve the matter and looked forward to the Agency's report on the issue to the Board in November 2004. The way forward would have to be decided on the basis of the Agency's conclusions. The EU had no doubt that the Agency would handle the matter with its usual and characteristic professionalism and impartiality and it expected the Republic of Korea to cooperate proactively with the Agency with a view to resolving the issue as soon as possible.

37. Mr. TAKASU (Japan) expressed appreciation for the transparent manner in which the Republic of Korea had cooperated with the Agency and welcomed its statement that it would take measures to establish a more appropriate national nuclear material control structure. The additional protocol was the most effective tool to strengthen the non-proliferation regime, and the case in question demonstrated its utility. Japan expected the Republic of Korea to continue to cooperate fully with the Agency. The issue should be resolved at the earliest opportunity.

38. Mr. SMITH (Australia) thanked the Director General for his report and the Governor for the Republic of Korea for his informative statement. Any undeclared uranium enrichment activity was a serious matter. His country offered its full support to the Agency in its investigations. The Board would be considering the issue further at its meetings in November on the basis of the report on those investigations. He noted that the Republic of Korea had come forward readily with information on the enrichment experiment and was cooperating fully and actively with the Agency. Its actions stood as a positive example of a State cooperating with the Agency in resolving safeguards issues.

39. Mr. ZHANG Huazhu (China) noted the information contained and the concerns expressed in the Director General's report on the uranium enrichment and plutonium separation experiments conducted in the Republic of Korea. He also noted the clarifications provided by the Republic of Korea and the full cooperation it had extended to the Agency in its investigations. The Agency had responded to the situation with admirable rapidity.

40. Maintaining and improving the effectiveness of the nuclear non-proliferation regime was the common responsibility of the international community. His country had always maintained that States party to the NPT should abide by their commitments and fulfil in earnest their obligations under their safeguards agreements and additional protocols. He expressed the hope that the Republic of Korea would continue to cooperate fully with the Agency to clarify all relevant matters as soon as possible and looked forward to receiving further reports from the Director General.

41. Mr. SEMMEL (United States of America) welcomed the Republic of Korea's actions in bringing its previously undeclared uranium enrichment research to the Agency's attention as part of its reporting under its additional protocol, demonstrating the value of that instrument. While the activities

themselves should never have occurred, the Republic of Korea's transparency in reporting them served as a model for others to follow. He commended the cooperation of the Korean Government which it was to be hoped would continue.

42. The Republic of Korea had been a staunch supporter of international non-proliferation efforts. It had provided leadership not only as a member of the Board but also, recently, as chairman of the NSG, wrestling with a number of difficult issues, including how to respond to the growing threat of terrorism. Its disclosure of past activities of concern, and its cooperation in resolving them, were evidence of its desire to abide by its international obligations.

43. The United States had full confidence in the Secretariat and looked forward to receiving a complete and accurate report on the nature of the activities in question, and on the degree to which they had violated safeguards obligations. It was, as ever, important that the investigation be both thorough and impartial. The Republic of Korea's pledge to cooperate fully with the Agency, and its cooperation to date, should help ensure that both these objectives were met. Once the investigation was complete, the Board would consider the next steps to be taken. The Agency's Statute required the Board to report non-compliance by a State with its safeguards obligations to the United Nations Security Council, the United Nations General Assembly and all Agency Member States. There could be no double standard.

44. Many members of the Board had expressed support for the initiatives his country had proposed to strengthen the Agency with a view to enabling it to develop approaches to discourage and stem proliferation. It was time to translate that vision into action.

45. The President of the United States had stressed that universal adherence to the additional protocol would strengthen the NPT and was essential for the Agency to discharge its responsibility to confirm the absence of undeclared nuclear material and activities in a State. Additional protocols had been signed by 84 countries and brought into force by 60. In spring 2004, the United States Senate had provided advice on and given its consent to the ratification of his country's additional protocol. Congressional action on legislation to implement the protocol was now required. Once that legislation had been enacted, the necessary administrative and regulatory mechanisms could be put in place. The matter was being treated as a priority. He urged all States that had not already done so to ratify and implement a comprehensive Agency safeguards agreement and additional protocol promptly. The additional protocol should also become an essential new standard in the field of nuclear supply arrangements, to which end the United States was working within the NSG to strengthen its guidelines with a view to making the additional protocol a condition of supply for all trigger list items, especially nuclear reactors, fuel and related equipment and technologies.

46. To address serious safeguards violations and the international nuclear black market network, the United States had suggested establishing a new special committee on safeguards with a view to enhancing the Agency's capabilities to deter, detect and prevent nuclear proliferation. He proposed that the Board should agree at its meetings in November 2004 to establish that committee, suggested terms of reference for which had been shared with Board members and other G-8 countries prompting many helpful suggestions. The terms of reference document made it clear that the proposed committee would not manage the day-to-day operations of the Department of Safeguards, nor replace or duplicate the work of SAGSI. Rather, it would be responsible for preparing a comprehensive plan for strengthened safeguards and verification, thereby enhancing the Agency's integrity and effectiveness and strengthening its ability to ensure that nations complied with their NPT obligations and safeguards.

47. His country believed that countries under investigation by the Agency for violating nuclear non-proliferation obligations should not serve as members of the Board or the proposed new

committee, since those who were breaking the rules should not be allowed to participate in decisions regarding the establishment and enforcement of those rules. One of the most enduring principles underpinning the work of the Board was the desire to make every possible effort to reach decisions by consensus. His country wished to establish a similarly enduring principle. States should agree that, if at some point in the future they were to come under investigation for non-technical non-proliferation and safeguards violations and were serving as members of the Board or the new committee, they would voluntarily elect not to participate in decisions by the Board or committee regarding their own cases. He encouraged all Member States to make public statements to that effect. Subsequently that principle could be recorded in a resolution of the Board. His delegation was circulating a draft text for such a resolution.

48. Member States should combine their efforts and talents to combat and defeat the scourge of proliferation of weapons of mass destruction by providing the Agency with all the tools it needed to fulfil its mandate. Success would depend on collaboration and collective determination. The proposals his country had made were designed to strengthen the Agency and equip it to respond to the challenges. The United States looked forward to cooperation and active consultation to help achieve that goal.

49. Mr. WAGSTAFF (Canada), referring to the Director General's remarks on the Republic of Korea, said that the safeguards agreements by which all non-nuclear-weapon States party to the NPT were legally bound required that activities of the nature in question be reported to the Agency and subject to Agency safeguards. The activities in question had not been reported to the Agency at the time they took place, which was naturally a matter of concern. At the same time, it was encouraging to note that the Government of the Republic of Korea had taken the initiative to inform the Agency of the activities as part of its initial declaration under its additional protocol. He welcomed the statement that had been made by the Governor for the Republic of Korea and expressed the hope that it represented a policy of total disclosure. The Republic of Korea would have to demonstrate complete transparency if the concerns raised by its undeclared activities were to be allayed.

50. The Agency had responded appropriately and impartially, informing the Board and dispatching an inspection team to the Republic of Korea. His country looked forward to receiving the Director General's report on the implementation of safeguards in that country and reserved judgement on the appropriate response to the matter until it had examined that report. Any decision on the issue should be based on the principle that the provisions of safeguards agreements applied equally to all. The situation in question also highlighted the importance and validity of the additional protocol as a strengthened safeguards measure, and its role in promoting increased confidence among States through greater openness and transparency.

51. Ms. BRIDGE (New Zealand) thanked the Director General for his comments and the Republic of Korea for its explanation of the situation. Her country would await the full facts in the Director General's written report before expressing any position. However, it was concerned about the infringement of the Republic of Korea's safeguards obligations. It was important that the Board be objective and consistent in dealing with any failure to comply with safeguards agreements. She urged the Republic of Korea to cooperate fully with the Agency as the investigations into its nuclear activities continued.

52. Mr. NAQVI (Pakistan) said that his country was pursuing action against the nuclear black market network and had been actively cooperating with the Agency and other States concerned. As part of those efforts, the National Assembly of Pakistan had adopted a bill on 14 September 2004 which provided consolidated and comprehensive legislation covering all aspects of the export of materials and technologies related to nuclear and biological weapons and their means of delivery. The bill also envisaged a comprehensive inter-agency process to oversee the safety and security of

sensitive technologies and materials, and laid down penalties for violators with prison sentences of up to 14 years or fines of up to five million rupees, or both. The bill would serve to fulfil Pakistan's obligations under United Nations Security Council Resolution 1540 (2004).

53. Pakistan was fully cognizant of its obligations to prevent the proliferation of weapons of mass destruction and related technologies and supported the objectives of non-proliferation. The recent discovery of illicit supply networks had been as much a matter of concern for Pakistan as for any other country. It was unfortunate that some transfers had been carried out from Pakistan under the direct orders of an individual. The fact that the Government had acted swiftly in the matter demonstrated its commitment to the objectives of non-proliferation. The network had been dismantled and its activities disrupted, and the new bill would ensure that similar lapses did not occur in the future.

54. However, it would not be appropriate to underplay the extent and scope of the nuclear black market by focusing exclusively on the activities of Dr. A.Q. Khan, since the nuclear black market predated his activities. The Director General had informed the international community of the involvement of individuals and entities from more than 20 countries on four continents in the proliferation of a whole range of sensitive nuclear technologies, such as laser enrichment technology, conversion technology, reprocessing technology, enrichment technology and other sensitive material and equipment. Pakistan hoped that the Agency would be able to shed light on the true complexity of the problem. It would be preposterous to assume that the whole show was being run by one individual in any one country. Other countries where companies and individuals were involved should also recognize the lapses that had occurred under their jurisdiction. The international community had to unite to fight the threats posed by non-State actors and their proliferation activities, and its efforts in that regard should be universal, non-discriminatory and based on a multilaterally negotiated framework.

55. Mr. ALBERT (France) said that the final report of the TranSAS mission to France, carried out at his country's request from 27 March to 8 April 2004 to examine its transport regulation and control practices, contained very positive conclusions. Agency experts had identified 12 good practices and had made 16 suggestions and three recommendations. The French authorities were pleased with the success of the mission which would allow them to enhance transport safety still further.

56. In the case of international shipments, France and its partners had engaged in dialogue with a view to ensuring the greatest possible transparency and increasing mutual understanding and trust. In that same spirit of transparency, the TranSAS mission report had been made public at the request of the French authorities. They were convinced that its highly positive conclusions, confirming that France was strictly applying international standards, would reassure other Member States.

57. Mr. EL-MISLATTI (Libyan Arab Jamahiriya)* expressed appreciation to the members of the NAM, the African Group, the Group of 77 and China, and other friendly States for the support they had given his country during the Board's consideration of a fine to be levied against it. He also thanked all those who had commended the voluntary initiative of his country and the practical steps taken to implement it. The Libyan Arab Jamahiriya was fully committed to meeting its obligations vis-à-vis the Agency and to cooperating with it fully so as to create a better world free of hazards and dangers, in particular nuclear dangers.

The meeting rose at 4.30 p.m.