

IAEA Board of Governors  
Record of the 1115<sup>th</sup> Meeting  
GOV/OR.1115

(Click the link below to go directly to the NAM statement)

Nuclear Verification  
(d) 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 1115<sup>th</sup> Meeting

*Held at Headquarters, Vienna, on Monday, 29 November 2004, at 3 p.m.*

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[\*] GOV/2004/87.



## 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. HALL	Chairperson (Canada)
Ms. FEROUKHI	Algeria
Ms. KELLY	Argentina
Ms. STOKES	Australia
Mr. DOOMS	Belgium
Mr. VIEIRA DE SOUZA	Brazil
Mr. ELDER	Canada
Mr. ZHANG Yan	China
Mr. MOREJÓN-ALMEIDA	Ecuador
Mr. THIEBAUD	France
Mr. HONSOWITZ	Germany
Mr. HORVÁTH	Hungary
Ms. DURAI	India
Mr. DE CEGLIE	Italy
Mr. TAKASU	Japan
Mr. Chang-beom CHO	Korea, Republic of
Ms. ESPINOSA CANTELLANO	Mexico
Mr. DE VISSER	Netherlands
Ms. LAOSE	Nigeria
Mr. NAQVI	Pakistan
Mr. PORTUGAL	Peru
Mr. BYLICA	Poland
Mr. NEVES FERREIRA	Portugal
Mr. BERDENNIKOV	Russian Federation
Mr. GAFOOR	Singapore
Ms. ŽIAKOVÁ	Slovakia
Mr. MINTY	South Africa
Mr. MENDIS	Sri Lanka
Ms. LINDHOLM	Sweden
Mr. DAOUAS	Tunisia
Mr. JENKINS	United Kingdom of Great Britain and Northern Ireland
Ms. SANDERS	United States of America
Mr. MÁRQUEZ MARÍN	Venezuela
Mr. NGUYEN TRUONG GIANG	Vietnam
Mr. SHARAF	Yemen
Mr. ELBARADEI	Director General
Mr. ANING	Secretary of the Board

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

Austria, Belarus, Bolivia, Bulgaria, Burkina Faso, Chile, Colombia, Côte d'Ivoire, Croatia, Cuba, Cyprus, Czech Republic, Denmark, Egypt, Estonia, Finland, Greece, Holy See, Iceland, Indonesia, Islamic Republic of Iran, Iraq, Ireland, Israel, Jordan, Kazakhstan, Kenya, Kuwait, Latvia, Lebanon, Libyan Arab Jamahiriya, Lithuania, Luxembourg, Malaysia, Malta, Monaco, Mongolia, Morocco, Namibia, New Zealand, Norway, Panama, Paraguay, Philippines, Romania, Saudi Arabia, Serbia and Montenegro, Slovenia, Spain, Switzerland, Syrian Arab Republic, Thailand, Turkey, Ukraine, United Arab Emirates, Uruguay, Zimbabwe.

**Abbreviations used in this record:**

E3/EU	France, Germany and the United Kingdom, with the support of the High Representative of the European Union
EFTA	European Free Trade Association
G8	Group of Eight
GRULAC	Latin American and Caribbean Group
HEU	high-enriched uranium
LEU	low-enriched uranium
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
Tlatelolco Treaty	Treaty for the Prohibition of Nuclear Weapons in Latin America and the Caribbean
WMD	weapons of mass destruction

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

## 4. Nuclear verification

### (d) Implementation of the NPT safeguards agreement in the Islamic Republic of Iran: Report by the Director General (GOV/2004/83 and 89)

1. The CHAIRPERSON, drawing attention to the report by the Director General contained in document GOV/2004/83, recalled that a technical briefing on the contents of that report had been held for Member States on 18 November 2004.
2. The DIRECTOR GENERAL recalled that, in his introductory statement to the Board the previous Thursday, he had said that, with one exception, the Agency had been able to complete its verification of the suspension by the Islamic Republic of Iran of its enrichment-related and reprocessing activities. That exception related to Iran's request to "use up to 20 sets of [centrifuge] components for R&D purposes". At that time, he had noted that discussions on that matter were still taking place.
3. On 28 November 2004, he had received a letter from Iran referring to the 20 sets of centrifuge components and stating that Iran "permits the IAEA to place these sets of components under Agency surveillance". In the letter, Iran had also stated that it "will not conduct any testing of these sets of components" and had informed him that, as previously indicated, it would provide the Agency with the identification numbers of the components.
4. On 29 November, Agency inspectors had put surveillance cameras in place to monitor the 20 sets of centrifuge components. Also, the identification numbers had been received. As a consequence, all measures necessary for the verification of Iran's suspension of enrichment-related activities were now in place. Naturally, in accordance with the draft resolution before the Board, he would inform Board members should the suspension not be fully sustained, or should the Agency be prevented from verifying all elements of the suspension.
5. Mr. THIEBAUD (France), introducing the draft resolution contained in document GOV/2004/89 on behalf of France, Germany and the United Kingdom, said that it was a balanced text which took into account recent developments, including those just described by the Director General.
6. The sponsors felt that the draft resolution gave a balanced account of the breaches by Iran of its obligations, the corrective action which had been taken and the voluntary measures Iran had decided upon in order to regain the confidence of the international community. Those measures related specifically to the current activities and present situation of Iran. They did not relate to legal obligations arising out of safeguards agreements. Also, they should in no way be regarded as affecting the right of all States party to the NPT to benefit from the peaceful uses of the atom, in strict conformity with their commitments.
7. Moreover, sustained implementation of the measures decided upon by Iran was essential for smooth progress in the process of building confidence, resolving the outstanding issues and providing the assurances sought by the international community.

8. The agreement<sup>1</sup> concluded in Paris on 15 November 2004 between Iran, France, Germany and the United Kingdom, with the support of the High Representative of the European Union (E3/EU), reaffirmed the commitment of those countries to the NPT. In the agreement, the E3/EU had undertaken to begin negotiations with Iran in December on a long-term agreement. The negotiations would cover political and security issues, technology and cooperation issues and nuclear issues. The process would have two aims: objective assurances, in the long term, of the strictly civilian nature of the Iranian nuclear programme; and progress of cooperation and dialogue in a number of economic, technological and security areas.

9. The sponsors of the draft resolution would engage in the negotiations in a constructive spirit, hoping to build on the gains which had been made, with the support of the European Union and of the other G8 countries.

10. The CHAIRPERSON took it that the Board wished to adopt the draft resolution contained in document GOV/2004/89 without a vote.

11. It was so decided.

12. The CHAIRPERSON said that the adopted resolution would be issued as Board document GOV/2004/90. She assumed that the Board agreed to the text of the resolution and the Director General's report (GOV/2004/83) being made public.

13. It was so decided.

14. Mr. DE VISSER (Netherlands), speaking on behalf of the European Union, said that the candidate countries Bulgaria, Croatia, Romania and Turkey, the countries of the Stabilization and Association Process and potential candidate countries Albania, Bosnia and Herzegovina, The Former Yugoslav Republic of Macedonia and Serbia and Montenegro, and the EFTA countries and European Economic Area members Iceland and Norway aligned themselves with the statement which he was about to make.

15. The European Union welcomed the adoption without a vote of the draft resolution in document GOV/2004/89 and had taken note of the remarks made by the Director General at the beginning of the meeting — particularly the confirmation by him that Iran's decision to continue and extend the suspension of all enrichment-related and reprocessing activities, following verification by the Agency, had been put into effect.

16. The European Union welcomed the fact that the Agency was making further progress towards a comprehensive understanding of the nature and extent of Iran's nuclear programme, although it was still very concerned about two important issues: the origin of the LEU and HEU contamination at various locations in Iran, and the extent of Iran's efforts to import, manufacture and use P-1 and P-2 centrifuges. It appreciated the way in which Iran had been cooperating with the Agency in order to enable it to perform its verification activities, and particularly the fact that Iran had been continuing to act as though its additional protocol was in force. Once again, it called upon Iran to ratify the additional protocol and permit unrestricted access to all locations as deemed necessary by the Agency.

17. The European Union welcomed the agreement reached with Iran and Iran's decision to completely suspend all enrichment-related and reprocessing activities as a confidence-building measure and to maintain the suspension while negotiations on long-term arrangements were under way. It also welcomed the fact that, pursuant to the agreement, notification of the decision had subsequently been sent by Iran to the Director General. Maintaining the suspension as defined in the

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<sup>1</sup> See INFCIRC/637.

agreement was essential, particularly for the negotiations on long-term arrangements that would have to provide objective guarantees of the exclusively peaceful nature of Iran's nuclear programme and allow for a new kind of cooperation between Iran and the European Union. The European Union would work in good faith towards a positive outcome of the negotiations.

18. The European Union would like the Director General to monitor the implementation of Iran's suspension decision and to report immediately to the Board if the Agency found evidence that the decision was not being fully implemented or if it was prevented from monitoring all elements of the suspension. It was of the view that in such circumstances the Board would have no choice but to consider the implications of the breaches by Iran of its obligations under its safeguards agreement, as reported in documents GOV/2003/75 and GOV/2004/83. Given the gravity of those breaches and the questions to which they gave rise, the European Union was also of the view that in such circumstances it would be appropriate for the Board to act in accordance with the provisions of the Agency's Statute.

19. The European Union would like to see Iran, and other concerned States, cooperating fully, promptly and transparently in the period ahead, so that the Director General could pursue his investigations of all outstanding issues, within the framework of full implementation of Iran's safeguards agreement and additional protocol, and draw conclusions about the absence of undeclared nuclear activity and material in Iran.

20. The European Union would endeavour to open the way for a durable cooperative relationship with Iran having political, commercial and technological dimensions. Now that the Director General had reported to the Board that the entry into effect of the full suspension had been verified, it might be recalled that the European Council had agreed that the negotiations with Iran on a trade and cooperation agreement should be resumed.

21. The Director General and his staff were to be commended for their professional and impartial work. They could count on the European Union's continuing support.

22. Mr. GULAM HANIFF (Malaysia)\*, speaking on behalf of NAM, said that NAM welcomed the progress made in resolving outstanding issues between Iran and the Agency, particularly since the Board's September session.

23. Although it realized that the Agency was still examining some aspects of Iran's past nuclear programme, NAM was pleased that all declared nuclear material in Iran had been accounted for and not diverted to prohibited activities. It hoped that Iran would continue to cooperate in the implementation of its safeguards agreement.

24. There remained only two issues to be resolved in order that the Agency might provide assurance that no undeclared enrichment activities had taken place in Iran, and the Agency had — with the help of third countries — been making steady progress towards resolving them. NAM was confident that they would be resolved in the near future.

25. NAM welcomed the fact that Iran and the E3/EU had reaffirmed the commitments made in the Tehran Agreed Statement of 21 October 2003 and had decided to proceed as outlined in the agreement of 15 November 2004. It would like to see other Member States helping to maintain the environment of cooperation that had been created.

26. NAM also welcomed the decision of Iran — taken voluntarily with a view to building further confidence — to continue and extend its suspension of all enrichment-related and reprocessing activities. However, all States had the inalienable right to develop atomic energy for peaceful purposes, and NAM remained of the view that any voluntary suspension should end when appropriate requirements had been met.



27. At the September meetings of the Board, NAM had sought to ensure that confidence-building measures were not transformed into safeguards obligations, as they were two distinct sets of issues. It was therefore pleased that the distinction had been made in the Director General's report, and it was confident that the Director General would continue to make the distinction.

28. NAM considered it very important that the Board's decisions relating to Iran be taken by consensus, in order that the question under consideration might in future be treated as a routine safeguards question.

29. With regard to the resolution which had just been adopted, NAM was pleased that the 'spirit of Vienna' had prevailed. It was also pleased that the resolution reflected NAM's concern that a clear distinction should be made between voluntary confidence-building measures and legally binding safeguards obligations and NAM's belief in the right of all States to develop atomic energy for peaceful purposes. In NAM's view, the question of Iran's nuclear programme should be resolved within the framework of the Agency.

30. While NAM had had serious misgivings about some elements of the draft resolution, it had supported the consensus in a spirit of compromise. With regard to operative paragraph 1, NAM considered that the use of the word "essential" there showed the importance which the Board attached to the voluntary confidence-building measures taken by Iran.

31. Mr. VIEIRA DE SOUZA (Brazil), speaking on behalf of GRULAC, said that the countries of Latin America and the Caribbean had set an example for the rest of the world to follow, their region being the first densely populated part of the planet to have acquired the status of a nuclear-weapon-free zone. The region was internationally recognized as the world's least heavily armed and most peaceful region, consisting of nations whose international actions were truly guided by respect for the principles and provisions of the United Nations Charter and other international legal instruments.

32. The members of GRULAC, as parties to the Tlatelolco Treaty and the NPT, considered that the obligations arising out of those two treaties should at all times be complied with fully by all States Party.

33. It was against that background that GRULAC welcomed the agreement between Iran and the E3/EU made public on 15 November 2004 according to which Iran had voluntarily decided, as a confidence-building measure, to continue and extend its suspension of all enrichment-related and reprocessing activities. In welcoming the agreement, GRULAC considered it necessary to distinguish between the obligations arising out of Iran's safeguards agreement and the voluntary decisions taken by Iran.

34. GRULAC, which would continue supporting the efforts of the Director General and the Secretariat, considered that the outstanding issues should be resolved within the framework of the Agency. He hoped that Iran would continue cooperating with the Agency and abide by the decisions which it had taken voluntarily in order to restore the confidence of the international community regarding the peaceful nature of its nuclear programme.

35. Mr. TAKASU (Japan) said that Iran must fully implement all the requests made by the Board in its resolutions since September 2003. The country had shown much more cooperation recently, but Japan was still concerned to note that it had not declared many aspects of its nuclear fuel cycle activities and experiments up to October 2003, and that two outstanding issues remained unresolved. The Director General had stated that he was not in a position to conclude that there were no undeclared nuclear activities in Iran and that the verification would take longer than in normal circumstances.

36. Japan welcomed the agreement between Iran and the E3/EU. Iran must implement that agreement in full. It must allay the serious concerns of the international community by means of increased transparency, resolution of outstanding issues and confidence-building measures. Iran must fulfil its legal obligations under its safeguards agreement and provide the Agency with full information and all access the Agency deemed necessary. It should fulfil the requests made in the Board's resolutions and ratify its additional protocol quickly. Japan called upon other States to cooperate in the resolution of the outstanding issues, particularly that of LEU/HEU contamination.

37. Japan, as the only country which had been the victim of nuclear weapons, hoped that the Iranian issue would be resolved as soon as possible by Iran's continued cooperation with the Agency. The Board must send a clear message to Iran and the rest of the international community on that important issue.

38. Mr. MOREJÓN-ALMEIDA (Ecuador) thanked the Director General for his report on Iran and for his statements to the Board at the current session. Ecuador had been concerned at the situation reported by the Secretariat and was pleased at the progress which Iran had made towards fulfilling its obligations. He welcomed the agreement reached between Iran and the E3/EU and Iran's decision voluntarily to suspend all enrichment-related and reprocessing activities — a decision which would doubtless promote confidence at an international level.

39. Ecuador, while welcoming the solution which had been reached in the present case, nevertheless reaffirmed the right of all States to make use of nuclear technology for peaceful purposes, consistent with their obligations under the NPT. His country had supported the resolution which had just been adopted and was pleased at the successful outcome of the negotiations.

40. Mr. MÁRQUEZ MARÍN (Venezuela) said that all States must comply fully with the obligations they had assumed. The Director General's report described the verification activities which the Agency had carried out in Iran, the agreement between Iran and the E3/EU, and the measures which the Agency had taken with effect from 22 November 2004 to verify Iran's suspension of its nuclear activities. Venezuela commended the efforts of the E3/EU which had led to the adoption of the present resolution. The harmonious and constructive relationship which had developed between the Agency and Iran reaffirmed the importance of keeping the issue of Iran's nuclear programme within the Agency. Venezuela reiterated the inalienable right of States to make use of nuclear energy for peaceful purposes.

41. Ms. ESPINOSA CANTELLANO (Mexico) noted that the Director General's report stated that all Iran's declared nuclear material had been verified, but that the Agency could not guarantee that there were no undeclared nuclear activities or material. The Agency had called upon Iran to declare any remaining nuclear activity in accordance with its obligations under the NPT.

42. Her country had often expressed its concern about Iran's sustained breaches of its legal obligations. She commended the Agency on the verification activities it had conducted and called upon it to continue its rigorous inspections. Iran must allow the Agency immediate and unrestricted access to all sites.

43. She welcomed the diplomatic efforts of Iran and the E3/EU which had made it possible to achieve an agreement and adopt a resolution. She hoped that the Iranian issue would be settled within the Agency very soon and that Iran would ratify its additional protocol.

44. Mr. ELDER (Canada) thanked the Director General for his report on Iran, which demonstrated a clear record of non-compliance on Iran's part, compounded by what the Director General had called a "policy of concealment". The Agency should continue its rigorous verification activities in Iran, and the Board should remain seized of the issue until it had been completely resolved.

45. Canada's approach to the issue of Iran was motivated by its concern for the integrity of the global non-proliferation and disarmament regime and by its concern about the implications of the Iranian nuclear programme for international peace and security. Canada had a large nuclear industry, and nuclear power was an essential component of its energy mix. It was one of the world's major producers of nuclear fuel. Nonetheless, Canada had long since decided not to develop a full nuclear fuel cycle — a decision which had not hampered the development of its nuclear energy sector or its position as a major supplier of nuclear fuel.

46. The NPT conferred both rights and obligations on its States Party: Article IV of the Treaty enshrined the right of all Parties to use nuclear energy for peaceful purposes in conformity with Articles I and II, and the 2000 NPT Review Conference had broadened that understanding to require conformity with Article III of the Treaty, which required the acceptance of Agency safeguards.

47. Iran had accepted the safeguards but had not honoured its safeguards agreement with the Agency. The Director General's report documented 14 categories of breach of the agreement, relating to diverse aspects of the nuclear programme, over an extended period. Those breaches were surely intentional.

48. Thanks to the efforts of the E3/EU, Iran had been given a last chance to regain the confidence of the international community. Canada offered its guarded support but considered that the process had only just begun. Much would depend on achieving a long-term agreement which would provide objective guarantees about Iran's nuclear programme. Iran must cease enrichment-related and reprocessing activities altogether and must maintain the suspension until the long-term agreement was reached.

49. The facts of Iran's non-compliance had been established over a year before. The Board had decided to spare Iran the statutory consequences of its non-compliance because of its voluntary offer to suspend the most sensitive aspects of its nuclear fuel cycle. That offer had never been fully implemented, but Iran had renewed it in the agreement made public on 15 November and had asked the Agency to verify its implementation.

50. The suspension had entered into force only days before, on 22 November. Canada looked forward to confirmation by the Director General that it had been fully and effectively implemented, along with details of the specific measures which the Agency was taking to monitor it. The suspension must include all tests or R&D involving centrifuges or their components.

51. The resolution just adopted requested the Director General to report to the Board if he encountered any evidence that the suspension had not been fully implemented, or if the Agency was prevented from monitoring it fully. If Iran did not abide by its voluntary suspension, it would not be breaching any legal obligation. However, if it did so, it would then have to face the consequences of its many breaches of its legal obligations in the past. The Board would then have to do its duty, held in abeyance so far, which for Canada meant reporting Iran's non-compliance to the United Nations Security Council.

52. Mr. ZHANG Yan (China) welcomed the resolution just adopted by consensus and expressed appreciation for the work done by the parties to the consultations on the basis of mutual understanding and compromise.

53. After more than two years of serious and professional verification work, the Agency had now gained a broad understanding of Iran's nuclear activities and implementation of its safeguards agreement. Thanks to the corrective measures Iran had taken regarding past undeclared activities, the Agency had been able to verify all declared nuclear materials and had found that none had been diverted to prohibited activities. The issues related to uranium conversion and laser enrichment had

now largely been cleared up, while two issues relating to uranium particle contamination and to R&D on the P-1 and P-2 centrifuges were still under investigation. He hoped that those issues would soon be resolved with Iran's cooperation.

54. The report showed the way to deal with the Iranian nuclear issue and demonstrated that the Agency was the appropriate venue for doing so. The diplomatic efforts made by the international community had achieved positive results. According to the agreement reached by Iran with the E3/EU, Iran would voluntarily suspend all enrichment-related and reprocessing activities. The two sides would set up a committee to conduct negotiations on long-term cooperation in the areas of peaceful uses of nuclear energy, science and technology, economy and trade, and others.

55. China commended the diplomatic wisdom and flexibility shown by both sides. It was confident that, with continued patience, flexibility and pragmatism, negotiations on an equal footing could lead to a resolution of the Iranian nuclear issue within the Agency's framework at an early date. That would help to strengthen the international nuclear non-proliferation regime and to preserve and reinforce the Agency's role and credibility in that area. The rights of all countries, including Iran, to the peaceful uses of nuclear energy under strict safeguards would be guaranteed, in the interests of all. China was prepared to work with all parties and play a constructive role in realizing those goals.

56. Ms. KELLY (Argentina) said her delegation was greatly concerned about Iran's repeated breaches of its obligations under its safeguards agreement and the fact that on many occasions it had not contributed actively to the implementation of Agency safeguards. At the same time, her delegation welcomed the corrective actions taken by Iran, as outlined in paragraph 87 of the Director General's report. Argentina encouraged Iran to continue in that cooperative spirit and, given the special features of the case, to provide all the information and access that might be required until all matters related to the failures observed in safeguards implementation were fully clarified.

57. A particularly important point was that the Board, in considering issues relating to the implementation and non-implementation of safeguards, should seek to maintain the continuity of the verification system set out in the NPT and the Agency's Statute. All delegations should therefore work together to achieve consensus within the Board.

58. Under the NPT, the right to the peaceful uses of nuclear energy went hand in hand with compliance with non-proliferation obligations. The resolution just adopted also referred to the agreement between Iran and the E3/EU, under which Iran had committed itself to taking additional necessary confidence-building measures that would have to be verified by the Agency with Iran's cooperation.

59. While the negotiation of texts was sometimes facilitated through consultations among regional groups, all Member States should be kept involved in the elaboration of resolutions of the Board of Governors. Her country's regional group could certainly make a contribution to the discussion of issues of global interest such as the preservation of the nuclear non-proliferation regime.

60. Mr. GAFOOR (Singapore) said his country supported a robust verification regime within the framework of the Agency. When failures or breaches of safeguards obligations occurred, the Agency had to respond in a swift and even-handed manner, otherwise its credibility, and that of the safeguards regime, would be undermined.

61. The Director General's report indicated that all declared nuclear material in Iran had been accounted for and that such material had not been diverted to prohibited activities. That was encouraging, but some questions still remained unresolved after two years of Agency verification in Iran. In particular, his delegation noted with concern that the Agency was still unable to conclude that there were no undeclared nuclear materials or activities in Iran. While verification was a

time-consuming process, it was not more time but full and transparent cooperation that was needed, and he urged Iran to cooperate fully with the Agency's continuing investigations of all outstanding issues relevant to its nuclear programme.

62. According to the agreement with the E3/EU, Iran was voluntarily to suspend all enrichment-related and reprocessing activities as a confidence-building measure while negotiations proceeded on mutually acceptable long-term arrangements. There was a valid distinction between voluntary confidence-building measures and legally binding safeguards obligations, but both were essential to restoring the confidence of the international community in view of the past undeclared nature of significant aspects of Iran's nuclear programme and its past pattern of concealment.

63. The resolution just adopted was an important step forward, but one that only marked the beginning of a long and difficult process. He hoped Iran would make the most of the opportunity to restore the confidence of the international community in the peaceful nature of its nuclear programme. The Director General must continue reporting to the Board as appropriate on Iran's fulfilment of its safeguards obligations and its voluntary suspension of enrichment-related and reprocessing activities.

64. The NPT recognized the right of countries to pursue peaceful uses of nuclear technology, but the concomitant of that right was that countries had to comply with their non-proliferation obligations as set out in the NPT. Breaches of such obligations undermined the NPT, which was a cornerstone of international peace and security. As a small country, Singapore had serious concerns about the proliferation of weapons of mass destruction, particularly in the current context of international terrorism; it therefore took a firm position on issues of nuclear non-proliferation, nuclear safeguards and nuclear security and would continue to apply that position equally to all countries.

65. Mr. VIEIRA DE SOUZA (Brazil) urged Iran to continue to cooperate promptly and fully with the Agency so that the remaining issues relevant to evaluation of the peaceful purposes of its nuclear programme could be clarified as soon as possible. Brazil welcomed the decision announced by Iran as part of its agreement with the E3/EU to continue and extend its suspension of activities to include all enrichment-related and reprocessing activities. Iran should sustain that voluntary decision in order to help restore the confidence of the international community in the exclusively peaceful purposes of its nuclear programme.

66. The obligations established by the NPT were binding on all parties to the Treaty, at all times. Strict and unequivocal compliance must be exercised with regard to the three main pillars of the Treaty: disarmament, non-proliferation and the inalienable right of non-nuclear-weapon States to the development and use of nuclear energy for peaceful purposes.

67. Mr. BERDENNIKOV (Russian Federation) said that the clear and objective picture of relations between the Agency and Iran given by the Director General's report reflected a constructive trend which had been facilitated by the Secretariat's well thought out and professional actions as well as the cooperation shown by Iran. The efforts of the E3/EU and Iran had substantially contributed to normalization of the situation regarding the Iranian nuclear programme. The Russian Federation had not been a mere bystander in the efforts to reduce the concerns of the international community: owing to its geographical proximity and long-standing partnership relations, it had an interest in seeing the rapid resolution of the problem and the corresponding strengthening of the NPT regime, and it had undertaken major diplomatic efforts to promote achievement of a constructive and mutually acceptable result.

68. The agreement reached between Iran and the E3/EU would create a good basis for further progress. His delegation expected that Iran would pursue its policy of constructive interaction with the Agency and enable it effectively to monitor the implementation of the voluntary suspension.

69. His delegation had supported the adoption of the resolution without a vote. It contained the essence of the information provided by the Director General about the Agency's work to verify Iran's nuclear programme and reflected Iran's voluntary decision to continue and extend its suspension of all enrichment-related and reprocessing activities. The sponsors had demonstrated the necessary flexibility during the drafting process, taking into account many constructive ideas and proposals including some submitted by the Russian delegation. The result was a resolution which gave clear guidelines for dealing with the issue within the framework of the Agency and provided for the Director General's findings to be reported to the Board as appropriate.

70. Mr. MINTY (South Africa) welcomed the adoption of the resolution and noted with pleasure from the Director General's report that good progress had been made in resolving the outstanding issues pertaining to Iran's nuclear programme. Successive reports had demonstrated a positive trend in the level of cooperation extended by Iran, which should continue its proactive cooperation with the Agency in the implementation of its safeguards agreement and additional protocol.

71. Although steady progress had been made, two issues required further clarification. With regard to HEU and LEU contamination, South Africa welcomed the reported assistance of third countries and trusted that it would enable the Agency to finalize the matter soon. With regard to the P-1 and P-2 centrifuges, his delegation had noted the need for further investigation of the clandestine supply network. Iran and the third parties whose assistance was required should accelerate their cooperation with the Agency to facilitate clarification of those issues as soon as possible. Even so, the Secretariat would need time to verify the facts, and the Director General should report on the matter as appropriate.

72. South Africa was greatly encouraged by the agreement of 15 November 2004. In a letter entitled "Give Peace a Chance" and dated 19 November 2004, his country's President had indicated that the agreement provided the correct basis for final resolution of the matter. The agreement involved solemn undertakings and commitments by both sides, and South Africa welcomed in particular Iran's voluntary decision to build confidence by extending the scope of its suspension to include all enrichment-related and reprocessing activities. Those voluntary steps were intended to facilitate normalization of the situation as soon as possible, and should not affect the inalienable right of any State to utilize the atom for peaceful purposes as provided for in the NPT. South Africa could not support unwarranted restrictions on access to nuclear capabilities by States that were fully compliant with their obligations under the Treaty. That only exacerbated existing inequalities already inherent in the NPT.

73. The Board must take no action that might impinge on the Agency's statutory responsibility of verifying compliance with safeguards agreements in an impartial and unbiased manner. The Iranian issue must be resolved in a way that would strengthen and not weaken the Agency as a credible multilateral institution. Failure to do so would weaken the NPT itself, which remained the only legally binding instrument that sought to ensure both nuclear non-proliferation and nuclear disarmament.

74. Confidence-building and legal obligations in the safeguards area represented two distinct sets of issues that needed to be addressed separately and resolved in technical terms. South Africa had always held the view that States had the responsibility to remove any legitimate concerns about nuclear weapons proliferation and that that required transparency and full cooperation with the Agency. He urged all Board members to continue to seek a peaceful resolution to the matter through dialogue and cooperation. As his President had pointed out in his letter, the world community should once again focus on the challenge of nuclear disarmament. The emphasis by nuclear-weapon States on the issue of non-proliferation should not obliterate the demand of the overwhelming majority of mankind for the complete abolition of weapons of mass destruction.

75. Ms. STOKES (Australia) said her country welcomed Iran's agreement to suspend all of its enrichment-related and reprocessing activities and hoped it would be fully respected. If there was any indication that that was not the case, the Board must not hold back on the proper exercise of its responsibilities and must take the necessary action in line with the Agency's Statute.

76. A year earlier, the Director General had concluded that Iran had breached its obligation to comply with its safeguards agreement. The Board had then considered whether to report that non-compliance to the Security Council, but in the light of Iran's undertaking to suspend its enrichment-related and reprocessing activities, the Board had decided to await the results of further investigations by the Agency. Despite a further year of work, a number of serious issues remained unresolved, particularly those relating to HEU contamination and the centrifuge programme. The Director General had stated in his report that the Agency was not yet in a position to conclude that there were no undeclared nuclear materials or activities in Iran.

77. Her delegation considered that the nature and scale of Iran's breaches and concealment activities constituted non-compliance and should be reported as such. Upholding the non-proliferation regime required effective use of both verification and diplomacy. The two could usefully complement one another, but care should be taken that they did not merge and that diplomatic objectives did not compromise verification outcomes. The two issues — a finding of non-compliance and the way to resolve non-compliance — were quite distinct.

78. The Director General's report referred, in paragraphs 95, 105, 113 and 134, to areas where Iran's cooperation with the Agency was not ideal: for example, in not allowing the Agency to seal rotors, not allowing it to use equipment such as cameras and recorders and not agreeing to the request to visit the Parchin site. While there might be some grey areas with dual-use technologies which could possibly be used for non-peaceful purposes, it was the Agency's responsibility to investigate and it was the duty of Member States to abide by their non-proliferation obligations and give the Agency access and assistance in its investigations.

79. Her delegation appreciated the Agency's professionalism and the timeliness of its reports and looked forward to receiving further information needed for the discharge of the Board's responsibilities.

80. Ms. SANDERS (United States of America) said that as the Board had been asked to welcome and act on another promise by Iran to suspend all enrichment-related and reprocessing activities, it deserved to see precisely what Iran had promised, and therefore she requested that the letter Iran had sent the Director General regarding the surveillance of centrifuges be made available to all Board members. She also requested that Iran publicly confirm its understanding that no centrifuge work whatsoever was permitted by the agreement signed in Paris on 15 November.

81. The United States recognized that the Agency had verified that Iran had finally begun implementing its year-old agreement on suspension. Most of what was requested of Iran in the resolution just adopted, however, reiterated requests that had been made since June 2003.

82. The United States believed that Iran's violations of its safeguards agreement had triggered a requirement under Article XII.C of the Statute and that the Board must report that non-compliance to the Security Council and General Assembly in order to restore the credibility of the Agency. The Board had deferred fulfilling that statutory obligation the previous year to give diplomatic initiatives a chance to solve the problem presented by Iran's pursuit of enrichment capabilities that it did not need but that would permit it to produce fissile material usable in nuclear weapons, and because of Iran's commitment to suspension and its statement that it had provided a complete picture of its nuclear activities in October 2003. That picture had, however, omitted the critical issue of the P-2 centrifuges, and Iran had been unwilling to honour most of its commitments in that regard over the succeeding

year. It had never stopped producing centrifuge components and had continued to challenge the meaning of its suspension commitments, adopting positions on the definition of the activities covered that contrasted markedly with those of its European negotiating partners and that of the Agency. Finally, in mid-2004, Iran had repudiated its earlier promises and had resumed full-scale work on uranium conversion activities designed to produce feedstock for enrichment in the very same centrifuges it had pledged to stop building. It had finally reached an agreement with the E3/EU, recently signed in Paris, recapitulating its former promise to suspend all enrichment-related activities. Even then it had still tried to obfuscate and evade those obligations by using a slightly different definition of suspension from that contained in the Paris agreement in its notification to the Agency of its agreement to suspend. It had further eroded the United States' confidence in its peaceful intentions and good faith by rushing to produce as much centrifuge feedstock as possible before the suspension deadline. Iran had then claimed that the clear description "assembly, installation, testing or operation" of centrifuges in the Paris agreement did not cover centrifuge research and development, and it had delayed the current proceedings of the Board for some days by insisting on retaining a number of gas centrifuges for "research and development" work. That difficulty had been overcome through a last-minute compromise which might have as yet unforeseeable implications by setting a precedent for Agency monitoring of suspect sites and equipment in the future, both in Iran and elsewhere. Supposedly Iran had agreed not to conduct testing of gas centrifuges, but given its apparent intent to discuss the issue further at the first round of talks with the Europeans in December, the United States was concerned that the suspension issue might still not be fully resolved. Her Government's clear position was that the United States had joined the consensus on the resolution just adopted on the understanding that Iran had fully and verifiably suspended all enrichment-related activities including any research and development work using gas centrifuges and their components; any such work whatsoever by Iran would constitute a breach of the present agreement.

83. The year-long argument over the suspension issue, as well as Iran's continuing unwillingness to come clean to the Agency, highlighted the challenges of eliciting even the most basic cooperation and fair dealing from Iran, and the United States concurred with the Director General that Iran faced a confidence deficit.

84. As Iran had repeatedly demonstrated bad faith, the United States did not believe its ultimate intentions were peaceful. The United States therefore considered it imperative to hold Iran to its suspension commitment under the Paris agreement and to its safeguards obligations so as to end its enrichment work. Iran's clandestine work on plutonium separation illustrated the developing threat of its plutonium weapons programme, and its heavy water reactor programme had never been addressed. Every step must be taken to prevent further loss of confidence in the efficacy of the NPT regime in dealing with such grave compliance challenges.

85. While the United States hoped that the resolution was a significant positive step, it remained concerned that Iran had never yet fully responded to previous resolutions. In order to build greater confidence, the United States expected the Agency to provide the most rigorous verification effort possible and Iran to allow prompt and unrestricted access to all locations requested by the Agency. Under the resolution, the Director General was to report to the Board as appropriate. To that end, he should provide comprehensive updates regarding Iran's implementation of the suspension in written reports to every Board session for as long as the suspension was sustained. The United States also requested the Director General to document and report to the Board any refusal by Iran to grant timely access to any facility, site or locations and any refusal by Iran of a request to take environmental samples or perform any other tests or measurements. The Director General should also report to the Board immediately should any further undeclared nuclear facilities, material or activities come to light in Iran. Should there be any questions or discrepancies regarding the suspension, the United States expected the Director General to notify the Board immediately and the Board should then meet in



special session to consider all options in accordance with the provisions of Iran's safeguards agreement and the Agency's Statute. If Iran failed to keep its suspension commitments there should be no further deferral and the safeguards violations should be reported to the Security Council as a potential threat to international peace and security. In the light of Iran's past record, the Board had to insist on such measures as a minimum.

86. Drawing the Board's attention to paragraph 107 of document GOV/2004/83, which reaffirmed the Director General's finding that Iran's previous policy of concealment had resulted in multiple breaches of its obligation to comply with its safeguards agreement, she said that the United States continued to believe that the Board had a statutory obligation to report such non-compliance to the Security Council. Iran's ongoing activities did indeed represent a growing threat to international peace and security, the Security Council had the clear international legal and political authority to address that threat and to bring that issue to a successful resolution. It had the power to require Iran to take all necessary corrective measures and the authority to require and enforce a suspension of Iran's enrichment-related and reprocessing activities and to strengthen the Agency's ability to continue its investigations in Iran. The United States did not wish to remove the issue of Iran from the Agency but rather hoped that the Security Council would reinforce and complement the Agency's work by lending its political, diplomatic and legal weight to the difficult task of ensuring full cooperation by Iran. The continued failure to report the non-compliance to the Security Council was progressively weakening the integrity of the Board, the Agency's safeguards system, and the NPT regime as a whole.

87. The Board should remain seized of the issue of Iran's safeguards implementation until all concerns had been resolved. The Director General's report confirmed information about Iran's programme that raised further questions; it also identified a number of earlier questions and concerns that remained unresolved. None of those were addressed by Iran's temporary, equivocal suspension of its uranium enrichment-related activities. The Agency and its Board of Governors must continue to work diligently to resolve all those issues.

88. As the Director General had also reported that the Agency was not in a position to conclude that there were no undeclared nuclear materials or activities in Iran, there could be no assurance that Iran was not somewhere attempting to produce nuclear material for weapons or purposes unknown in violation of its safeguards agreement. It was also currently impossible to have any confidence that Iran was not working secretly on ways to produce nuclear weapons or to deliver the weapons it would be able to build if it acquired the enrichment capabilities it was still refusing to renounce. The Agency could not and should not have a formal role in that regard because it lacked any authority to either investigate or pronounce on questions of weapons production or intent, as was made explicit in the Director General's report.

89. While the Agency had a critical role to play in revealing Iran's activities, the international community should not assume that the Agency could resolve the threat effectively alone or even in conjunction with the Governments of France, Germany and the United Kingdom. Persuading Iran to take a strategic decision to end its pursuit of a nuclear weapons capability would require greater efforts on the part of all. Far greater pressure must be brought to bear on Iran both multilaterally and bilaterally to persuade it that the costs of pursuing a nuclear weapons capability significantly outweighed any benefits it might perceive in doing so. Quite apart from the question of how the Board might choose to handle the matter, the United States reserved all its options with respect to Security Council consideration of the Iranian nuclear weapons programme because any member of the United Nations had a statutory entitlement to bring to the attention of the Security Council any situation that might endanger international peace and security.

90. In the light of the Board's continuing inability to hold Iran accountable for its violations, the United States also intended to continue or accelerate independent work to fight proliferation, including

through such means as the Proliferation Security Initiative and its efforts to increase the costs and risks of proliferation by the vigorous imposition of economic sanctions upon entities involved in WMD-related transfers. Since President Bush had taken office, more than 50 such sanctions had already been imposed in connection with transfers to Iran. The United States had also encouraged all nuclear suppliers to remain vigilant of exports to Iran that could be diverted to its nuclear weapons programme, especially enrichment or reprocessing equipment or technology. That included items controlled under international regimes such as the NSG as well as those items that fell below the threshold of control but would still be useful to a nuclear weapons programme. In order to control proliferation effectively, all should ensure that non-compliance became more costly than compliance. All NPT States Party must be willing, individually or collectively, to take resolute steps to deter future violations.

91. The United States urged other Board members and the rest of the international community to pay more attention to that issue in their own relations with Iran, making it clear that Iran faced a choice between continuing its non-compliance with its NPT obligations — which would only subject it to greater diplomatic, political and economic isolation — and verifiably and irreversibly ending its nuclear weapons programme and its pursuit of uranium enrichment and plutonium reprocessing capabilities. That significant step would help restore confidence that Iran could once again be a constructive member of the international community.

92. In conclusion, she expressed the hope that Iran would comply with its most recent promises regarding suspension. Even if Iran honoured its commitments, however, for those who took international peace and security seriously, suspension was just a first step.

93. Ms. FEROUKHI (Algeria) noted that the Director General's report did not mention any new undeclared activities in Iran and indicated that none of the nuclear material declared had been diverted for prohibited purposes. The report also stated that certain aspects of Iran's safeguards declarations would be followed up as routine Agency activities in the future. Those welcome developments would help to allay suspicions regarding Iran's nuclear programme. They were the result of joint, persistent negotiation and active cooperation between Iran and the Agency, which was further evidence of Member States' commitment to the Agency's multilateral verification system. Another welcome development was the agreement reached between Iran and the E3/EU whereby Iran decided voluntarily to suspend all its enrichment and reprocessing activities. Monitoring and verification of that suspension by the Agency would, as the Director General had said, address some of the outstanding issues regarding Iran's nuclear programme and build confidence between Iran and the Agency. The Director General should continue to report to the Board on the matter with a view to resolving the Iran issue definitively.

94. Algeria welcomed the adoption of the resolution by consensus and remained committed to the non-proliferation system and the universal application of the NPT with recognition of the inalienable right of Member States to use nuclear technology for exclusively peaceful purposes.

95. The Board had once again shown its maturity and commitment to multilateralism by favouring negotiation and dialogue, and its decision justified the views of those who believed the Agency's unique role in nuclear energy should be strengthened. The decision helped to maintain international cooperation in that regard in the spirit of optimizing the balance between non-proliferation and socio-economic development.

96. Ms. DURAI (India) commended all parties on the agreement reached between Iran and the E3/EU. The involvement of the Agency was limited to those parts of the agreement which had been formally notified by Iran to the Director General. Iran had undertaken commitments in response to those of the Europeans, and India wished both sides success with their efforts in the near future. India

remained convinced that meeting non-proliferation goals depended on States implementing the obligations and commitments they had accepted.

97. The Director General's comprehensive and objective reports on the issue were of immense value. She noted that the results of the Agency's extensive environmental sampling to assess LEU and HEU contamination were now available and that in the Agency's overall assessment the data tended, on balance, to support Iran's statement about the origin of contamination. She also noted that all declared nuclear material in Iran had been accounted for. Iran had also made good progress in taking corrective action on past failures, enabling the Agency to follow up its current safeguards declarations as a routine safeguards implementation matter. India hoped that all the outstanding issues would be resolved soon within the framework of the Agency.

98. Any proliferation risk had two sides, the source and the recipient. While the focus was currently on the recipient, issues relating to sourcing could not be disregarded. India had noted the Agency's opinion on the need to continue further investigation and consultations in that regard, and looked forward to the results.

99. Finally, while welcoming the consensus on the resolution, India would have preferred to see simpler language in its text to reflect the new impetus in the ongoing dialogue.

100. Mr. NASSERI (Islamic Republic of Iran)\* said that in his opinion the resolution still had some shortcomings and contained unnecessary references to episodes that lay over a year in the past and had been dealt with in previous resolutions. No amount of recapitulation or repetition of legally loose terminology could change the applicable legal framework, which meant that no interpretation of the Statute or other instruments governing the conduct of the Board provided an option for dealing with the issue outside the framework of routine implementation of safeguards and the additional protocol, let alone for moving it elsewhere. The criterion for invoking the option provided for in the Statute was not amount or duration, but diversion. In the case of Iran there were thus no legal grounds for invoking it.

101. The resolution was a start towards normalization of the case of Iran. By requesting the Director General to report as appropriate, it created a calmer atmosphere which should preclude periodic escalations that prevented the issues from being addressed in a longer-term perspective. Despite unnecessary recapitulations of the pre-October 2003 period, the report now before the Board and the resolution just adopted clearly confirmed the Director General's assessment in November 2003 concerning the absence of any diversion. The absence of any undeclared nuclear material and activities would be established during routine implementation of the safeguards agreement and additional protocol. By avoiding the temptation to opt for extra-legal procedures and letting the legal non-proliferation regime run its normal course, the Board would be increasing the credibility and relevance of the regime and its legal instruments.

102. Iran was committed to continuing its policy of transparency and offered its full cooperation to the Agency in that regard. It was also prepared to take all steps within its ability to help the Agency resolve the two outstanding issues. He noted the Director General's conclusion in the report suggesting that those issues were to be resolved primarily outside Iran.

103. During the past year, Iran had consistently tried to overcome the existing hostile environment and to build confidence through transparency and cooperation with the Agency. It had adopted important confidence-building measures whose voluntary nature was reiterated in the present resolution. The inalienable right of all Parties to use nuclear energy for peaceful purposes under Article IV of the NPT had been fundamental to the acceptance of that Treaty by Iran and the other non-nuclear-weapon States. Iran had taken special care to ensure that its case did not set a precedent

which would be unfavourable to developing countries — which was partly why the process had been so complicated and time-consuming.

104. The resolution appeared to have set the stage for a positive and constructive process that would provide mutual objective assurances and guarantees with regard to transparency, non-diversion and access to nuclear technology for peaceful purposes. The adoption of the resolution had been the first important test of the Paris agreement, and France, Germany and the United Kingdom had shown their seriousness during the process if not fully in the outcome. He also wished to thank the Non-Aligned Movement and the Government and delegation of South Africa for their help.

105. Iran and the E3/EU had now embarked on negotiations which would be far more difficult but had far greater potential for achieving concrete results than the previous year's process. The negotiations would have to address the prolonged attempt — in fact, official policy — of the NSG for over two decades to deprive Iran of access to nuclear technology in total contravention of Article IV of the NPT, particularly its second paragraph.

106. As a country which had developed fuel cycle technology in spite of illegal restrictions, Iran wanted to address the legitimate concerns as to the peaceful nature of its nuclear programme. Its confidence-building measures aimed to allay those concerns and to restore confidence. In the imminent negotiations, Iran's main aim would be to give and receive objective guarantees and assurances regarding the important issues involved. It relied on the Agency to provide its indispensable technical expertise and advice and on the international community to ensure that there were no attempts to derail that pivotal process.

107. Nuclear disarmament and non-proliferation were essential for global stability and prosperity. Iran strongly believed that nuclear weapons did not augment its or anyone else's security, a belief fully reflected in Iran's policies. Therefore it was committed to Article II of the NPT and was willing to provide assurances to that effect. At the same time, Iran was determined to exercise its inalienable rights as enshrined in Article IV of that Treaty.

## — Tributes

108. The CHAIRPERSON paid tribute to the following Governor and Resident Representatives who had left Vienna or who would be leaving shortly: Mr. Némethy of Slovakia, Mr. Sadiqov of Azerbaijan, Mr. Wurie of Sierra Leone, Mr. Ariyapruchya of Thailand and Mr. Şahinbaş of Turkey. She also paid tribute to others leaving from Permanent Missions, including: Ms. Rosas of Mexico, Mr. Thema of South Africa, Mr. Mourlon of France, Mr. Hasibullah of Pakistan and Mr. Noble of the United States of America. On behalf of the Board, she wished them all well in their future endeavours.

**The meeting rose at 5.20 p.m.**