

IAEA Board of Governors
Record of the 1120th Meeting
GOV/OR.1120

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

Nuclear Verification
(c) Other safeguards implementation issues

Nuclear Verification
(b) Report by the Director General on the implementation of safeguards in the
Democratic People's Republic of Korea

Creation of a Special Committee on Safeguards and Verification

Board of Governors

GOV/OR.1120

Issued: May 2005

Restricted Distribution

Original: English

For official use only

Record of the 1120th Meeting

Held at Headquarters, Vienna, on Wednesday, 2 March 2005, at 10.05 a.m.

Contents

Item of the agenda ¹	Paragraphs
5 Nuclear verification	1–101
(c) Other safeguards implementation issues (<i>continued</i>)	1–59
(b) Report by the Director General on the implementation of safeguards in the Democratic People's Republic of Korea	60–101
7 Follow-up to decisions on personnel matters taken by the UN General Assembly	102–105
8 Creation of a Special Committee on Safeguards and Verification	106–162

¹ GOV/2005/15.

Attendance

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

Ms. HALL	Chairperson (Canada)
Ms. FEROUKHI	Algeria
Mr. SAYÚS	Argentina
Ms. STOKES	Australia
Mr. NIEUWENHUYS	Belgium
Mr. VIEIRA DE SOUZA	Brazil
Mr. VIDRICAIRE	Canada
Mr. ZHANG Yan	China
Mr. MOREJÓN-ALMEIDA	Ecuador
Mr. THIEBAUD	France
Mr. SANDTNER	Germany
Mr. BEKOE	Ghana
Mr. RÓNAKY	Hungary
Mr. SHARMA	India
Mr. DE CEGLIE	Italy
Mr. TAKASU	Japan
Mr. Chang-beom CHO	Korea, Republic of
Ms. ESPINOSA CANTELLANO	Mexico
Ms. HOEDEMAKERS	Netherlands
Mr. OWOSENI	Nigeria
Mr. BUTT	Pakistan
Mr. BELEVAN-MCBRIDE	Peru
Mr. NIEWODNICZAŃSKI	Poland
Mr. SENNFELT	Portugal
Mr. BERDENNIKOV	Russian Federation
Mr. MANIAR	Singapore
Mr. MACHÁČ	Slovakia
Mr. MINTY	South Africa
Ms. WIJEWARDANE	Sri Lanka
Ms. MELIN	Sweden
Ms. HOUIDI	Tunisia
Mr. WRIGHT	United Kingdom of Great Britain and Northern Ireland
Ms. SANDERS	} United States of America
Mr. SEMMEL	
Ms. GARCÍA DE PÉREZ	
Mr. LAI NGOC DOAN	
Mr. BAHRAN	Yemen
Mr. ELBARADEI	Director General
Mr. ANING	Secretary of the Board

Representatives of the following Member States attended the meeting:

Albania, Angola, Armenia, Austria, Azerbaijan, Bangladesh, Belarus, Bolivia, Bosnia and Herzegovina, Bulgaria, Burkina Faso, Chile, Colombia, Croatia, Cuba, Czech Republic, Denmark, Egypt, Estonia, Finland, Greece, Holy See, Iceland, Indonesia, Islamic Republic of Iran, Iraq, Ireland, Israel, Kenya, Kuwait, Latvia, Lebanon, Libyan Arab Jamahiriya, Liechtenstein, Luxembourg, Malaysia, Malta, Mongolia, Morocco, Namibia, New Zealand, Norway, Panama, Philippines, Qatar, Republic of Moldova, Romania, Serbia and Montenegro, Slovenia, Spain, Sudan, Switzerland, Syrian Arab Republic, Turkey, Ukraine, United Arab Emirates, Zimbabwe.

Abbreviations used in this record:

AEOI	Atomic Energy Organization of Iran
Agreed Framework	Agreed Framework between the United States of America and the Democratic People's Republic of Korea
DIQ	Design Information Questionnaire
DPRK	Democratic People's Republic of Korea
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
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
PHRC	Physics Research Centre
SAGSI	Standing Advisory Group on Safeguards Implementation
UCF	Uranium Conversion Facility

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

5. Nuclear verification

(c) Other safeguards implementation issues (continued)

1. The CHAIRPERSON invited comments on the implementation of safeguards in the Islamic Republic of Iran.

2. Mr. FABER (Luxembourg)*, speaking on behalf of the European Union, said that the candidate countries Bulgaria, Romania, Turkey and Croatia, 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, Liechtenstein and Norway associated themselves with the statement which he was about to make.

3. The European Union noted with satisfaction the progress reported by the Director General and the Deputy Director General for Safeguards with respect to the origin of contamination and the centrifuge programme in Iran. Other developments reported by the Secretariat, however — relating to the failure to provide information in a timely manner, the scope of transparency visits and the voluntary suspension commitments pursuant to the Paris agreement with the E3/EU² — could undermine confidence.

4. The European Union fully supported the Director General's call on Iran to provide full transparency and to extend prompt and proactive cooperation to the Agency. It recalled the Board's request to Iran to ratify its additional protocol and to reconsider its decision to construct a heavy water research reactor.

5. The European Union had continuously supported the search initiated by France, Germany and the United Kingdom for a diplomatic solution to the Iranian nuclear issue. It was currently involved in the follow-up to the Paris agreement. In view of the conclusion of that agreement and the confirmation of implementation of Iran's voluntary decision to suspend all enrichment-related and reprocessing activities, the Council of the European Union had decided that negotiation of a trade and cooperation agreement and parallel negotiation of a political agreement should be resumed. Those negotiations were being actively conducted on the understanding that full suspension was sustained. As the Council had stated, solution of the nuclear issue would open the way for a durable and cooperative long-term relationship between the European Union and Iran.

6. The European Union was committed to its approach of active engagement with Iran. It expected Iran to take all necessary measures to build the required confidence, meet all the Board's requests and fulfil the commitments voluntarily undertaken in the Paris agreement.

7. Ms. HUSSAIN (Malaysia)*, speaking on behalf of NAM, said that NAM welcomed the confirmation by the Director General of the positive trend in implementation of the safeguards agreement in Iran. It was pleased to see that as a result of full and proactive cooperation on the part of Iran, robust verification was now in place and the Agency's inspection activities appeared to be working unhindered and smoothly. In particular, it welcomed the fact that Iran's suspension of all enrichment-related and reprocessing activities was being fully verified by the Agency. At the same

² See INFCIRC/637.

time, it reiterated the basic and inalienable right of all Member States to develop atomic energy for peaceful purposes, recognized that Iran's voluntary gesture was a non-binding confidence-building measure, and remained of the view that any such voluntary suspension should end when appropriate requirements were met. It re-emphasized its position that a distinction must be made between voluntary confidence-building measures and legal safeguards obligations.

8. Mr. TAKASU (Japan) said his country believed it essential that Iran fulfil all its legal obligations under its safeguards agreement and, with a view to the early resolution of outstanding issues, continue to cooperate with the Agency through the prompt provision of adequate and complete information and any access deemed necessary by the Agency. In order to remove the serious concerns of the international community, it was of the utmost importance that Iran respond sincerely to all requests made by the Board in its resolutions, including for implementation of the suspension of Iran's enrichment-related and reprocessing activities. It was equally important that Iran ratify its additional protocol. Japan supported the efforts of the E3/EU to negotiate an agreement on long-term arrangements with Iran. It was extremely important that Iran, through those negotiations, agree to give sufficiently objective guarantees of its peaceful use of nuclear technology.

9. Mr. VIDRICAIRE (Canada) thanked the Secretariat for the latest information on safeguards implementation in Iran and the Agency's verification of Iran's commitment to suspend its enrichment-related and reprocessing activities and encouraged the Secretariat to keep the Board informed, particularly on the outstanding issues relating to the P-2 centrifuge programme and contamination with enriched uranium.

10. The undeclared construction of tunnels at the Esfahan UCF ran counter to Iran's obligations under the subsidiary arrangements to its safeguards agreement regarding early provision of design information. That represented yet another safeguards violation, confirming his country's conviction that Iran was in non-compliance. Canada was also concerned at Iran's decision to launch its heavy water research reactor project despite the resolution adopted by the Board in September 2004³ calling on Iran to reconsider its position on that subject. Such acts only undermined confidence.

11. Nevertheless, his country agreed that, before adopting a decision on the matter, the Board should await the results of the efforts being made by France, Germany and the United Kingdom to negotiate with Iran a long-term agreement providing objective guarantees that the Iranian nuclear programme was being carried out solely for peaceful purposes.

12. Lastly, Canada called on the Iranian Government to ratify its additional protocol without further delay.

13. Ms. STOKES (Australia) said it was clearly in the interests of Iran as well as of the wider international community that a satisfactory resolution be reached on proliferation concerns relating to Iran's nuclear programme. Maintaining the suspension of uranium enrichment and enrichment-related activities was vital to the effort to reach such a resolution, and her country appreciated the contribution of the E3/EU in that regard. Monitoring the suspension required clarification of a number of definitional issues relating to the range of activities covered. Australia called on Iran to maintain the suspension and to cooperate fully with the Agency and the E3/EU to ensure that those issues were fully resolved in a way that was consistent with the Paris agreement.

14. Areas of concern remained regarding the degree of cooperation shown by Iran in connection with the Agency's investigation of outstanding issues. For example, the Agency had been permitted to visit only a small portion of the areas at Parchin for which access had been sought: accordingly, the

³ GOV/2004/79.

conclusion on Parchin in the statement by the Deputy Director General was of limited effect. The tunnelling operations at the Esfahan UCF were also troubling: they had commenced without the early provision of design information required under the subsidiary arrangements to Iran's safeguards agreement with the Agency. Australia called on Iran to cooperate with the Agency in resolving outstanding safeguards issues and expected the Secretariat to continue to provide the Board with timely and detailed information on progress on those issues.

15. Mr. VIEIRA DE SOUZA (Brazil) said that obligations deriving from NPT safeguards agreements were binding at all times and should be strictly observed by all States. Brazil urged Iran to continue to cooperate fully with the Agency so as to clarify the outstanding issues.

16. As to the voluntary confidence-building measure undertaken by Iran, namely suspension of all enrichment-related and reprocessing activities, Brazil was confident that the Paris agreement reached in November 2004 would provide a satisfactory and lasting solution.

17. Mr. BERDENNIKOV (Russian Federation) welcomed the continuation of the Agency's efforts to study all aspects of the Iranian nuclear programme and noted the progress made since the Board's previous series of meetings. An important prerequisite for those efforts was full cooperation by Iran with the Agency, and the Russian Federation was doing everything in its power to promote such cooperation. The Director General had given a favourable assessment of the access that Agency inspectors had been granted to designated sites, including a military one, and of the verification of Iran's voluntary suspension of enrichment-related and reprocessing activities.

18. A protocol had just recently been signed by the Governments of the Russian Federation and of the Islamic Republic of Iran to supplement the intergovernmental agreement of 25 August 1992 on cooperation in the construction of a nuclear power plant in Iranian territory. Under the protocol, the spent fuel from the Bushehr nuclear power plant would be returned to Russia after a cooling period. All fuel supplied by the Russian Federation would be under Agency safeguards. He hoped that that agreement would make for a stronger international non-proliferation regime.

19. Mr. ZHANG Yan (China) noted that since the Board's previous series of meetings, Iran had conscientiously fulfilled its commitment to voluntary suspension of its enrichment-related and reprocessing activities, had continued to cooperate with the Agency, and had granted it access to all facilities, including a military site. The Agency was now continuing its verification of Iran's voluntary suspension and was making progress on the contamination and P-2 centrifuge issues. China welcomed that progress.

20. Iran and the E3/EU had held several rounds of consultations in an effort to achieve a negotiated solution to the Iranian nuclear issue. China commended Iran and the European Union for their constructive, cooperative attitude and their determination to arrive at a solution through peaceful diplomatic means. China would, as always, support those efforts. The negotiations covered nuclear safety, economics and trade and involved complex and challenging issues. China hoped that, proceeding from the strategic perspective of promoting regional peace and security, the two sides would show flexibility and overcome difficulties so that the negotiations could yield concrete results at an early date.

21. The relevant Board resolutions also provided a basis for a peaceful solution. China hoped the Board would continue to encourage dialogue, consultation and cooperation and create a favourable atmosphere for building confidence among the parties and advancing the verification process so as to facilitate an early solution of the issue within the framework of the Agency. That would not only maintain the Agency's authority, the international nuclear non-proliferation regime and the right of countries to use nuclear energy for peaceful purposes, but would also be in the interests of the entire international community, including Iran.

22. Mr. MANIAR (Singapore) welcomed the progress made by the Agency in verifying Iran's nuclear activities and ensuring that the suspension of enrichment-related and reprocessing activities remained in force. Singapore supported the Director General's call on Iran to provide full transparency with respect to all its nuclear activities. The ongoing talks between the E3/EU and Iran were essential to bringing the issue to a close and achieving a long-term arrangement. Singapore supported the calls for Iran to undertake all necessary measures to build the required confidence, meet all the Board's requests and fulfil the commitments undertaken in the Paris agreement.

23. Mr. WRIGHT (United Kingdom), speaking on behalf of the delegations of France, Germany and the United Kingdom, said the Governments of those countries were conducting with the Government of Iran negotiations towards a long-term agreement as foreseen in the Paris agreement circulated in document INFCIRC/637. The discussions covered three areas: political and security issues, technology and cooperation, and nuclear issues. The several meetings held so far had allowed an extensive exchange of views, notably on ways to provide objective guarantees that Iran's nuclear programme was exclusively for peaceful purposes, as stipulated in the Paris agreement. Perspectives for international cooperation in connection with the Iranian nuclear programme had been explored, and the European side had made proposals in that respect. The meetings had allowed both sides to identify elements for long-term arrangements in the political and security area as well as in the economic and technological field.

24. Those open and serious exchanges had provided both sides with an opportunity to express their concerns and objectives. While much progress remained to be made, the discussions represented encouraging steps towards working out long-term arrangements as foreseen in the Paris agreement.

25. The European parties to the Paris agreement noted with satisfaction the progress reported by the Agency with respect to the origin of contamination and the centrifuge programme. Some of the other verification developments mentioned, however, represented matters that could undermine confidence. In particular, the European parties regretted that Iran had failed to report in a timely manner the excavation of tunnels at the Esfahan UCF and that, while transparency visits had taken place, Iran seemed to have been determined to limit their scope.

26. In connection with the Agency's monitoring of the voluntary suspension of all enrichment-related and reprocessing activities, the European parties noted that Iran had carried out cleaning and quality control operations on certain centrifuge components. That was a cause for serious concern. The European parties understood the Paris agreement as a voluntary commitment on the part of Iran to suspend all enrichment-related activities, meaning each and every one, without exception. They urged Iran to keep to that voluntary commitment. In that regard, they thanked the Secretariat for its monitoring of the suspension and requested it to continue to report immediately any observations in connection with enrichment-related or reprocessing activities.

27. The European parties had taken note with deep regret of Iran's declared intention to proceed with construction work on the heavy water research reactor despite previous calls made by the Board. They fully supported the Director General's call on Iran to ensure full transparency and extend prompt and proactive cooperation to the Agency in order to make up for the confidence deficit created by its past activities. In that context, they recalled the Board's requests that Iran ratify its additional protocol.

28. The European parties remained committed to the negotiation process launched in Paris. It was, however, essential that confidence be maintained through continued implementation in good faith of all aspects of the Paris agreement.

29. Mr. MINTY (South Africa) said his country supported the Secretariat's ongoing efforts to achieve the implementation of safeguards in Iran. It welcomed the cooperation extended by Iran to the Agency, including the facilitation of access to nuclear material and facilities. It had noted the progress

made on issues pertaining to the origin of HEU and LEU contamination and the centrifuge programme.

30. South Africa wished to emphasize the need to differentiate between Iran's legal obligations and the confidence-building measures that it had voluntarily undertaken, without in any way negating the importance of such measures. States had the responsibility to build confidence with the international community so as to remove any legitimate concerns about nuclear weapons proliferation. That required transparency and full cooperation with the Agency. It was encouraging that no activities inconsistent with Iran's voluntary decision had been reported.

31. South Africa welcomed, and placed great importance on, the continued discussions on a range of broad issues between the E3/EU and Iran and hoped they would bear positive results. His country would work with all concerned towards resolving all outstanding matters through interactive diplomacy so as to avoid confrontation. It encouraged Iran to continue its full and proactive cooperation with the Agency to finalize all outstanding issues, including clarifying those matters reported on by the Director General and the Deputy Director General.

32. Mr. SHARMA (India) noted with satisfaction that the Agency's inspections had continued, with the necessary cooperation from Iran, and that an important parallel process of engagement of the E3/EU with Iran was under way. India trusted that outstanding requests from the Agency to Iran would receive specific consideration and active cooperation.

33. Ms. SANDERS (United States of America) said that for the first time in almost 18 months, the Board was discussing Iran's nuclear programme without considering a written report from the Director General or adopting a resolution. A casual observer might conclude that that was because the Agency had been able to resolve all outstanding questions about Iran's decades-long clandestine nuclear activities. Some might assume, and no doubt Iran would insist, that Iran had lived up to its November 2004 agreement to suspend all enrichment-related and reprocessing activities or that it had fully complied with all the requests made by the Board. However, such conclusions would be drawn in error. The recitation of events since November 2004 provided a startling list of Iranian attempts to hide and mislead, and to delay the work of Agency inspectors.

34. Iran had continued uranium production at the UCF in Esfahan through 18 February 2005 — three months after its November 2004 pledge to suspend all tests or production at any uranium conversion installation was to have taken effect. There was also no legitimate rationale for Iran to have rushed to load 37 tonnes of uranium feed material into the UCF in the days before the suspension had taken effect. The aim seemed to have been to circumvent full implementation of its suspension pledge. The United States looked forward to a detailed update on that issue once the Agency's inventory verification at the UCF was complete.

35. Iran had gone out of its way to press the limits of its own suspension commitment. Since the Board's previous series of meetings, it had proceeded to conduct quality control tests on a variety of centrifuge components. It was difficult to imagine how such testing was consistent with Iran's agreement to suspend assembly, installation, testing or operation of gas centrifuges.

36. The United States welcomed the clear messages sent by the Agency and others to Iran that those activities must stop immediately. It remained to be seen, however, whether Iran would take those messages seriously. Meanwhile, her country encouraged the Agency to extend its suspension verification efforts to every declared centrifuge workshop rather than relying on random visits to selected workshops. The United States reaffirmed the Board's November 2004 resolution calling on Iran to adhere to the terms of its suspension pledge as a necessary precondition for resolving the international community's long-standing concerns about the nature of its nuclear programme. Given Iran's history of clandestine nuclear activities and its documented efforts to deceive the Agency and

the international community, only the full cessation and dismantling of its fissile material production could begin to give any confidence that it was no longer pursuing the acquisition of nuclear weapons.

37. The Board had repeatedly called on Iran to reconsider its decision to start construction of a heavy water research reactor — a project which would be well suited for plutonium production and for which Iran had provided changing and contradictory rationales. The Board had just been informed that work was continuing on the project. Once again, Iran had defied the Board's calls, and it had failed so far to provide a credible explanation for its rush to complete the project. Her delegation urged the Agency to visit the heavy water research reactor site at the next opportunity and to report to the Board on what it found.

38. The Board had repeatedly called on Iran to conclude and implement an additional protocol. Since late 2003, despite its decision to sign such a protocol and its commitment to act in accordance with its provisions, Iran did not appear to have taken any steps towards ratifying the protocol.

39. The Director General had indicated that Iran's failure to provide the Agency with full information and cooperation had created a confidence deficit. She could not agree more, especially in the light of the details supplied by the Deputy Director General in his introductory briefing. Clearly, Iran's cooperation fell far short of the expectations set forth in the latest resolution by the Board. Iran's confirmed failure to allow the Agency full access to three of the four sites it had requested to visit in Parchin and its refusal to allow further transparency visits to Parchin were troubling. On several occasions, Iran had failed to provide documentation after repeated Agency requests. Such refusals were unacceptable, and the Board should say so. The United States requested the Director General to notify the Board immediately of any further cases of Iran denying the Agency such access and called on Iran to give the Agency full and immediate access to all locations of concern, including any and all requested sites at Parchin.

40. Her country was also very concerned to hear that Iran had only recently admitted that in 1987 it had received an offer from a foreign intermediary for an extensive range of centrifuge-related equipment and assistance. Iran's failure to declare that offer to the Agency was significant and indicated that it had still not declared the full history or scope of its centrifuge programmes. Her delegation would welcome any further information the Agency could give the Board about that significant development, which demonstrated Iran's consistent pattern of providing information on its clandestine nuclear activities only when confronted with undeniable evidence from other sources.

41. Her country also hoped that the Agency would clarify the reference by the Deputy Director General to a 1994 offer by a foreign intermediary to provide P-1 centrifuge documentation and components to an Iranian company unrelated to the AEOL. Why would a company unrelated to Iran's nuclear authority be engaged in discussions with a foreign intermediary regarding P-1 centrifuges?

42. The Deputy Director General had confirmed that Iran had failed to notify the Agency of its plans to construct deep tunnels for future storage of nuclear material near Esfahan until after the Agency had requested a complementary access visit. Those plans called seriously into question Iran's commitment to maintaining a suspension.

43. So far, Iran had failed to provide a satisfactory explanation for its experiments with polonium-210. It had also failed to describe the true nature of activities at the PHRC at Lavisian before that facility had been razed, with access for Agency inspectors being delayed meanwhile. Her country was deeply troubled to hear of the Agency's concerns that the Lavisian facility might have been involved in acquiring dual-use materials useful in uranium enrichment and conversion. Iran's claim that the PHRC had not been involved in activities declarable under NPT safeguards was simply not plausible. She urged the Agency to continue and deepen its investigation into possible undeclared nuclear-related activities at Lavisian and into the role of the PHRC there.

44. Welcoming the Deputy Director General's remarks regarding the Agency's complementary access visit to the Gchine mine and associated mill, she said her country looked forward to hearing more about the complex arrangements governing current and past administration of the mine. The United States continued to wonder, and to ask, whether Iran's military had played a role in overseeing that mine, and to what purpose. Iran had also failed to provide a plausible explanation regarding the timing of its past clandestine plutonium separation experiments. The United States looked forward to a definitive conclusion of the Agency's analysis regarding the correct dates of Iran's undeclared plutonium separation experiments.

45. Her Government continued to believe that the Board must report Iran's non-compliance with its safeguards agreement to the United Nations Security Council. It had a statutory obligation to do so — but so far had failed to act. It could not ignore its statutory responsibility forever. While the Agency must continue to have a role in investigating Iran's past and ongoing nuclear activities and monitoring its suspension pledge, the Security Council had the international legal and political authority needed to bring the issue to a successful and peaceful resolution. It had the authority to require that Iran take all necessary corrective measures, including the steps called for by the Board that Iran had failed to take, and to enforce a suspension of Iran's enrichment-related and reprocessing activities.

46. There remained an alarming number of unresolved questions about Iran's nuclear programme. The briefing provided by the Deputy Director General made it clear that despite the Agency's commendable efforts in Iran, it was still not able to provide assurances that Iran was not pursuing clandestine activities at undeclared locations, as it had been doing for years. The Iranian nuclear issue must command the continued vigilance of the Secretariat and of the Board. The Board should receive another comprehensive written report from the Director General well in advance of its next meeting. If there was any further deterioration of Iran's adherence to its suspension pledge, the Board should convene immediately to consider appropriate action. It must provide appropriate policy guidance and oversight in order for the Agency's ongoing investigation to remain effective in a world where States like Iran were willing — and apparently able — to cynically manipulate the nuclear non-proliferation regime in the pursuit of nuclear weapons.

47. Mr. SAYÚS (Argentina), thanking the Deputy Director General for his report, said he shared the concerns expressed in the Director General's introductory statement. Iran must guarantee that it had no additional undeclared activities and that all its nuclear activities were undertaken solely for peaceful aims. He supported the diplomatic negotiations between Iran and the E3/EU and encouraged Iran to increase transparency and cooperation with the Agency so as to rebuild trust among the international community and normalize the situation.

48. Ms. FEROUKHI (Algeria) noted from the Deputy Director General's briefing that the active cooperation between Iran and the Agency had continued. She urged Iran to pursue that cooperation to resolve any outstanding issues. She further encouraged the E3/EU to continue their efforts to resolve the Iranian nuclear issue in a definitive and timely manner.

49. Mr. SRIWIDJAJA (Indonesia)* welcomed the statements made by the Director General and the Deputy Director General and noted the positive trend of verification activities in Iran. He encouraged Iran and the Agency to work together towards a full assessment of Iran's nuclear programme.

50. Mr. NASSERI (Islamic Republic of Iran)*, responding to the — unexpectedly detailed and technical — report given by the Deputy Director General and to Board members' comments, said that the storage facilities at Esfahan were not part of the uranium conversion process. Moreover, DIQs on the facilities had been submitted to the Agency prior to the complementary access visit, which had taken place on 15 December 2004. If they had been received somewhat late, that had been the result of an inadvertent error in communication between Iran and the Agency.

51. Regarding the packing and storage of centrifuge components at Farayand, he noted that the items in question were non-essential and were intended for preventive maintenance; they were thus unrelated to Iran's voluntary suspension. The technical necessity of such activities for the preservation and maintenance of those components and other, essential items currently under Agency seals had been discussed with technical staff since November 2004, prior to the commencement of the voluntary suspension. Further discussion was required, for the items could not be left unpacked and it made no sense to pack rejectable items.

52. Iran welcomed the cooperation offered by other States and the steps taken by the Agency towards resolving the issues relating to contamination and the P-2 centrifuges. Iran had provided the Agency, beyond its safeguards obligations, with potentially helpful information on shipping, procurement and other aspects, and it would continue to cooperate with the Agency to assist it in bringing the matter to a conclusion.

53. Although the media had represented the visit to Parchin as a setback, it should in fact be viewed as a step forward. The request to visit had been responded to positively by Iran as a voluntary measure to enhance confidence. The modalities for that visit had been agreed in advance, with the Agency being given the option to select the zone with the highest priority from among the designated zones at its own discretion. That agreement had been fully implemented. However, an additional request made later had fallen outside the initially agreed modalities for the visit.

54. More generally, two serious concerns continued to exist with regard to dual-use items. Firstly, there seemed to be a tendency towards undue proliferation of such visits, which appeared to be becoming an open-ended process, driven by unreliable open sources, to which no end was in sight because it would never be possible to give sufficient assurances to terminate the process.

55. Secondly, and more importantly, despite Iran's repeated requests and all the Director General's efforts, confidentiality of information had almost never been maintained. Concerns about that issue had grown in view of potential threats of military strikes against safeguarded and other facilities visited by the Agency in Iran. Such threats by a nuclear-weapon State against a non-nuclear-weapon State undermined the very essence of the NPT and had to be confronted head on because of the alarming consequences for the security and stability of the region.

56. Confidentiality might not only be a problem within the Secretariat. Part of the problem seemed to relate to electronic monitoring and eavesdropping activities by outsiders, as had been reported extensively in the media. That must be addressed seriously and immediately and a remedy must be found if Iran's work with the Agency was to proceed in a smooth and efficient manner.

57. Having listened carefully to member's statements, in particular to that made by the Governor from the United States, he was not sure whether to regard the latter country's attitude and proposed course of action as confrontational or conciliatory, though the overall impression had seemed negative. However, Iran would continue to cooperate with the Agency, including granting access to its sites in accordance with its safeguards agreement and additional protocol.

58. In conclusion, noting that common sense would favour an agreement reached by political means, he said he would like to stress a number of points: Iran was sincere and serious in its negotiations with the E3/EU, and was intent on continuing its full cooperation with the Agency in order to return to a normal relationship under its safeguards agreement. Suspension was a voluntary measure and hinged upon progress made in the negotiations with the E3/EU. Iran's intention to become a nuclear fuel producer and supplier — for which it had the technology and facilities — and to be a player in the future of the lucrative nuclear market was firm and inalterable. An agreement was envisaged and was being pursued with the E3/EU on the basis of an exchange of firm and objective guarantees. Such an outcome was possible given a political environment conducive to a mutually

acceptable agreement. The exchange of guarantees with the E3/EU would provide additional assurances for both sides, would enhance confidence, and thus would contribute positively and effectively to regional stability. Finally, good will and well-intentioned support from other members for the success of the negotiations could be helpful to the process.

59. The CHAIRPERSON said she would sum up the discussion on the matter at a later meeting.

(b) Report by the Director General on the implementation of safeguards in the Democratic People's Republic of Korea

60. Mr. ZHANG Yan (China) said he would like to provide the Board with an update on the situation regarding the DPRK nuclear issue. Thanks to the joint efforts of China and the other parties, the six-party talks had made significant progress since their initiation. Consensus had been reached on the goal to be attained, namely the denuclearization of the Korean Peninsula. The direction of the peaceful talks had been clearly set and the principle whereby verbal agreements were met with verbal agreements and actions with actions had been affirmed. That had laid a useful foundation for further in-depth talks. Continuation of the six-party talks with a view to achieving denuclearization of the Korean Peninsula was in the interest of all parties and the international community.

61. The declaration by the DPRK Foreign Ministry on 10 February 2005 had caused broad concern among the international community. To maintain the momentum of diplomatic efforts to solve the DPRK nuclear issue by peaceful means, China had reiterated to the DPRK its consistent position that the issue should be resolved peacefully and that a nuclear-weapon-free Korean Peninsula was in the best interests of the DPRK. A high-level Chinese delegation had visited the DPRK with a message from President Hu Jintao stating that China maintained its position on the denuclearization of the Korean Peninsula and the maintenance of peace and stability there, calling for continuation of the six-party talks, and expressing the hope that the DPRK would return to the negotiations. The DPRK was not opposed to the six-party talks and remained committed to keeping the Korean Peninsula nuclear-weapon-free and resolving outstanding issues through peaceful dialogue. When conditions for the fourth round of the talks were "mature", the DPRK would return to those negotiations. That indicated that the DPRK remained in favour of and attached great importance to resolution of the Korean nuclear issue in a peaceful manner.

62. China had maintained close communication with the other parties to the talks, Japan, the Republic of Korea, the Russian Federation, and the United States, and those countries had also clearly expressed their willingness to continue the talks soon. China hoped those countries would indeed cooperate in that regard, and in particular called upon the United States to show further necessary flexibility in overcoming the DPRK's security concerns. It was still possible to resume the six-party talks, but the DPRK nuclear issue was complex and the long years of deep-rooted hostility and mistrust between the DPRK and the United States had led to problems for the process. The talks were a realistic and effective approach to resolving the Korean nuclear issue, as dialogue tended to reduce confrontation, increase understanding and lead to compromise. Progress in the talks was the joint responsibility of all six parties, whom he urged to show patience and sincerity. China would continue to make efforts to facilitate resumption of the talks and hoped that the Board would play a constructive role in that endeavour.

63. Mr. FABER (Luxembourg), speaking on behalf of the European Union, the candidate countries Bulgaria, Romania, Turkey and Croatia, 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, Liechtenstein and Norway, strongly condemned the DPRK's announcement on 10 February 2005 that it had produced and therefore possessed nuclear weapons, and strongly urged

the DPRK to completely dismantle any nuclear weapons programme in a prompt, transparent, verifiable and irreversible manner. He noted the DPRK's announcement that it would rejoin the six-party talks and hoped those talks would be resumed without further delay and without preconditions. He reiterated the European Union's support for dialogue within that framework.

64. The European Union urged the DPRK to comply with all its relevant international commitments fully, unconditionally and without delay. Compliance with the DPRK's safeguards agreement under the NPT should lead to the re-establishment of the required containment and surveillance measures at the DPRK's nuclear facilities, and thus to the full implementation of all the required safeguards measures at all times, including the return of Agency inspectors.

65. The European Union deplored the fact that the Agency had been unable to draw any conclusions regarding the DPRK's nuclear activities since 31 December 2001, when verification activities had been terminated at the request of the DPRK. It supported the Director General's attempts to enter into dialogue with the DPRK with a view to restoring the Agency's essential verification role.

66. Ms. HUSSAIN (Malaysia)*, speaking on behalf of NAM, said she shared the concern expressed by the Director General in his introductory statement regarding recent developments on the Korean Peninsula. She hoped that those issues could be resolved peacefully through dialogue and negotiations and called upon all parties concerned to do everything possible to that end.

67. Mr. Chang-beom CHO (Republic of Korea) expressed regret that the DPRK nuclear issue remained unresolved. The DPRK's nuclear weapons and related programmes posed a serious challenge to the non-proliferation regime and undermined peace and security in North-East Asia and beyond. Despite repeated calls by the Board and the international community, the DPRK had not permitted the Agency to carry out its verification responsibilities, and the Agency was therefore unable to provide any credible assurances regarding nuclear material and activities in the DPRK.

68. The DPRK Foreign Ministry had issued a statement on 10 February 2005 declaring it would indefinitely suspend participation in the six-party talks and claiming that it had manufactured nuclear weapons. That statement had caused serious concern. The DPRK's possession of nuclear weapons could not be tolerated under any circumstances, as it went against the global norms of non-proliferation, peace and security and was in violation of the 1992 North-South Joint Declaration on the Denuclearization of the Korean Peninsula. Nuclear weapons could not guarantee the security of the DPRK, as its nuclear ambition would only exacerbate its isolation from the international community and as a result undermine its security. Security could not be achieved by isolation, but by respect for common rules and norms and by constructive engagement with the international community. He therefore strongly urged the DPRK to dismantle any nuclear weapons and related programmes under credible international verification, to return to the nuclear non-proliferation regime, and to cooperate fully with the Agency in the full and effective implementation of comprehensive IAEA safeguards without delay.

69. The Republic of Korea believed that the DPRK nuclear issue could still be resolved through diplomatic efforts and dialogue and that the six-party talks were the best approach available. Those talks should be resumed as soon as possible in order to maintain the momentum of the last three rounds. He cautiously noted the DPRK's recent statement that its wish to seek a peaceful solution and to achieve denuclearization of the Korean Peninsula remained unchanged. He also noted its willingness to come to the six-party talks if there were "mature conditions". If that intention was genuine, the time had arrived for the DPRK to return to negotiations. Attending the talks would enable the DPRK to present its position and raise any differences with other parties, which would in turn widen the common ground for the comprehensive resolution of all the relevant issues, including the DPRK's own security needs. Accordingly he strongly urged the DPRK to return to the talks

immediately and without conditions. A peaceful and comprehensive solution to the issue was the desire of the entire international community, and he hoped the Board would send an unequivocal message to the DPRK that it should urgently return to the six-party talks. The Republic of Korea for its part would continue to work closely with the Agency and the international community for the peaceful and comprehensive resolution of the Korean nuclear issue. In conclusion, he requested the Director General to keep the Board informed of any further developments in the implementation of safeguards in the DPRK.

70. Mr. TAKASU (Japan) said that he, too, shared the Director General's concern at the recent announcement by the DPRK. It was deeply regrettable that, despite a number of Agency resolutions, the DPRK had not accepted comprehensive safeguards and had been refusing to cooperate with the Agency. The DPRK should respect all international agreements related to nuclear issues, including the NPT, and implement its comprehensive safeguards agreement fully and immediately. Japan continued to support the Agency's efforts to get the DPRK to open all its nuclear-related facilities immediately to Agency inspections and safeguards.

71. Japan was deeply concerned at the announcement by the DPRK on 10 February 2005 that it was suspending participation in the six-party talks for an indefinite period and that it had manufactured nuclear weapons for self-defence.

72. The DPRK's nuclear programme was not only a direct threat to peace and stability in North-East Asia, including Japan, but also a serious challenge to the international non-proliferation regime. The international community must not, under any circumstances, accept any development, acquisition, possession, testing or transfer of nuclear weapons by the DPRK and should call for the complete dismantlement of its nuclear programmes with credible international verification. It was important for the international community, including the Agency, to deal with the DPRK nuclear issue properly and urgently if no progress was made, in order to avoid future regrets.

73. As the situation needed to be handled peacefully through dialogue, the six-party talks currently provided the most realistic framework available and should continue to be fully utilized. Japan urged the DPRK to resume the talks at an early date without preconditions. Together with China, which was hosting the talks, and other partners, Japan would make every effort to achieve an early resolution of the DPRK nuclear issue through diplomatic action. The Board should send a firm message reflecting the deep concern expressed during its discussion of the matter as a contribution to those efforts.

74. Ms. SANDERS (United States of America) expressed deep concern at the DPRK's pursuit of nuclear weapons and the actions it had taken towards that goal. The recent public statement that it had manufactured nuclear weapons and had indefinitely suspended participation in the six-party talks served to further isolate the DPRK from the international community and thwarted efforts by other parties and the Agency to resolve the nuclear issue peacefully. The statement also reflected a history of non-fulfilment of international commitments and obligations, including the 1992 North-South Joint Declaration on the Denuclearization of the Korean Peninsula, the 1994 Agreed Framework, the NPT and the DPRK's safeguards agreement. The United States therefore continued to call for the permanent, thorough and transparent dismantlement of the DPRK's nuclear programmes, including the uranium enrichment programme whose existence the DPRK continued to deny despite its earlier admission in October 2002 and reports of A. Q. Khan's activities.

75. The six-party talks were the DPRK's best opportunity to chart a new course with the international community. At the third plenary of those talks in June 2004, the United States had tabled a fair and reasonable proposal but had received no response. If the DPRK dismantled its nuclear weapons and weapons programme verifiably and irreversibly, the proposal provided for multilateral

security assurances and progress towards a new political and economic relationship with the United States, the other participants in the six-party talks and the entire international community.

76. One of the DPRK's excuses for not returning to the talks was an alleged hostile United States policy, but the President of the United States had said that his country had no intention of attacking or invading the DPRK. Its goal was the peaceful diplomatic denuclearization of the Korean Peninsula. The United States was prepared to return to the six-party talks at an early date and without preconditions and hoped that the DPRK would reconsider its recent statement and follow suit.

77. The DPRK's nuclear programme presented a serious challenge to the global non-proliferation regime and could only be addressed through a concerted multilateral diplomatic effort. There was unanimous agreement among five members of the six-party process, supported by the Agency's Member States, that the DPRK should immediately re-engage in the talks and undertake to end its nuclear ambitions permanently. General Conference resolution GC(48)/RES/15 had urged the DPRK to completely dismantle any nuclear weapons programme in a prompt, transparent, verifiable and irreversible manner, maintaining the Agency's essential verification role. The Agency also had a role to play in drawing conclusions about the nuclear activities covered by a country's safeguards undertakings.

78. The DPRK should make a strategic choice to leave the dangerous path on which it had embarked and instead seek to establish normal relations with its neighbours and the international community, thereby obtaining multilateral security assurances and ensuring a better life for its people.

79. Ms. STOKES (Australia) said that the DPRK's nuclear programme and its ongoing proliferation activities constituted a serious threat to international peace and security. Her country deplored the statement on 10 February 2005 that the DPRK had manufactured nuclear weapons and was suspending its participation in the six-party talks. Australia strongly encouraged the DPRK to participate in further diplomatic efforts to facilitate a peaceful resolution of the nuclear issue and considered the talks to be the most viable mechanism for achieving that goal. The complete, verifiable and irreversible dismantlement of the DPRK's nuclear programmes would enhance, not diminish, the country's security and prosperity, and would be a crucial first step towards ending its isolation from the community of nations. The continued pursuit of nuclear weapons was unacceptable and the rejection of negotiations would only exacerbate the country's isolation. The DPRK should follow the example of the Libyan Arab Jamahiriya which, after decades of isolation, was reaping the economic, diplomatic and other benefits of reintegration into the international community following its courageous decision to abandon nuclear and other weapons of mass destruction.

80. She urged the DPRK to return to the six-party talks and to respond positively to the package of benefits offered at the June 2005 round of talks in exchange for the complete, verifiable and irreversible dismantlement of its nuclear programmes.

81. She supported the sending of a strong message from the Board on the DPRK nuclear issue.

82. Mr. BELEVAN-MCBRIDE (Peru) endorsed the Director General's statement that the DPRK's nuclear activities continued to present a challenge to the non-proliferation regime and that its recent claim to possess nuclear weapons was a matter of serious concern and had serious security implications. As a country with diplomatic relations with the DPRK, Peru exhorted that country's Government to return to the six-party talks in order to dispel the concerns raised by its recent statement.

83. As a State party to the Tlatelolco Treaty and the NPT, Peru reiterated its commitment to the denuclearization regime and to the elimination of nuclear weapons. The current fragile situation in the

Korean Peninsula strengthened its conviction that international security depended more than ever on concerted multilateral action.

84. Mr. VIDRICAIRE (Canada) said that his country was deeply concerned by the DPRK's recent statement that it possessed nuclear weapons and by its suspension of participation in the six-party talks. The possession of such weapons, if confirmed, would present a grave threat to international peace and security and to regional stability, and a serious challenge to the multilateral nuclear non-proliferation and disarmament regime. It would also be a violation of the 1992 North-South Declaration on the Denuclearization of the Korean Peninsula.

85. The six-party talks were the best venue for negotiating a solution to the DPRK nuclear issue, and Canada welcomed the valuable efforts of the participants, particularly China. He strongly urged the DPRK to return to the talks as soon as possible, to dismantle, completely and irreversibly, any nuclear weapons it possessed, to reverse its earlier decision to withdraw from the NPT, and to comply fully with the requirements of its safeguards agreement with the Agency.

86. Mr. BERDENNIKOV (Russian Federation) said that his country, which attached great importance to the resolution of the nuclear issue in the Korean Peninsula, was closely following developments and the positions of the main actors involved. It deeply regretted the announcement by the DPRK on 10 February 2005 of the indefinite suspension of its participation in the six-party talks and its intention to increase its nuclear arsenal. Such an approach was incompatible with the DPRK's declared aspiration to make the Korean Peninsula a nuclear-weapon-free zone.

87. While the Russian Federation respected the DPRK's concern to guarantee its security, it took the view that negotiations were a more appropriate way of dealing with the problem than an escalation in the nuclear arms race. The six-party talks in Beijing were the best mechanism for addressing the nuclear issue in the Korean Peninsula. He welcomed the statement by the DPRK on 22 February 2005 that it was ready to return to the talks. Their speedy resumption was necessary in order to develop compromise approaches that took account of the interests of all parties concerned. The main aim of the talks was to secure the DPRK's return to the non-proliferation regime and the restoration of the Agency's authority to provide reliable assurances regarding the DPRK's nuclear programme.

88. Mr. VIEIRA DE SOUZA (Brazil) expressed great concern at the DPRK's announcement that it possessed nuclear weapons and intended to continue developing its arsenal, a matter that had serious implications for international peace and security. His Government had also expressed regret at the DPRK's decision to suspend its participation in the six-party talks, for those talks constituted a useful mechanism for reaching an agreement that took into account, in a balanced way, the legitimate interests of the parties and of the international community as a whole.

89. All issues pertaining to international peace and security should be resolved through constructive diplomatic negotiations aimed at reaching agreements that strengthened the stability of the community of States and built confidence among its members.

90. Mr. MINTY (South Africa) commended the Agency on its continued impartial efforts to resume safeguards inspections in the DPRK, to verify the non-diversion of nuclear material and to provide assurances in that regard.

91. The Board, in resolution GOV/2003/14, and the General Conference, in resolution GC(48)/RES/15, had called on the DPRK to comply promptly and fully with its NPT safeguards agreement and to cooperate fully with the Agency, enabling it to provide credible and comprehensive assurances regarding the DPRK's nuclear programme. South Africa therefore noted with serious concern the DPRK's statement on 10 February 2005 that it possessed nuclear weapons, which

presented a serious challenge to international peace and security, particularly in the Korean Peninsula and in neighbouring States.

92. During its democratic transformation process in the 1990s, South Africa had become the first country in history to destroy its nuclear weapons. Its experience had demonstrated that nuclear weapons did not provide protection against a perceived or real threat but were a source of greater insecurity.

93. He therefore urged the DPRK immediately and completely to dismantle any nuclear weapons programme in a transparent, verifiable and irreversible manner. South Africa supported dialogue and a peaceful and lasting resolution of the situation and remained committed to bilateral and multilateral action to that end. He encouraged the parties concerned to continue their quest for such a settlement.

94. He called on the DPRK and all other parties involved to refrain from any steps that could further escalate tensions and urged the DPRK to return to full compliance with the NPT.

95. Lastly, he expressed full support for the continuing efforts of the Director General and his staff to address the situation.

96. Mr. MANIAR (Singapore) expressed deep concern at the DPRK's announcement that it had manufactured nuclear weapons and suspended its participation in the six-party talks, which had been a useful forum for working towards a comprehensive solution and the common objective of a denuclearized Korean Peninsula. He urged the DPRK to return to the negotiations as soon as possible.

97. He further urged the DPRK to return to the NPT regime, to resume cooperation with the Agency and to dismantle any nuclear weapons programme in a prompt and verifiable way.

98. Mr. SAYÚS (Argentina) said that his Government had issued a press release on 17 February 2005 expressing regret at the DPRK's announcement of its development of nuclear weapons and urging it to renew diplomatic dialogue and dismantle its nuclear programme. An aggravating factor was the possibility of transfers of technology related to the production of nuclear weapons. The issue had crucially important implications for the future of the non-proliferation regime and would be high on the agenda of the forthcoming NPT Review Conference. Argentina therefore hoped for the speedy resumption and successful outcome of the six-party talks.

99. Ms. BRIDGE (New Zealand)* echoed the concerns expressed by the Director General and previous speakers about the DPRK's statement of 10 February 2005. As the Minister for Foreign Affairs of New Zealand had stated at the time, talk of withdrawal from the six-party talks was misconceived and should be reconsidered because of the need for a negotiated settlement to ensure both peace and assistance for badly needed poverty alleviation in the DPRK. The securing of nuclear weapons by the DPRK would destabilize the Korean Peninsula and the region and continue to isolate the DPRK from most of the rest of the world.

100. She called on the DPRK to dismantle any nuclear programme completely and irreversibly without delay and to adhere to the objective of a nuclear-free Korean Peninsula. New Zealand would continue to urge the DPRK to meet its NPT responsibilities and to resume cooperation with the Agency as soon as possible. She hoped that the DPRK would listen to the advice of all the other members of the six-party talks and would review its decision to withdraw from the discussions.

101. The CHAIRPERSON said she would sum up the discussion at a later meeting.

7. Follow-up to decisions on personnel matters taken by the UN General Assembly (GOV/2005/7)

102. The CHAIRPERSON said that the General Assembly, at its 59th session, had approved a revision of the current salary scales of staff members in the Professional and higher categories. The Board was asked, in document GOV/2005/7, to confirm the implementation of the revision, which had been provisionally implemented by the Director General with effect from 1 January 2005, in accordance with previous Board authorization.

103. Mr. TAKASU (Japan) said that he had no objection to the realignment of the Agency's salary scale in conformity with the General Assembly's decision. He took the opportunity to commend the Secretariat for its ongoing efforts to improve efficiency of resource management by reviewing internal structures and the allocation of human resources. At the same time, more transparency in the allocation of staff was needed, and the Board should be provided with information on the number of staff at each level assigned to each Department and Division. Advance information on any major changes would also be useful. He suggested that the Chairperson should consult with the Secretariat on the most appropriate format for providing such information and report back to the Board.

104. The CHAIRPERSON said she assumed that the Board wished to take the action recommended in document GOV/2005/7, namely to approve the salary scale as shown in the Annex thereto for promulgation by the Director General and to approve consequential changes to the annual gross and net base salaries of the Director General as indicated in paragraph 7 of the document.

105. It was so decided.

8. Creation of a Special Committee on Safeguards and Verification (GOV/2005/11)

106. The CHAIRPERSON said that item 8 had been included in the agenda at the request of the United States of America.

107. Mr. SEMMEL (United States of America), introducing the item, said that the United States had discussed its proposal to create a special committee of the Board on safeguards and verification at each major meeting of the Board in 2004. The original proposal had undergone significant changes reflecting, for the most part, input and ideas from other Board members. Further useful discussions had been held with Member States and Board members in recent weeks and constructive suggestions had been made. Some States had noted redundancies in the earlier proposal, which had been streamlined accordingly. Others felt it would be inappropriate to consider specific topics, some of which had been deleted. Still others had drawn attention to subjects that had been overlooked and suggestions had accordingly been inserted.

108. Turning to the reasons for creating such a committee, he noted that matters related to safeguards and verification had taken up a considerable amount of the Board's time in recent years. Moreover, the Agency also had to deal with the new threat of a covert nuclear supply network, and one State had announced its withdrawal from the NPT and was boldly developing nuclear weapons. Those

challenges were too big, diverse and complex for any one State to manage alone. Just as the Board had addressed the covert nuclear weapons programme pursued by the former regime in Iraq through Programme 93+2 and Committee 24, it should now take concerted action to defeat the scourge of nuclear proliferation. He expressed the hope that the special committee would develop measures to enhance the Agency's ability to detect, deter and prevent such proliferation.

109. Revised draft terms of reference had been circulated by the Secretariat offering a much-improved proposal for the work of the special committee. The United States had modified its position on membership and had agreed that the committee should be open-ended. However, it stood by its position that countries under investigation for non-technical violations of their nuclear non-proliferation and safeguards obligations should choose not to participate in discussions in the Board or the special committee regarding their own cases.

110. The mission of the special committee would be twofold. Firstly, it would serve as a forum for handling routine safeguards-related issues, including matters related to the review of the annual Safeguards Implementation Report and to studies undertaken by the Agency and Member States aimed at achieving universal adherence to safeguards agreements and additional protocols. It could review past Agency action to ascertain ways of strengthening the safeguards system, for example by determining the extent to which Programme 93+2 measures had been fully implemented by the Agency and whether they had proven to be effective and cost-efficient. The new committee's role in that regard would be similar to that of the Programme and Budget Committee and the Technical Assistance and Cooperation Committee and, like those committees, it would not have authority to interfere with the day-to-day management of the Department of Safeguards. Secondly, it would be forward-looking and would seek to improve the effectiveness and efficiency of the safeguards system. The Agency's inspectorate had faced unexpected and expanding challenges in recent years, including the untangling of a dangerous covert nuclear supply network and the investigation of covert nuclear programmes involving hidden nuclear facilities and undeclared materials and activities. New or innovative measures might be needed to ensure the success of such investigations. The committee should also consider measures to deal with emerging proliferation threats from non-State actors. In general, the committee should assess whether the Agency had been using all the tools at its disposal. Just as the international community had responded to the serious non-proliferation challenge of the early 1990s, there was a need to adapt the safeguards system to meet recent developments and the changing threat.

111. The special committee would be advisory in nature. It would be established by the Board and deliberate on its behalf. The committee would have no independent decision-making authority. Any recommendations it made would be reviewed by the Board and accepted, rejected or amended as the Board saw fit. His country anticipated that the committee would serve as a catalyst for new ideas and methodologies that could help the Agency keep pace with the changing international security environment as the latter related to safeguards. Its work would supplement and not duplicate or dilute that of the Board and the Agency. Indeed, the proposed new committee could strengthen all three pillars of the Agency's activities.

112. The most important first step was to reach agreement on the decision document and terms of reference that had been circulated. The consultations had indicated that there was widespread acceptance of the principle and purpose of the committee, but that some details needed to be worked out. To that end, the United States was ready to work with other Board members in the weeks ahead, either in Vienna or in national capitals, with the aim of reaching agreement in the near future. It recognized that action might not be possible during the current series of meetings but hoped that the committee would be created at the next series of meetings in June 2005.

113. Mr. FABER (Luxembourg)*, speaking on behalf of the European Union, the candidate countries Bulgaria, Romania, Turkey and Croatia, the countries of the Stabilization and Association Process and potential candidates Albania, Bosnia and Herzegovina, The Former Yugoslav Republic of Macedonia, and Serbia and Montenegro, and the EFTA countries and European Economic Area members Iceland, Liechtenstein and Norway, expressed broad support for the United States initiative aimed at enhancing multilateral efforts to strengthen the non-proliferation regime. The European Union was ready to participate in the further discussion that the complexity of the issue demanded, particularly with regard to the committee's mandate, composition and duration. It believed that the outcome of that process could enhance the credibility of the Agency's safeguards and verification activities.

114. Ms. HUSSAIN (Malaysia)*, speaking on behalf of NAM, said that NAM had taken note of the proposal to set up a special committee on safeguards and verification. However, owing to the late receipt of document GOV/2005/11, it felt that more work was required before the issues raised by the complex proposal could be considered by the Board. The NAM Chapter in Vienna was prepared to work with others to improve the efficiency of the Agency's work in all areas, in accordance with its Statute and bearing in mind the basic and inalienable right of all Member States to develop atomic energy for peaceful purposes.

115. NAM also stressed the importance of promoting and strengthening the multilateral process and rejected unilateralism. It reiterated its principled positions on nuclear disarmament and the related issue of nuclear non-proliferation and emphasized that efforts aimed at non-proliferation should run parallel to efforts aimed at nuclear disarmament. It also reiterated its deep concern over the slow pace of progress towards nuclear disarmament, which remained its highest priority.

116. All Member States of the Agency should strictly observe the Statute and support all efforts to strengthen the Agency's statutory activities in a balanced manner. Such efforts should be the product of careful and transparent deliberation among Member States.

117. Mr. TAKASU (Japan) said it was clear that the international community had to take urgent measures to deal effectively with recent proliferation challenges such as the safeguards implementation issues in a number of States and the discovery of a clandestine supply network. Japan therefore supported in principle the proposal to establish a new special committee of the Board responsible for drawing up a comprehensive plan for strengthened safeguards and verification and was ready to participate actively in discussions on relevant issues, such as its terms of reference, membership, duration, and funding, with a view to reaching an agreement in June. Universalization of the additional protocol should be regarded as one of the most effective and practical means of strengthening the Agency's safeguards system and one of the most important tasks for such a committee would be to consider measures for further promoting such universalization.

118. Ms. STOKES (Australia) said that her country supported the creation of a special committee on safeguards and verification as it believed that it was important for issues related to the effective and efficient operation of the safeguards system to receive focused scrutiny by members of the Board.

119. Australia was acutely aware of the recent serious challenges to the non-proliferation regime, including the discovery of clandestine supply networks involving non-State actors, the threat of terrorism and the evident weaknesses in the traditional safeguards system. All necessary steps should be taken to ensure that the Agency had access to the full range of technical, administrative, diplomatic and political measures it needed to fulfil its mandate. The special committee would allow those important topics to receive more thorough attention from Board members. Finding ways to universalize the additional protocol should be one of the committee's major priorities. It should also

look at ways of further strengthening the tools available to Agency inspectors and examine issues concerning the Agency's verification mandate.

120. The committee's draft terms of reference acknowledged the role of SAGSI and instructed it not to duplicate SAGSI's technical mandate. Since its establishment in the 1970s, SAGSI had made an important contribution to the effective operation of the safeguards system.

121. She looked forward to working with other Member States with a view to reaching agreement on the creation of a special committee on safeguards and verification and requested that the item be placed on the Board's agenda in June.

122. Mr. VIDRICAIRE (Canada) said that the establishment and administration of safeguards was at the core of the Agency's mandate to promote the safe, secure and peaceful use of nuclear technology and was a key responsibility assigned to the Agency by the NPT. In view of the importance of that mandate, it was regrettable and perhaps surprising that the Board had no standing body to provide policy advice on safeguards. That was a serious gap in the Agency's ability to assess and respond to current and future challenges in the field of nuclear verification and thus ensure that nuclear energy was used for peaceful purposes only. Such policy committees existed for technical cooperation and programme and budget questions. Many times in recent years, the Board had had to consider specific safeguards implementation issues in various countries but had lacked a standing mechanism for taking a comprehensive view of the issues involved.

123. The proposed special committee on safeguards would fill that gap by providing a non-technical policy forum capable of taking a global view of nuclear verification challenges and the important role and responsibilities of the Agency in that area. Canada encouraged the Board to give favourable consideration to the proposal, which had been endorsed by G8 leaders in the non-proliferation action plan agreed to at the Sea Island Summit of June 2004.

124. Mr. Chang-beom CHO (Republic of Korea) said that the international community had recently been faced with growing challenges to the nuclear non-proliferation regime. In view of the inherent shortcomings of the NPT and the current safeguards system in dealing with those challenges, his country welcomed the basic concept of the initiative to establish a special committee on safeguards and verification as an effective way of strengthening the safeguards system.

125. First and foremost, membership of the special committee should be open-ended. If it was designed to be a committee of the Board, qualification for membership should be consistent with qualification for Board membership, as stipulated in the Statute. Otherwise, Board members not permitted to participate in the decision-making process of the committee would not readily lend their support to the outcome of the discussion, undermining the effective and efficient functioning of the committee. Moreover, an arbitrary limitation on the rights and privileges of membership of the Agency would cause a serious statutory problem.

126. Secondly, the committee's draft terms of reference required more discussion and in-depth examination of details, including its mandate. Some parts of the draft should be further clarified in terms of definitions and potential legal implications. In order to avoid a prolonged debate on the detailed mandate of the special committee and to proceed with the creation of the committee in a timely manner, an alternative approach could be to produce a broad and general, but simple formulation instead of an exhaustive list. Once established, the committee itself could further develop the detailed scope of its mandate through intensive consultations and seek the approval of the Board.

127. Thirdly, the special committee should be a subsidiary committee of the Board and operate under its authority. Of course, there should be no overlap of its mandate with the technical mandate of other

existing safeguards-related bodies, including SAGSI, or with the work of the Department of Safeguards .

128. Finally, given the far-reaching implications of the initiative, any decision to create a special committee on safeguards and verification should be based on consensus within the Board. The unity of the Board was key to an effective and successful response by the international community to the grave challenges to the global nuclear non-proliferation regime and the safeguards system.

129. He looked forward to continued intensive and constructive discussion on the initiative with a view to facilitating the timely establishment of the special committee.

130. Mr. ZHANG Yan (China) said that his country had always supported all efforts aimed at strengthening the international non-proliferation regime, including the adoption of measures to improve existing mechanisms and thus make the Agency's safeguards system more effective. It was open to proposals and ready to participate actively in discussions. At the same time, it was of the opinion that a number of elements had to be taken into account and addressed appropriately.

131. Creating such a committee was a complex matter with implications for a range of issues, including the Agency's Statute, existing Agency mechanisms and relations with Member States. Work should be pursued in an open and transparent manner. The views of all parties should be taken fully into account, equal participation by all should be ensured and maximum representation achieved.

132. The proposed special committee should complement existing Board mechanisms and its main mandate should be to provide advice and recommendations to the Board. It should not interfere with or weaken the Board's role or status.

133. The Department of Safeguards and SAGSI had done excellent, effective work in preventing nuclear proliferation and had played an important role in maintaining international peace and security. Any new body should fully address and properly handle its relations vis-à-vis existing mechanisms. The reform of the Agency's work should be carried out within the framework of the Statute and duplication of mandates should be avoided.

134. The special committee should not be created at the expense of the balance between the Agency's two major statutory objectives, which were complementary, namely prevention of the proliferation of nuclear weapons and promotion of the peaceful uses of nuclear energy. Resources should not be diverted from those activities.

135. He expressed the hope that, with broad consultations, the Board would achieve progress on the proposal.

136. Mr. SANDTNER (Germany) said that the proposal was an important initiative which should be carefully examined. The creation of a special committee on safeguards and verification would have some merit. Safeguards and verification issues were of considerable technical complexity and could not be discussed by the Board in sufficient detail. Nevertheless, a number of issues needed to be discussed in greater detail before a decision was taken.

137. There was agreement that the special committee should be only technical in nature. However, SAGSI already addressed technical questions and its mandate was broad enough to cover at least some of the technical issues referred to in the proposal. The Board might ask the Director General to modify the mandate of SAGSI to include some additional items, for example with regard to non-State actors. It was not evident that a special committee on safeguards and verification would have a higher level of know-how than SAGSI.

138. Efforts to strengthen the Agency's safeguards system had been in progress for more than a decade, starting with Programme 93+2, the principal outcome being the creation of the additional protocol. Initial experiences with the additional protocol had shown that it was a powerful instrument, but the results still had to be analysed and evaluated. Before setting up a new committee, the Board should have more results at its disposal from a broader implementation of the additional protocol, to identify any possible shortcomings and decide how to remedy them. Germany's primary objective was to achieve universal adherence to safeguards agreements and additional protocols. That goal could hardly be furthered by the creation of a special committee on safeguards and verification. It was the task of the Board to convince all Member States that it was in their interest to adhere to safeguards agreements and additional protocols.

139. In the preceding week, the expert group on multilateral nuclear approaches had submitted its valuable report⁴ to the Director General. Before setting up the special committee, the Board should consider the report and possibly draw conclusions. The report was eminently political in nature and might contribute more effectively to solving current problems than the technical ideas of a special committee on safeguards and verification.

140. Finally, the special committee should have a limited lifetime, with the possibility of prolonging it at a later stage if necessary. It should not interfere with the tasks of the Department of Safeguards. The important compromises reached in Committee 24 should not be reopened or revoked, and cost factors should also be considered. The special committee should also be open to all Member States in order to ensure full support for its recommendations.

141. Ms. MELIN (Sweden) said that her country found a great deal of merit in the idea of creating a committee to give Member States a forum to discuss safeguards matters of a more general and conceptual nature than was usually possible at Board meetings. Moreover, the Agency already had a committee for the programme and budget and one for technical assistance, as well as other structures that enabled Member States to participate in the Agency's work on safety. Establishing a committee on safeguards would thus be appropriate, and such a body would not duplicate the work of SAGSI, which gave technical advice to the Director General.

142. Further discussion was needed on the special committee's functions, mandate, programme of work and membership. Membership should be open to all. The safeguards system affected all Member States and all Member States should have the right to take part in discussions about its future development, current implementation and other related matters. That included any problem that might arise.

143. Sweden was sympathetic to the idea of further developing the additional protocol, but it questioned whether there was as yet a sufficient basis for identifying shortcomings and considering measures to achieve that goal, as the experience gained from implementing additional protocols was still limited.

144. Promoting universal adherence to safeguards agreements and additional protocols was a political matter, but there might be room for the special committee to discuss technical and practical aspects of that issue.

145. Other ideas which deserved thorough consideration were reviewing and commenting on the Safeguards Implementation Report, addressing emerging threats from non-State actors, taking into account Security Council resolution 1540, and examining whether existing legal authorities needed to be reviewed.

⁴ INFCIRC/640.

146. Sweden was prepared to take part in the consultations needed before agreement could be reached on a safeguards committee and its activities.

147. Mr. MANIAR (Singapore) said that the proposal to establish a special committee on safeguards and verification aimed at strengthening existing safeguards mechanisms. Safeguards were an important pillar of the Agency's work and one where it had faced new challenges in recent years.

148. His country welcomed the fact that the United States had been consulting other Member States on its proposal and was in favour of inclusive discussions, given the importance of the proposal.

149. Mr. BERDENNIKOV (Russian Federation) said that the idea of setting up a special committee on safeguards and verification was not new. The G8 action plan on non-proliferation stated that, in order to enhance the authority and effectiveness of the Agency's activities and bolster its ability to ensure States' compliance with their NPT and safeguards obligations, G8 leaders would work together on the creation of a special committee of the Board of Governors whose functions would include the preparation of a comprehensive plan for strengthening safeguards and the verification regime. The issue had also been touched upon in previous meetings of the Board.

150. The proposal to create a special committee on safeguards and verification deserved close consideration, as did the comments made at the current meeting. The implementation of the proposal should be carefully prepared. The committee's mandate defining its status and powers should be elaborated taking into account the opinions of a broad range of States. Wide-ranging consultations should be held with a view to preparing proposals that reflected the views of all members of the Board and would enhance the effectiveness of the Agency's work. His country was ready to work with other members of the Board to that end.

151. Mr. VIEIRA DE SOUZA (Brazil) said that the recent challenges to the disarmament and non-proliferation regime served as a reminder that the basic bargain implicit in the NPT remained valid after 35 years. In Brazil's view, the upcoming NPT Review Conference in May constituted an invaluable opportunity to strengthen the main elements of that bargain: disarmament and non-proliferation on the one hand, and the right to develop nuclear energy for peaceful uses on the other.

152. To date, however, the States Party to the NPT had not been able to decide on an agenda for the Review Conference, a symptom of the difficulties and sensitivities involved. The designated chairman of the Conference, Ambassador Sergio de Quieroz Duarte, was engaged in extensive consultations with regional groups and individual States Party and it was to be hoped that, with the support of the States Party, his efforts would meet with success.

153. The objectives of disarmament and non-proliferation were closely related and progress in one area had to be accompanied by similar achievements in the other. Unfortunately, as new challenges to the non-proliferation regime had emerged, little progress had been made with the implementation of the commitments agreed to at the 2000 NPT Review Conference, clearly showing that work was needed in both areas.

154. His country was of the opinion that the current organization of the Agency, as defined by its Statute, was adequate to handle all matters falling under its mandate. Moreover, participation by Member States in the Agency's bodies should remain non-discriminatory. Some of the suggested functions of the proposed new committee did not fall under the Agency's mandate. One such example, which Brazil hoped could be included in the agenda of the next NPT Review Conference, was the consideration of steps that could be taken by the Board should an NPT Party submit notification of its intention to withdraw from the Treaty. Further evaluation was needed to provide Member States with a clearer view of that complex matter.

155. Ms. ESPINOSA CANTELLANO (Mexico) said that, given recent events in various parts of the world which had highlighted the vulnerability of the safeguards system, it was important to strengthen the ability of the international community to prevent the threat of nuclear weapons from continuing to grow. The NPT called for effective measures aimed at both promoting nuclear disarmament and preventing the proliferation of nuclear weapons. Non-proliferation had to go hand in hand with disarmament. The NPT Review Conference offered an opportunity to make progress in that direction. The proposal to create a special committee on safeguards and verification should be regarded as a contribution to strengthening the non-proliferation regime. However, the effect that such a committee would have on the functions of the Board should also be examined.

156. She stressed the need to ensure a balance between the Agency's main activities. For the developing countries, the Agency's technical cooperation activities were of particular importance because of the opportunities they offered for improving the well-being of their populations. It was clearly necessary to strengthen those activities, for which additional resources were required. In considering the proposal before the Board, it was important to analyse the costs involved. Her country was ready to participate in the discussions of the matter.

157. Mr. THIEBAUD (France) said that, in the context of the adoption by the G8 of its action plan on non-proliferation, his country had stressed the importance which it attached to strengthening the non-proliferation regime and creating a special committee on safeguards.

158. The verification of obligations entered into under safeguards agreements was the responsibility of the Agency Secretariat. The mandate of the proposed special committee should reiterate that the Agency was the impartial body responsible for the application of safeguards and the verification of compliance with safeguards obligations. Any new body should also avoid duplication with other existing committees.

159. The special committee should reaffirm the importance of universal adherence to safeguards agreements and additional protocols. In that connection, initiatives outside the Board carried out directly by Member States or groups of Member States would be necessary.

160. Action was needed to deal with the new threats that had emerged, in particular in connection with non-State actors, but the international community had already launched a number of initiatives in that regard. The mandate of the special committee should clearly specify how it would work together with other bodies active in combating those new threats and so avoid duplication.

161. The prime goal was to strengthen the non-proliferation regime. The special committee should be able to make recommendations to the Board rapidly, and its mandate should be limited in time and carefully defined. The Board could decide later whether the committee should be made permanent. Priority should be given to committee proposals which would strengthen the non-proliferation regime.

162. France would continue to consult with other delegations with a view to reaching a consensus on the proposal.

The meeting rose at 1 p.m.