

IAEA Board of Governors
Record of the 1121st Meeting
GOV/OR.1121

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Any other business

Appointment of the Director General (Indonesia)

Appointment of the Director General (Malaysia)

Board of Governors

GOV/OR.1121

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Record of the 1121st Meeting

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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
Ms. KELLY	}	Argentina
Mr. SAYÚS		
Ms. STOKES		Australia
Ms. CLAEYS		Belgium
Mr. LOPES DA CRUZ		Brazil
Mr. VIDRICAIRE		Canada
Mr. ZHANG Yan		China
Mr. MOREJÓN-ALMEIDA		Ecuador
Mr. THIEBAUD		France
Mr. HONSOWITZ		Germany
Mr. BEKOE		Ghana
Mr. RÓNAKY		Hungary
Mr. SHARMA	}	India
Ms. DURAI		
Mr. DE CEGLIE		Italy
Mr. TAKASU		Japan
Mr. Chang-beom CHO	}	Korea, Republic of
Mr. Key-cheol LEE		
Ms. ESPINOSA CANTELLANO		Mexico
Mr. KOP		Netherlands
Mr. OWOSENI		Nigeria
Mr. BUTT		Pakistan
Mr. BELEVAN MCBRIDE		Peru
Mr. NIEWODNICZAŃSKI		Poland
Mr. DA SILVA SENNFELT		Portugal
Mr. BERDENNIKOV		Russian Federation
Ms. CHAN		Singapore
Mr. MACHÁČ		Slovakia
Mr. MINTY		South Africa
Ms. WIJEWARDANE		Sri Lanka
Ms. MELIN		Sweden
Mr. DAOUAS		Tunisia
Mr. WRIGHT		United Kingdom of Great Britain and Northern Ireland
Ms. SANDERS		United States of America
Ms. GARCÍA DE PÉRES		Venezuela
Mr. NGUYEN TRUONG GIANG		Vietnam
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, Bolivia, Burkina Faso, Cuba, Czech Republic, Denmark, Egypt, Estonia, Finland, Greece, Holy See, Indonesia, Islamic Republic of Iran, Israel, Lebanon, Libyan Arab Jamahiriya, Malaysia, Mongolia, Morocco, New Zealand, Norway, Panama, Paraguay, Philippines, Qatar, Republic of Moldova, Romania, Saudi Arabia, Serbia and Montenegro, Slovenia, Spain, Syrian Arab Republic, The Former Yugoslav Republic of Macedonia, Turkey, Ukraine, United Arab Emirates.

Abbreviations used in this record:

CPPNM	Convention on the Physical Protection of Nuclear Material
CTBT	Comprehensive Nuclear-Test-Ban Treaty
GUUAM	Georgia, Ukraine, Uzbekistan, Azerbaijan, Moldova
INLEX	International Export Group on Nuclear Liability
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
SAGSI	Standing Advisory Group on Safeguards Implementation

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

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

1. Mr. DE CEGLIE (Italy), having welcomed the initiative of the United States of America, said that the spread of nuclear knowledge and capabilities contributed to the risk of the proliferation of nuclear weapons so there was a need to improve the safeguards system. In that connection, Italy attached particular importance to efforts to not only achieve universal adherence to safeguards agreements and additional protocols and recommend measures for further promoting the universalization of the additional protocols, but also address emerging threats from non-State actors. Document GOV/2005/11 would require further consultations in order to achieve consensus on the proposed committee's terms of reference, membership, duration and funding, a process to which Italy was willing to contribute. The matter should be taken up as soon as possible.
2. Mr. BELEVAN MCBRIDE (Peru) also welcomed and was willing to contribute to the United States initiative. He said that more time was needed to study the proposal contained in the document under discussion. Peru was convinced that effective progress must be made towards universal disarmament if international security was to be improved. At the same time, it was essential to strengthen the three main pillars of the non-proliferation regime, namely the NPT, the CTBT and the Agency's safeguards system. His delegation therefore appealed for maximum cooperation to that end during the forthcoming NPT Review Conference.
3. Mr. WRIGHT (United Kingdom) said that his country supported the concept of the special committee on safeguards and verification and generally endorsed the proposed terms of reference set out in document GOV/2005/11. Such a committee could provide valuable support to identifying ways to further strengthen the Agency's capability to ensure that States complied with their safeguards agreements. However, some details still needed to be resolved. The United Kingdom would prefer the committee to be given a time-bound mandate in the first instance to ensure it delivered practical recommendations within a reasonable time frame. Upon completion of that period, the Board could review the committee's findings to determine whether there was a need to extend its duration or mandate. Progress towards establishing the committee should now be made by agreeing the most useful consensus mandate possible on the basis of the proposals in the document and then revisit the subject at the Board meetings in June 2005.
4. Mr. MOREJÓN-ALMEIDA (Ecuador) said that his country was willing to contribute to any initiative to increase the Agency's effectiveness in fulfilling disarmament, non-proliferation and other objectives, including safety and also technical cooperation, which was of particular importance to the developing countries.
5. The creation of the special committee, proposed by the United States of America, was an interesting initiative. His delegation felt that more time was required to study such an important and complex topic, particularly the legal and financial implications. More consultations within the Board, taking the opinions of all Member States into account, were needed and Ecuador was willing to contribute in that regard.
6. Ms. WIJEWARDANE (Sri Lanka), having reiterated her country's long-standing position that nuclear disarmament and non-proliferation went hand in hand, took note of the concerns underlying the United States proposal and said more time was needed to study it in detail. The appropriate

mechanism for addressing those concerns should enjoy the broad support and confidence of the Member States. Also, it was important to maintain a balance between the Agency's promotional and verification activities.

7. Mr. BAHRAN (Yemen) expressed interest in strengthening the international safeguards system and the effectiveness of verification. Yemen believed that the creation of a special committee required further study, especially in view of the late submission of document GOV/2005/11. The Board needed to reach a consensus on all the pertinent issues, including membership and any financial implications in relation to the Agency's other statutory activities. Also, it would seem reasonable to wait for the results of the forthcoming NPT Review Conference. Yemen looked forward to participating in further consultations.

8. Mr. SAYÚS (Argentina) said his country endorsed initiatives aimed at strengthening the Agency's objectives. If the proposed special committee on safeguards and verification received the backing of the Board, Argentina would be happy to contribute to the relevant discussions.

9. Mr. CABAÑAS RODRÍGUEZ (Cuba)* expressed serious reservations about the proposal. As safeguards and verification were and should continue to be a priority for the Board, it would not be appropriate to delegate any key aspects of those activities to other bodies. Technical or procedural matters should be dealt with by the Secretariat's many experts and, contrary to what was stated in document GOV/2005/11, SAGSI already performed many of the advisory functions proposed for the committee. No additional body had been required for the reform of the safeguards system under Programme 93+2, which had given rise to the additional protocol.

10. Creating the committee would entail unnecessary extra costs. Those could not be met from extrabudgetary funds, which were not subject to Board control, nor was it acceptable for each country to pay its own expenses because only the richer countries would attend the meetings.

11. It was totally unacceptable for States under investigation not to serve on the committee as that was unprecedented in international practice. By that logic, countries practising vertical proliferation and therefore violating their NPT obligations should also not be allowed to serve on the committee. Also, the proposal introduced the term "non-technical non-proliferation and safeguards violations" without indicating what that meant or who determined whether violations were non-technical or technical.

12. Finally, his delegation felt that the creation of the special committee should be negotiated in the context of the forthcoming NPT review process.

13. Mr. SHARMA (India) said his country was receptive to any ideas that would strengthen the Agency's non-proliferation goal. The new committee would need to identify the shortcomings in the existing regime as highlighted by recent developments and a forward-looking approach would be beneficial. Possibly, the Agency's statutory mandate was no longer adequate. The Board would need further discussions regarding the terms of reference, scope and time frame for the proposed committee, ensuring that all opinions were taken into account. His delegation supported the idea of an open-ended committee.

14. Mr. MINTY (South Africa) said his delegation would welcome deferral of the matter to a future meeting of the Board with informal consultations in the meantime to clarify certain points

15. Mr. RUSU (Republic of Moldova)*, speaking on behalf of GUUAM, said the Group strongly supported measures to enhance the Agency's capabilities to deter, detect and prevent nuclear proliferation and considered that concerted efforts were needed to address the new proliferation risks and challenges. The proposed committee would be a valuable forum for discussing verification related issues and identifying new ways to increase the Agency's effectiveness in ensuring safeguards

compliance and so GUUAM supported its creation. The Group was willing to contribute to the committee's activities.

16. Mr. KHADDOUR (Syrian Arab Republic)* expressed concern that the proposed committee might duplicate work being done by the Department of Safeguards. Also, the committee should have a definite duration and all geographical and regional groups must be represented in its membership.

17. Ms. FEROUKHI (Algeria) underlined the importance her country attached to non-proliferation. Progress towards strengthening safeguards should go hand in hand with commensurate progress towards nuclear disarmament. Her delegation was prepared to take part in further discussion on the creation of a special committee on safeguards and verification. Consultations should be within the framework of the Agency's Statute, aim to preserve the balance among the Agency's three pillars and take account of States' right to nuclear technology. Finally, her delegation urged the Agency to make every effort to ensure the universalization of all its safeguards and verification instruments.

18. Mr. SOLTANIEH (Islamic Republic of Iran)* said that over the years the bodies of the non-proliferation regime had become fully institutionalized despite discrimination in implementation of the regime and the double standards imposed by nuclear-weapon States. It was ironic therefore that a nuclear-weapon State was seeking to undermine the foundations of a regime which had legitimized such States. The unilateral approach underlying the proposal contained in document GOV/2005/11 seemed to disregard the equal sovereign rights of all States under international law. The proposal partly contravened the Agency's Statute and the basic principles of the non-proliferation regime and as such should not be considered by the Board of Governors.

19. It was hard to believe that a proposal containing so many serious implications for the work, credibility and integrity of the Agency constituted an attempt to strengthen its efficiency. The non-proliferation regime could better be strengthened by stopping discrimination and the exercise of double standards under the Statute with regard to the basic and inalienable right of all Member States to develop atomic energy for peaceful purposes.

20. In the eyes of the international community, the greatest threat to humanity remained the existence of nuclear weapons and their possible use or threat of use. The only way to combat that challenge was by strengthening the relevant international instruments by means of multilateral, comprehensive and non-discriminatory efforts. Nuclear disarmament and non-proliferation were crucial to security and peace and efforts to pursue them should be undertaken in parallel. His country was deeply concerned about the slow progress towards nuclear disarmament.

21. As the most robust verification system in the world, the additional protocol should be given a chance to prove its effectiveness. The introduction of new safeguards mechanisms was premature and might undermine the credibility of the additional protocol and endanger further signatures and ratifications.

22. All efforts to strengthen the Agency's effectiveness should focus on strict observance of the Statute, maintaining the balance between promotional and regulatory activities and conducting deliberations carefully and transparently with full respect for the views of all Member States, on the basis of consensus and multilateralism.

23. The CHAIRPERSON said she took it that the Board required further discussion on the issue and that it should be included on the agenda of the June meeting.

24. It was so agreed.

9. Any other business

25. The CHAIRPERSON invited Governors to take up any matters referred to by the Director General in his introductory statement or any other items of interest to them.

26. Ms. HUSSAIN (Malaysia)*, speaking on behalf of NAM, said she was not yet in a position to offer detailed comments on the report of the independent expert group on multilateral approaches to the nuclear fuel cycle, contained in document INFCIRC/640. However, she reaffirmed NAM's position on the inalienable right of developing countries to engage in research on, produce and use nuclear energy for peaceful purposes without discrimination. NAM continued to note with concern the persisting undue restrictions on exports to developing countries of material, equipment and technology.

27. Proliferation concerns were best addressed through multilaterally negotiated, universal, comprehensive and non-discriminatory agreements. Non-proliferation control arrangements should be transparent and open to participation by all States, and should ensure that they did not impose restrictions on access to the material, equipment and technology required by developing countries for their continued development. In that connection, NAM strongly rejected any attempts by Member States to use the Agency's technical cooperation programme for political purposes in violation of the Statute.

28. Each country's choices regarding the peaceful uses of nuclear energy should be respected without jeopardizing its policies, including fuel cycle policies, or international cooperation agreements and arrangements.

29. Developed countries had a particular responsibility to promote the legitimate development of nuclear energy for peaceful purposes in the developing countries by allowing them the fullest possible technology transfer with a view to achieving the greatest benefits and sustainable development.

30. Mr. TAKASU (Japan), also referring to the report on multilateral approaches to the nuclear fuel cycle contained in INFCIRC/640, supported the Director General's rationale for entrusting that task to an expert group, namely the urgent need to strengthen the international non-proliferation regime. The five approaches suggested in the report merited the attention of the Member States, the nuclear industry and nuclear organizations.

31. Some points had not been covered sufficiently by the expert group, probably owing to limits on its time and mandate. Firstly, the extent to which a multinational approach could be a useful instrument for strengthening the non-proliferation regime should be considered. Secondly, the approach should not unduly affect legitimate rights to the peaceful use of nuclear energy of those States which were verifiably committed to their non-proliferation obligations and had proved the absence of diversion of nuclear material placed under safeguards and of undeclared nuclear activities. Thirdly, there was a need to clarify how a multilateral approach could guarantee a supply of nuclear fuel and the Agency's role in effectively guaranteeing security of supply, given that it was vulnerable to unpredictable circumstances. Japan was willing to contribute to the further examination of those and other points.

32. Ms. STOKES (Australia) said that, in convening the expert group on multilateral approaches to the nuclear fuel cycle, the Director General had taken a valuable step in exploring the possibility of an international framework aimed at ensuring that new projects involving proliferation-sensitive technologies were consistent with non-proliferation objectives.

33. No development or expansion of sensitive nuclear fuel cycle facilities should be permitted to undermine the non-proliferation regime. The application of strengthened Agency safeguards was

essential to provide the assurance that no nuclear technical assistance could be used to further any military purpose, and that no nuclear material could be diverted. Any potential for rapid development into nuclear weapons capability would diminish the confidence that the Agency's safeguards system sought to provide. It was therefore timely to consider the further steps that might need to be taken to safeguard the world from the threat posed by the spread of sensitive nuclear technology and the report contained in document INFCIRC/640 was a valuable source of ideas.

34. Mr. BERDENNIKOV (Russian Federation) welcomed the Director General's initiative to establish INLEX, which had produced high quality material in connection with the 1997 Protocol to Amend the Vienna Convention on Civil Liability for Nuclear Damage and the Convention on Supplementary Compensation for Nuclear Damage. Data on the approaches taken by Member States to nuclear liability issues should be organized, and he was pleased to note that such a step had now become possible on the basis of Member States' responses to the relevant questionnaire. States that had not yet replied should do so as soon as possible. INLEX should use the responses to draw up recommendations applicable to the relevant conventions and to other Agency documents.

35. Russia also welcomed the outcome reached with regard to amendment of the CPPNM, and in particular the consensus on China's proposed amendment with respect to Article 2.4 regarding the non-use of force. He urged the States Parties to the Convention to make every effort to ensure that the forthcoming diplomatic conference was as effective and successful as possible.

36. Mr. BAHRAN (Yemen) paid tribute to Mr. González, Director of the Division of Radiation, Transport and Waste Safety, who would be leaving the Agency shortly. During his time at the Agency he had worked tirelessly for the benefit of all States in the world.

37. Mr. HONOSWITZ (Germany) said that the report of the expert group on multilateral approaches to the nuclear fuel cycle had addressed a key issue for the nuclear non-proliferation regime, namely how to reduce the risk of civilian nuclear programmes being misused for military ends. On the basis of a preliminary reading, he said that the report contained a number of options that merited further elaboration. His delegation had taken note of the existence of broadly functioning markets, the prominence given in the report to the additional protocol as the de facto new safeguards standard, and the fact that important legal and political challenges as well as public acceptance issues were connected with a number of proposals.

38. The report would serve as an excellent basis for the deliberations at the forthcoming NPT Review Conference on Article IV related issues and the general balance expressed in the Treaty. Germany trusted that the NPT Review Conference would make use of the work of the expert group.

39. Germany looked forward to a detailed discussion of all aspects of the report with a view to the elaboration of joint recommendations on how to deal with proliferation risks associated with the peaceful use of nuclear energy.

40. Mr. Key-cheol LEE (Republic of Korea), also commenting on the expert group report contained in document INFCIRC/640, said that the anticipated growth in the number of nuclear facilities worldwide in the coming years and the unthinkable dangers that could result from nuclear proliferation had made a re-examination of multilateral nuclear approaches a priority. His country could subscribe to such approaches with a view to strengthening overall controls of the nuclear fuel cycle and recognized the need to control the international transfer of sensitive fuel cycle technologies and facilities to countries that had no evident energy or economic justification for such technologies or facilities.

41. The report was a useful tool to enable the international community to build a broad consensus on the issue. His delegation was looking forward to further discussions on the topic.

42. Mr. VIDRICAIRE (Canada), having welcomed the report of the expert group on multilateral approaches to the nuclear fuel cycle, said that multilateral or multinational nuclear fuel cycle activities provided a means to address effectively both States' collective non-proliferation concerns and their desire to access the benefits of the peaceful uses of nuclear technology. Canada commended the Director General's foresight in convening the expert group.

43. The report identified possible opportunities for multilateral or multinational cooperation at both the front and back ends of the nuclear fuel cycle, particularly for those States with modest nuclear programmes. The Agency's role in that regard should not be ignored, and Canada would be submitting more detailed comments to the Secretariat in due course.

44. Mr. LOPES DA CRUZ (Brazil) said that nuclear power and other peaceful applications of nuclear technology had become indispensable for mankind. The forthcoming NPT Review Conference would provide an opportunity to find a balanced approach to the basic elements of the Treaty, with States Party considering how best to pursue the goals of nuclear non-proliferation while upholding the inalienable right of all Parties to develop and use nuclear energy for peaceful purposes.

45. Ms. KELLY (Argentina) said it would be premature to draw any final conclusions on the report of the expert group on multilateral approaches to the nuclear fuel cycle contained in document INFCIRC/640, but it did appear to reflect a diversity of opinion. Argentina agreed that the role of the Agency in promoting the peaceful uses of nuclear energy was as important as its role in nuclear non-proliferation, that there was a lack of progress in the disarmament of nuclear-weapon-States within the framework Article VI of the NPT, and that it was important for countries to adopt mandatory export controls for material used for nuclear weapons and other weapons of mass destruction.

46. The expert group had brought together elements that would make it possible to determine the viability and suitability of the multinational approaches — matters on which a decision had yet to be taken — as well as their position vis-à-vis the existing safeguards system.

47. One of the report's key points was that, under the current international regime, countries were not obliged to participate in multinational approaches. As that situation was unlikely to change in the prevailing political climate, the voluntary nature of the undertakings should be emphasized. The approaches could be binding only if they applied to all States and relevant facilities without exception.

48. While the efforts to strengthen the non-proliferation regime were welcome, it was important to avoid developing a system that could be viewed as unfair, or one that established even greater imbalances than those that already existed. Also, if attempts were made to establish a regime without the necessary consensus, the non-proliferation structures that it sought to protect might be weakened. Any reform of the current non-proliferation regime must consolidate the progress made thus far.

6. Appointment of the Director General

49. The CHAIRPERSON said that, as she had noted at the meeting of the Board on 27 September 2004, the Director General's term of office was due to expire on 30 November 2005. At that meeting, she had been authorized by the Board to send a circular letter to the Governments of all Member States containing the information envisaged in paragraph 1 of the procedures set out in the attachment to document GOV/2004/66. That letter had been circulated on 8 October 2004.

50. She had also indicated at that time that the current Director General, Dr. Mohamed ElBaradei, was available for a further term of office and that, pursuant to the procedures approved by the Board, he was therefore deemed to be a candidate. The Board had also agreed to set the closing date for receipt of nominations on 31 December 2004. No nominations had been received, and on 6 January 2005 she had informed all Member States accordingly and indicated that she would begin informal consultations on the matter on 18 January.

51. During the informal consultations, she had informed all members of the Board and all representatives of relevant country groups that Dr. ElBaradei was the only candidate for the Board's consideration and that 'step 5' of the agreed procedures had been reached, which stated that "shortly after the circulation of nominations to Member States, the Chair of the Board shall initiate informal consultations with a view to a consensus being reached on a candidate at the Board's next June session at the latest", and also stated that "the Chair shall report on the outcome of her informal consultations to the Board no later than the Board's March session".

52. During her consultations, she had explored 'step 6' of the procedures which provided the Board with the option of inviting candidates to address it. Following the informal consultations, it was her sense that that option should be set aside.

53. With regard to the reappointment of the Director General, she wished to report that, in the light of her informal consultations, Dr. Mohamed ElBaradei enjoyed strong and broad support. Several Member States and representatives of country groups had sent her letters to that effect, which had been circulated. She thanked delegations for the clarity with which they had expressed their views to her, and emphasized that she deeply respected those views and held them in strict confidence.

54. She also wished to report that she had discussed the agenda item in the course of her regular consultations preceding the Board meeting, and that it had become clear that more time was required for the Board to take a decision on the matter.

55. She therefore intended to continue her informal consultations on the matter with a view to the Board taking a decision as soon as possible.

56. Mr. SRIWIDJAJA (Indonesia)*, speaking on behalf of the G-77 and China, said that the Group was pleased to support the re-election of Dr. Mohamed ElBaradei for a third term as the Director General of the Agency. Having commended Dr. ElBaradei's valuable work to promote and enhance the Agency's activities, he said that the Group welcomed the impartial, effective and professional manner with which Dr. ElBaradei had discharged his responsibilities as Director General.

57. The re-election of Dr. ElBaradei was important for the continuity of the Agency's activities. In view of Dr. ElBaradei's credentials, the fact that he was the sole candidate for the position and that he enjoyed broad and strong support from Member States, the Group called for his re-election as soon as possible.

58. Ms. HUSSAIN (Malaysia)*, speaking on behalf of NAM, expressed full support for the appointment of Dr. ElBaradei for a third term of office. NAM had always been convinced of Dr. ElBaradei's ability to discharge his responsibilities in an impartial, effective and professional manner. He was the sole candidate and enjoyed broad and strong support, and NAM called for his re-election.

59. Ms. FEROUKHI (Algeria) said that it was her delegation's understanding that Dr. ElBaradei was the sole candidate and enjoyed strong and broad support. She therefore felt that the matter could be settled as soon as possible. However, as the Chairperson had stated her intention to continue consultations, she requested clarification as to whether a special session might be required for that purpose.

60. The CHAIRPERSON said that, since the Board was organized so as to be able to function continuously and should meet as often as might be necessary, such a measure might be invoked.

The meeting rose at 4.20 p.m.