

IAEA Board of Governors
Record of the 1129th Meeting
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Nuclear Verification

(b) The conclusion of safeguards agreements and additional protocols

Board of Governors

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Record of the 1129th Meeting

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¹ GOV/2005/45.

Attendance

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

Ms. HALL		Chairperson (Canada)
Ms. FEROUKHI	_____	Algeria
Ms. KELLY		Argentina
Ms. STOKES		Australia
Mr. NIEUWENHUYS		Belgium
Mr. VIEIRA DE SOUZA		Brazil
Mr. PROUDFOOT		Canada
Mr. ZHANG Huazhu		} China
Mr. WU Hailong		
Mr. MOREJÓN-ALMEIDA		Ecuador
Mr. THIEBAUD		France
Mr. HONSOWITZ		Germany
Mr. BEKOE		Ghana
Mr. HORVÁTH		Hungary
Mr. SHARMA		India
Mr. DE CEGLIE		Italy
Mr. TAKASU		Japan
Mr. CHO Chang-Beom		} Korea, Republic of
Mr. LEE Key-Cheol		
Ms. ESPINOSA CANTELLANO		Mexico
Mr. KOP		Netherlands
Mr. SAMBO		Nigeria
Mr. BUTT		Pakistan
Mr. BELEVAN-McBRIDE		Peru
Mr. BYLICA		Poland
Mr. SENNFELT		Portugal
Mr. BERDENNIKOV		Russian Federation
Mr. GAFOOR		Singapore
Mr. MACHÁČ		Slovakia
Mr. MINTY		South Africa
Ms. WIJEWARDANE		Sri Lanka
Ms. MELIN		Sweden
Mr. BOUGACHA		Tunisia
Mr. WRIGHT		United Kingdom of Great Britain and Northern Ireland
Ms. SANDERS		} United States of America
Mr. GLASS		
Mr. FORD		
Ms. GARCÍA de PÉREZ		Venezuela
Mr. LAI NGOC DOAN		Vietnam
Mr. SHARAF	_____	Yemen

Attendance (continued)

Mr. ELBARADEI
Mr. GOLDSCHMIDT

Mr. ANING

Director General
Deputy Director General, Department
of Safeguards
Secretary of the Board

Representatives of the following Member States attended the meeting:

Albania, Armenia, Austria, Bangladesh, Belarus, Bolivia, Bosnia and Herzegovina, Bulgaria, Colombia, Cuba, Czech Republic, Denmark, Egypt, Estonia, Ethiopia, Finland, Georgia, Greece, Holy See, Islamic Republic of Iran, Iraq, Ireland, Israel, Kenya, Kuwait, Latvia, Lebanon, Libyan Arab Jamahiriya, Liechtenstein, Lithuania, Luxembourg, Malaysia, Malta, Namibia, New Zealand, Norway, Panama, Paraguay, Romania, Saudi Arabia, Serbia and Montenegro, Slovenia, Spain, Switzerland, Syrian Arab Republic, Thailand, The Former Yugoslav Republic of Macedonia, Turkey, Ukraine, Uruguay.

Abbreviations used in this record:

Agreed Framework	Agreed Framework between the United States of America and the Democratic People's Republic of Korea
CPPNM	Convention on the Physical Protection of Nuclear Material
DPRK	Democratic People's Republic of Korea
EFTA	European Free Trade Association
Euratom	European Atomic Energy Community
GUAM	Georgia, Ukraine, Azerbaijan, Moldova
ISSAS	International SSAC Advisory Service
LWR	light-water reactor
NPT	Treaty on the Non-Proliferation of Nuclear Weapons
NSG	Nuclear Suppliers Group
R&D	research and development
SAGSI	Standing Advisory Group on Safeguards Implementation
SIR	Safeguards Implementation Report
SQP	small quantities protocol
SSAC	State System of Accounting for and Control of Nuclear Material
WMD	weapons of mass destruction

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

6. Nuclear verification

(a) The Safeguards Implementation Report for 2004 (continued) (GOV/2005/32 and Corr.1)

1. Ms. FEROUKHI (Algeria) thanked the Deputy Director General for Safeguards for his introductory remarks and wished him well for the future.
2. Having commended the Secretariat on the format of the SIR for 2004, she said that her delegation welcomed the conclusion that all declared material covered by comprehensive safeguards agreements had remained in peaceful nuclear activities or had been otherwise adequately accounted for. That conclusion was very reassuring with regard both to the peaceful nature of Member States' nuclear activities and to the credibility of the Agency's safeguards system.
3. With regard to those States which had not informed the Agency about the nature of their nuclear activities as they were required to do by their safeguards agreements with the Agency, her country welcomed the immediate corrective actions which they had taken to fulfil their obligations under those agreements.
4. Algeria was pleased with the progress made in strengthening the Agency's safeguards system and increasing its efficiency and it hoped that the Secretariat would continue its efforts, acting in conformity with the role and powers assigned to the Agency by the Statute.
5. As she had informed the Board in June 2004, her Government intended to sign an additional protocol to its NPT safeguards agreement.² In April 2005, the Algerian authorities had, in close collaboration with the Agency, organized a national day of information about the Model Additional Protocol in Algiers as the first stage in the preparations for what would be a very important step — a step in line with the objective of strengthening the Agency's safeguards system and increasing its efficiency, and with Algeria's commitment to nuclear disarmament and non-proliferation.
6. Her country would very much like to see international instruments such as the NPT and the Agency's safeguards system applied universally, with a view to strengthening the multilateral nuclear disarmament and non-proliferation regime, particularly in sensitive regions like the Middle East. It hoped that the Agency would intensify its efforts to achieve the application of safeguards in all countries of the Middle East without exception and thereby help make that tormented region a nuclear-weapon-free zone.
7. Mr. CHO Chang-Beom (Republic of Korea), having welcomed the format of the SIR for 2004, said that the language used for the conclusions in the Safeguards Statement for 2004 represented a significant improvement over the language used previously, making the results of the Agency's verification activities more understandable for both Member States and for the general public.
8. In 2004 there had been a number of achievements, including an improvement in the attainment of the quantity and timeliness components of inspection goals, which had been made possible by better planning on the part of the Secretariat, by the systematic investigation by the Secretariat of failures to attain inspection goals, and by increased cooperation between the Secretariat and State and regional systems of accounting and control and facility operators.

² See GOV/OR.1100, para. 68.

9. Referring to paragraph 204 of the SIR for 2004, he welcomed the positive assessment by the external panel of evaluators of the Secretariat's work in implementing safeguards strengthening measures.

10. Cooperation between the Republic of Korea and the Agency with a view to increasing the effectiveness and efficiency of safeguards implementation was intensifying. For example, his country had invited an ISSAS mission to upgrade its SSAC, which had been undergoing significant restructuring. An expert team visit to his country within the framework of the ISSAS would be taking place towards the end of July.

11. Referring to paragraph 103 of the document, he said that the remote monitoring systems of all 16 of the Republic of Korea's LWRs had been upgraded so as to permit data transmission over high-speed Internet connections secured by virtual private network technology.

12. His country was concerned that 40 States party to the NPT had not yet brought into force comprehensive safeguards agreements with the Agency. It hoped that those States would conclude such agreements and bring them into force soon.

13. The increasing number of States concluding additional protocols was encouraging. However, a large number of States had still not brought additional protocols into force. Following its unique experience in 2004, his country was convinced of the value of additional protocols as an effective verification tool.

14. In his country's view, enhancing the security of nuclear material and preventing illicit trafficking in such material deserved the particular attention of Member States. The diplomatic conference to consider and adopt the proposed amendments to the CPPNM, to be held in July 2005, would provide Member States with an excellent forum in which to consider how to respond to the unprecedented challenges facing the non-proliferation regime. His country hoped that all parties to the CPPNM would participate in that conference.

15. He welcomed the fact that, as stated in paragraph 49 of the SIR, the Agency had undertaken to strengthen its capabilities to investigate and analyse nuclear supply and procurement networks dealing in sensitive nuclear technology. In that connection, there was a need for cooperation between the Agency and the NSG. Though they had distinct mandates, cooperation between the Agency and the NSG would contribute to strengthening the Agency's capabilities.

16. His country shared the Secretariat's concern about safeguards implementation difficulties due to the existence of SQPs. It hoped that a consensus on the SQP issue would be reached during the Board's current series of meetings.

17. In conclusion, he thanked Mr. Goldschmidt for his services to the Agency as Deputy Director General for Safeguards and wished him well for the future.

18. Ms. GARCÍA de PÉREZ (Venezuela), having thanked Mr. Goldschmidt for his contribution to the work of the Agency and wished him well for the future, said that the verification results presented in the SIR for 2004 confirmed the commitment of States to Agency safeguards.

19. The Agency's safeguards system could only function successfully if States demonstrated the necessary political will, shared knowledge that was important for the utilization of nuclear energy for development with other members of the international community, and complied with their safeguards obligations; and if the people whom they appointed to collaborate with the Agency in the safeguards area were well qualified for the task and acted transparently.

20. Her country considered that the Agency's safeguards system was being implemented efficiently by the Secretariat and it was grateful to the Secretariat for its efforts to find solutions to the problems which arose from time to time.
21. Mr. GHEGHECHKORI* (Georgia), speaking on behalf of the GUAM countries, commended the Department of Safeguards on the work done by it in 2004.
22. The GUAM countries welcomed the progress made in increasing the effectiveness and improving the efficiency of the Agency's safeguards system and in intensifying cooperation with State and regional systems of accounting and control.
23. The Agency's safeguards system was an essential part of the global nuclear non-proliferation regime and the GUAM countries, which believed that the judicious implementation of additional protocols was the best way of detecting and deterring nuclear proliferation, would like to see many more additional protocols concluded and implemented. A comprehensive safeguards agreement combined with an additional protocol should become the de facto safeguards standard.
24. The Agency was playing an increasingly important role in evaluating transfers of nuclear-related equipment and material and it was essential that it have the tools needed to carry out that task effectively. It was also essential that it continue to evaluate States' R&D activities, including the use made of small quantities of nuclear material in such activities.
25. Mr. ZSOMBORI (Romania)*, having expressed appreciation for the work done by Mr. Goldschmidt during his term of office as Deputy Director General for Safeguards, said that in 2004 Romania had, for the first time, been among those States for which the Secretariat had been able to conclude that all nuclear material had remained in peaceful nuclear activities or had been otherwise adequately accounted for. That was to a large extent the result of major political decisions which had been taken in recent years by the Romanian Government which were reflected in the national strategy for the nuclear sector adopted in 2003.
26. Implementation of the additional protocol to the safeguards agreement between Romania and the Agency was an important aspect of the daily work of Romania's National Commission for Nuclear Activities Control. The task was not an easy one, owing to the complexity of the country's nuclear sector. In order to respond adequately to the challenge, the Commission had been training members of its own staff and of the staff of Romania's various nuclear facilities, and engaging in information exchange with all entities within the nuclear sector. Also, it had engaged in outreach activities directed, inter alia, towards academia, research establishments, industry, trade organizations and export control authorities. One lesson which the Commission had learned during the preceding four years was that the implementation of additional protocols should involve not just countries' regulatory bodies but all entities engaging in nuclear activities.
27. The Commission had worked closely with Division of Operations C and had benefited from the wisdom and expertise of its inspectors. It was very grateful to them and to the Division Director.
28. The positive conclusion drawn by the Secretariat regarding Romania opened up the prospect of integrated safeguards being implemented in his country, which remained committed to cooperating closely with the Department of Safeguards and stood ready to share its experience with other Member States where additional protocols were being implemented.
29. Mr. RAMZY (Egypt)* said that it was important that the Agency's safeguards system be strengthened as it was vital for assuring the international community that States were not diverting nuclear material for non-peaceful purposes.

30. Egypt, which had ratified the NPT and concluded a comprehensive safeguards agreement with the Agency, would like to see comprehensive safeguards applied universally. It was continuing to call for all States to accept comprehensive safeguards, as they were the only way of ensuring the credibility of the nuclear non-proliferation regime internationally and regionally.

31. Some Member States were calling for additional protocols to be made the basic standard for Agency verification activities. However, that would be difficult at the present time. Instead, Member States should be calling for comprehensive safeguards to be made the basic standard. Only when that had been accomplished could consideration be given to making complementary tools such as additional protocols an integral part of the comprehensive safeguards system. In that connection, his delegation was concerned about the heavy emphasis placed on additional protocols in the SIR for 2004 at the expense of comprehensive safeguards.

32. The establishment of a universally applied comprehensive safeguards system was being hampered by one State in the Middle East which had not accepted comprehensive safeguards. Moreover, 40 States party to the NPT had still not concluded a comprehensive safeguards agreement with the Agency. Given the current challenges to the non-proliferation regime, the Secretariat should, in the interests of universality, intensify its efforts to convince those States to conclude comprehensive safeguards agreements.

33. The new challenges facing the non-proliferation regime had created new responsibilities for the Agency, particularly with regard to security, the prevention of illicit trafficking in nuclear material and the verification of excess fissile material, issues which lay outside the scope of safeguards agreements and additional protocols. However, Egypt approved of the Agency's efforts relating to those issues as long as they remained consistent with the Agency's mandate.

34. The new challenges facing the non-proliferation regime had also created problems that were uncommon in many Member States. Accordingly, the Secretariat should organize special workshops for decision-makers and senior officials of competent authorities on how to deal with those problems.

35. Egypt had intensified its cooperation with the Secretariat to resolve the outstanding issues connected with its safeguards agreement, particularly the classification and analysis of nuclear material and the submission of design information, and it had responded positively to all access requests made by the Agency. He expressed the hope that all aspects of Egypt's full and transparent cooperation with the Agency would be clearly reflected in the SIR for 2005.

36. In conclusion, he thanked Mr. Goldschmidt for all his efforts as Deputy Director General for Safeguards and wished him well for the future.

37. Mr. SOLTANIEH (Islamic Republic of Iran)*, having congratulated the Director General on his reappointment and assured him of his country's continued cooperation, said that the SIR for 2004 seemed to suggest that his country had failed to report nuclear activities, which was incorrect. The same applied to the draft Annual Report for 2004, but his delegation had not made any comments during the discussion of that document owing to time constraints. However, the Agency's SIRs and Annual Reports should reflect solely the events in the years covered by them.

38. The Agency had carried out robust verification activities in Iran, going beyond Iran's obligations under its safeguards agreement and additional protocol, which was being implemented as if it had been ratified. The Secretariat should correct the inaccuracies in question and take his comments into account when preparing relevant future documents.

39. Mr. GOLDSCHMIDT (Deputy Director General for Safeguards) thanked speakers for their comments on the SIR for 2004. The Secretariat would take account of those comments when preparing

the SIR for 2005. He also thanked speakers for their positive statements regarding the activities of the Department and of Safeguards, which needed the Board's support in order to do a good job.

40. In preparing the SIR for 2004, the Secretariat had attempted to simplify the Safeguards Statement, moving some of the explanation of how the conclusions had been derived to Section B. It was therefore very important for the Safeguards Statement to be read and interpreted together with Section B. In the Secretariat's view, the meaning of the Safeguards Statement for 2004 was unchanged relative to the Safeguards Statement for 2003. Concern had been expressed in the Board that the broader safeguards conclusion presented in subparagraph 1(a) of the Safeguards Statement for 2004 did not cover non-diversion. However, the chapeau of paragraph 1 in effect contained the non-diversion conclusion, which applied to all the subparagraphs.

41. As indicated in paragraph 7 of Section B, the broader conclusion did in fact relate to all nuclear material in a State, since the Agency had more access to information and locations associated with a wider range of nuclear material than was required pursuant to comprehensive safeguards agreements alone.

42. The Safeguards Statement and Section B were factually correct and were in no way intended to imply that States with a comprehensive safeguards agreement but no additional protocol in force were not fulfilling their safeguards obligations.

43. Some speakers, referring to the last two sentences in paragraph 7, had asked why mention was made there of weaponization, a concept which had not appeared in previous SIRs and did not appear in safeguards agreements. Under a comprehensive safeguards agreement, the Agency was obliged to ensure that all of the State's nuclear material in all peaceful nuclear activities was declared to it and safeguarded in accordance with the terms of the agreement, in order to enable the Agency to verify that the material had not been diverted to nuclear weapons or other nuclear explosive devices. Document INFCIRC/153 provided the Agency with a number of tools for doing that, including requirements that States submit declarations about nuclear material and facilities and grant access for routine, ad hoc and special inspections and for design information verification. Document INFCIRC/540 (the Model Additional Protocol) expanded the tools available to the Agency, which was now receiving information about and had access to all nuclear fuel cycle activities, including R&D activities. Although all those tools were geared towards enabling the Agency to confirm that there had been no diversion of nuclear material, there were limits to the Agency's ability to determine whether a diversion was related to a nuclear weapons programme.

44. A second question asked about weaponization was whether the Statute gave the Agency authority to verify the absence of weaponization activities. The Statute contained no provision referring expressly to weaponization. However, Member States had clearly accepted that verifying the absence of weaponization activities was within the Agency's statutory authority. In at least three cases, the Agency had been requested by Member States to verify, and had been able to verify the absence of weaponization activities: in South Africa and the Libyan Arab Jamahiriya, under their safeguards agreements and pursuant to extended access granted to the Agency on a voluntary basis; and in Iraq, pursuant to a Security Council resolution.

45. A third question was why the Agency would need to verify the absence of weaponization activities.

46. The Agency was required to verify that nuclear material had not been diverted to nuclear weapons or other nuclear explosive devices. Possible diversion strategies might include the development of an undeclared capability for producing the necessary nuclear material, the acquisition of weapons-usable material outside the State and the use of nuclear material produced under safeguards. Clearly, it would be useful for the Agency to know whether a State were engaged in

weaponization activities because, although the safeguards system was nuclear material-focused, the discovery of weaponization activities would provide an early indication of possible diversion of nuclear material. Moreover, if the Agency found undeclared nuclear material or activities in a State, it would be particularly relevant to ascertain whether the material or activities might have been connected with a nuclear weapons programme, and therefore whether there was any indication of the presence of nuclear weaponization activities in the State. That was intimately linked to the Agency's mandate to verify that nuclear material was not diverted to nuclear weapons or nuclear explosive devices.

47. There had been comments on paragraph 6 of Section B where it was stated that, under a comprehensive safeguards agreement, there were limitations on Agency access to information and locations, and that the Model Additional Protocol had been approved by the Board of Governors in 1997 to address some of those limitations. Additional protocols were very important, providing the Agency with the access to information and locations which was essential for drawing the broader safeguards conclusion, and paragraph 6 was not meant to downplay their importance. In a State-level evaluation, however, it was important for the Agency to understand fully the State's nuclear capabilities, including technology and know-how. From its experience of conducting State-level evaluations, the Department of Safeguards had come to realize the value of information provided by the State in that regard. In addition, it would need more information in order to address new challenges such as the existence of clandestine networks for the supply of nuclear technology.

48. For the success of its safeguards efforts the Agency would require the full cooperation of all States. It could be only as effective as States enabled it to be by sharing information with it and facilitating safeguards implementation through transparency.

49. With regard to the introduction of integrated safeguards, the Department of Safeguards recognized the importance of introducing them at the earliest possible time. However, integrated safeguards implementation required that the broader safeguards conclusion be drawn first. It was difficult to predict the effort and time necessary in order to draw that conclusion for a specific State. Moreover, of the 37 States with additional protocols in force where evaluations for drawing the broader conclusion were in progress, 20 had brought their additional protocols into force in 2004 and 10 in 2003, so the evaluation process had only just begun. It would be some time before integrated safeguards were being implemented in a number of those States. Nevertheless, the Department was preparing and testing integrated safeguards approaches for a number of States so that they would be ready for implementation with a minimum of delay. In particular, it expected to start implementing integrated safeguards in Canada, a State with a very large nuclear fuel cycle, later in the year.

50. The number of person-days of inspection in 2002 had been 10 000, compared with 9000 in 2004. However, the 10% reduction did not mean a reduction in costs. Calendar days in the field — an indicator which had been introduced in the SIR for 2004 and which did not exactly follow the trends in person-days of inspection — better reflected efforts on site because they also reflected efforts associated with design information verification visits and complementary access. The Department of Safeguards was endeavouring to improve the various performance indicators so as to provide a better indication of the true costs of inspection activities.

51. The DIRECTOR GENERAL said that the Agency's safeguards system was neither perfect nor universal. However, it was a key component of the non-proliferation regime, which in turn was a key component of the global security system.

52. The Secretariat had been assigned the role of providing assurances to the international community regarding a variety of commitments. The most important commitment was that entered into by the States party to the NPT (183 or 184 of them, depending on whether the DPRK was counted

among them): the commitment not to develop or acquire nuclear weapons. Eight States had not entered into that commitment. There were the five nuclear-weapon States, which had committed themselves under the NPT to move towards nuclear disarmament, a commitment which the Agency was not yet verifying, its verification activities in those States being not for non-proliferation purposes but, inter alia, for the purpose of gaining experience, establishing a precedent and ensuring that those States shared part of the burden of being subject to safeguards. Then there were three States — India, Pakistan and Israel — which were outside the NPT regime altogether and where the Agency's verification activities were not for non-proliferation purposes but for the purpose of ensuring that facilities and material in those States placed under safeguards under INFCIRC/66-type agreements were not diverted.

53. Thus, there were different legal commitments and the Agency was trying to verify compliance with them to the best of its ability. He took the Agency's responsibilities in that respect very seriously, as he did the Agency's responsibilities in the area of development. The Agency had learned the hard way — in Iraq, the DPRK and the Libyan Arab Jamahiriya — that it could not provide the international community with full security assurances if it lacked the necessary authority.

54. The Agency could provide assurances, but only together with a clear statement of the limitations to which they were subject. Even in the case of Iraq, despite the powers assigned to it by the Security Council, the Agency had always stated that there were certain limitations as regards the assurances which it was providing.

55. The Agency could provide assurances to the extent that there was transparency and insofar as it could carry out the necessary verification activities using the necessary technology, but in the case of a vast country those assurances could not be absolute. In the light of its verification activities, the Agency could be confident that no violation had taken place, and with further verification activities and greater transparency the assurances provided by it became still more reliable, but absolute assurances depended on the consideration of factors not covered by the non-proliferation regime.

56. The Agency was not yet receiving all the information it needed, and the situation regarding human and financial resources still left much to be desired. Also, the Agency would like to make fuller use of the latest technology.

57. As regards legal authority, development of the Model Additional Protocol had started only after the international community had learned that Iraq, in the late 1980s and the 1990s, had managed to develop a complete clandestine nuclear programme because the Agency did not have the authority to look for possible undeclared activities. That failure of the Agency's safeguards system, and of the international community, had led to the loss of thousands of human lives and to destruction costing billions of dollars. The Secretariat wanted more authority and more resources not because it wished to build an empire but because it wished to do a better job.

58. There was new language in the SIR for 2004, and Member States would continue to see changes in language, for the Agency's safeguards system was an evolving system: it was not frozen in time. The language of 1995 or 2000 was no longer appropriate. When the Secretariat said that, with additional protocols, it could provide assurances about undeclared nuclear activities, it was stating a technical fact. In the late 1980s and the 1990s, it had learned that without additional protocols it could provide credible assurances about nuclear material placed under safeguards but it could not provide assurances that all the nuclear material in a State had been placed under safeguards. That was why the Model Additional Protocol had been developed and why over a hundred countries had concluded an additional protocol.

59. It was not his role to say what was and what was not a legal obligation, that was for the States party to the NPT to tell him. However, the more authority he had thanks to additional protocols the greater the assurances which he could give regarding the absence of undeclared nuclear activities.

60. That did not mean that he distrusted certain countries. He was not saying that countries without additional protocols were cheating the Agency's safeguards system, only that for countries without additional protocols his ability to provide assurances about the absence of undeclared activities was very limited.

61. The Agency's safeguards system was not based on trust or distrust. One could perhaps best describe the situation by taking what happened at an airport as an analogy: everybody had to go through the metal detector; people were not exempted, even if they were trusted.

62. The issue was one of minimizing risk, which was what the Agency did. It was not a matter of determining intentions. The Agency could not do that. It could not say what a country was going to do in five years' time.

63. The matter was not simply one of political commitment, which was fine but could weaken overnight because of changing security perceptions. That was why he wanted a safeguards system that was not based on States' intentions. It was also why the Agency's legal authority needed to be strengthened so that the Agency could detect possible safeguards violations at an early stage.

64. Probably, thought should be given to placing some limitations on sensitive parts of the nuclear fuel cycle while at the same time providing assurances of supply, and to the introduction of a moratorium during the development of such limitations. Meanwhile, the Agency would continue to work with the legal authority which it possessed.

65. The SIR for 2004 was his report, because States had assigned to the Agency the task of verifying the peaceful nature of their nuclear activities. When it performed that task, the Agency sat in judgement over those States, although they were its masters and provided it with the money which it needed. The responsibility was a heavy one for the Agency, which had to speak the unvarnished truth. The situation was one where truth talked to power. Member States represented the power, while the Secretariat — he hoped — represented the truth. That was why it was important that States be able to comment on whether the Secretariat was legally and technically correct. However, States were not entitled to tell the Secretariat how they should be inspected.

66. Every country would like to have a minimum number of inspections within its own territory and lots of inspections within its neighbour's. However, that was not how the Agency's safeguards system worked. It was supposed to be universal, non-discriminatory and based on States' technical capabilities. If a country had no nuclear facilities, or declared none to the Agency, the Secretariat did very little there compared with what it did in a country with a complete nuclear fuel cycle. It could not carry out fewer inspections in a country simply because that country had good non-proliferation credentials. Whether a country had good or bad credentials, the Agency would have to continue acting on the basis of that country's capabilities.

67. Obviously, if the Agency detected nuclear weaponization activities in a country, that would be an early indication of a possible diversion of nuclear material. The Secretariat was not requesting additional authority in that respect — it was simply stating the facts, because ultimately States would receive assurances corresponding to the authority given to the Agency.

68. Gone were the days when, as in the case of Iraq in the 1990s, the Agency said that everything was fine. At that time, the Agency had made statements by no way covered by the authority it possessed. Since then it had become very cautious.

69. The Secretariat would like to continue working with regional systems of accounting and control, but it would also like to continue drawing its own independent conclusions. Sometimes Euratom had over-inspected, and now it wanted to under-inspect. That was its prerogative, but the Secretariat had to continue fulfilling its responsibilities independently, because it could not outsource its judgement.

70. During the preceding few years he had fought hard, and he would continue to fight hard against every effort to politicize the verification process, because the Agency's safeguards system would lose all meaning if it ceased to be impartial; and without the Agency's safeguards system the non-proliferation regime would be lost; and without the non-proliferation regime collective security would falter even further.

71. The CHAIRPERSON, summing up the discussions, said that the Board had welcomed the recently revised format of the Report, which it felt was concise and substantially improved its clarity and readability. Some suggestions had been made for further improvement of the Report in the future.

72. Many members had expressed their appreciation for the dedication and commitment of Mr. Pierre Goldschmidt during his six years as Deputy Director General for Safeguards.

73. The Board had noted the conclusions drawn for various categories of States, in accordance with their safeguards undertakings with the Agency.

74. Some members had queried the use of the words 'nuclear weaponization' in the Background to the Safeguards Statement as they felt that the meaning of the concept was not clear. The Board had noted the detailed explanation provided by the Secretariat, which described the reasons for referring to the limitation in the Agency's authority under comprehensive safeguards agreements to verify the absence of such activities.

75. Several members had drawn specific attention to the major challenges which the Agency had faced in the field of verification during 2004.

76. Appreciation had been expressed for the in-depth assessments undertaken of four States' nuclear activities.

77. States party to the NPT which had not yet done so had been urged to conclude safeguards agreements with the Agency. Several Members had expressed the view that States which had not yet done so should conclude and bring into force additional protocols as soon as possible, particularly States with significant nuclear activities.

78. The increase in the number of States with additional protocols in force by another 24 during the year had been welcomed. The efforts of the Agency to increase adherence to the additional protocol through the revised action plan had been welcomed.

79. Several Members had emphasized that the Agency's safeguards system could only provide credible assurances on the non-diversion of nuclear material from peaceful activities, and on the absence of undeclared activities, in States with comprehensive safeguards agreements and additional protocols in force. The view had been expressed that the additional protocol should become the Agency safeguards standard. Another view had been expressed that, while additional protocols were important, there was no legally binding commitment to conclude one.

80. A view had been expressed that achieving that objective, and universality of comprehensive safeguards, should remain a priority.

81. The Board had noted the progress made in improving the effectiveness and efficiency of the safeguards system.

82. The Board had encouraged continued improvement in the quality of safeguards implementation.

83. Several members had expressed appreciation for the review of the effectiveness and efficiency of the safeguards programme conducted by the external panel of evaluators, and the review of the safeguards criteria carried out by SAGSI, as being an important step in the direction of a qualitative, modernized and integrated safeguards system.

84. The Board had welcomed the implementation of integrated safeguards in a number of States. The Agency had been urged to make every effort to introduce integrated safeguards as quickly as possible in States with significant nuclear activities in order to improve the efficiency of the system. Several had expressed the expectation that, in States with large nuclear fuel cycles, it should be possible to achieve financial savings with the introduction of integrated safeguards, and the Secretariat had been requested to provide specific information in that regard.

85. It had been requested that cooperation between the Agency and State and regional systems of accounting and control (including Euratom) be strengthened and that existing problems relating to cooperation be resolved.

86. Members had welcomed the Agency's efforts to strengthen its capabilities to investigate and analyse nuclear supply and procurement networks and had called on all States to cooperate further with the Agency in that regard.

87. With those comments, she took it that the Board took note of the Director General's Safeguards Implementation Report for 2004 and authorized the release of the Safeguards Statement, and the release of the Background to the Safeguards Statement and Executive Summary with any possible adjustments that the Director General deemed appropriate in the light of the comments made by the Board.

88. Mr. VIEIRA DE SOUZA (Brazil) asked for time for further consideration before a decision was taken.

(b) The conclusion of safeguards agreements and additional protocols
(GOV/2005/30, 39, 40, 41, 42, 43, 44, 46 and 47)

89. Ms. HUSSAIN (Malaysia)*, speaking on behalf of the Vienna Chapter of the Non-Aligned Movement, said that NAM welcomed the decision of the Government of Saudi Arabia to conclude a safeguards agreement and an SQP.

90. Mr. TAKASU (Japan), welcoming the comprehensive safeguards agreements and additional protocols which were before the Board for approval, commended the Director General and the Secretariat on their efforts aimed at achieving universalization of comprehensive safeguards agreements and additional protocols.

91. Japan, one of the strongest supporters of the universalization of additional protocols, hoped that the additional protocols before the Board would be brought into force by the States in question soon, after their necessary internal arrangements had been put in place and after the necessary consultations with the Agency, and that the transparency of the nuclear activities of those States would thereby be enhanced.

92. Ms. STOKES (Australia) said that her delegation looked forward to the conclusion of comprehensive safeguards agreements by Cape Verde, the Comoros and Saudi Arabia, and to the conclusion of additional protocols by Cape Verde, the Comoros, Fiji, Honduras, Liechtenstein and the Former Yugoslav Republic of Macedonia.

93. Australia had for a long time been calling for speedy implementation of the Board's decisions on strengthening safeguards, and particularly for the universal conclusion of additional protocols. States concluding additional protocols were to be congratulated on joining the global network of States implementing strengthened safeguards. Australia welcomed their readiness to participate in the common endeavour of providing nothing less than the level of assurance which the international community expected of the Agency.

94. Some States concluding comprehensive safeguards agreements had requested that the standard text of a safeguards agreement between the Agency and Member States party to the NPT be accompanied by an SQP, which would effectively suspend most of the provisions of Part II of the comprehensive safeguards agreement. As her delegation would be making clear under a later agenda sub-item, Australia considered that the desire of States with limited holdings of nuclear material to prevent unreasonable safeguards effort should be balanced against the wider interest of ensuring that valid safeguards conclusions could be drawn. Until improved arrangements were in place for States with SQPs, the Board should call on such States to provide initial reports on nuclear material, grant the Agency access for verification of the material if required, and undertake to provide early design information.

95. An additional protocol could assist the Agency by providing it with appropriate tools for verification in a State with an SQP. In line with its support for strengthening of the Agency's safeguard system, Australia would like to see all States with SQPs concluding additional protocols. In the meantime, States with SQPs but without additional protocols should cooperate fully with the Secretariat in confirming the basis for their SQPs.

96. Mr. MINTY (South Africa), welcoming the comprehensive safeguards agreements and additional protocols submitted to the Board for approval, said that the conclusion of comprehensive safeguards agreements with the Agency was obligatory for States party to the NPT. He urged all States party to the NPT which had not yet done so to conclude such agreements with the Agency.

97. His country considered additional protocols to be important for enabling the Agency to provide assurances that nuclear capabilities were being used solely for peaceful purposes. Hence, they were important for confidence-building.

98. Ms. FEROUKHI (Algeria), welcoming Saudi Arabia's decision to conclude a safeguards agreement and an SQP with the Agency, said that the acceptance of NPT safeguards obligations by Saudi Arabia would strengthen the multilateral nuclear disarmament and nuclear non-proliferation system. Moreover, Saudi Arabia's decision would contribute to the universalization of international legal instruments for eliminating weapons of mass destruction, and give fresh impetus to efforts to make the Middle East a nuclear-weapon-free zone.

99. Mr. LEE Key-Cheol (Republic of Korea), welcoming the comprehensive safeguards agreements before the Board for approval, said that his country would like to see every Member State without a comprehensive safeguards agreement concluding one.

100. Mr. GLASS (United States of America), welcoming the comprehensive safeguards agreements and additional protocols before the Board for approval, expressed the hope that they would be brought into force soon.

101. Strengthening the Agency's safeguards system was a matter of the utmost importance and no effort should be spared in promoting the conclusion of comprehensive safeguards agreements and additional protocols. SQPs had proved very useful in that connection, providing for simplified procedures in the case of States that had no significant nuclear activities and helping to minimize the impact of safeguards on those States.

102. However, the timing of a request to approve two SQPs posed a dilemma for the Board since, in their current form, SQPs suffered from serious flaws that needed to be corrected. His country was therefore reluctant to support the approval of further flawed SQPs. Nevertheless, since the States in question had undertaken negotiations in good faith on the basis of the existing SQP, it considered that they should not be penalized and it would not object to the approval by the Board of the SQPs before it.

103. There had been unfortunate and inaccurate speculation in the press regarding Saudi Arabia. It was true that the United States had approached the Saudi Government about the SQP issue, but not as reported in the press because of concern about Saudi Arabia's nuclear activities. The reason had been the unfortunate timing of the submission to the Board of the proposed SQP. His country had not intended to single out Saudi Arabia and it regretted that the unfortunate press attention had had that effect.

104. His Government hoped that countries with SQPs would accept whatever measures the Board agreed were necessary in the case of such countries. Revision of the SQP was an issue requiring a durable and legally binding solution; ad hoc and voluntary measures, while welcome, would not suffice. The United States looked forward to a rapid resolution of the issue.

105. Mr. RAMZY (Egypt)*, welcoming Saudi Arabia's decision to conclude a comprehensive safeguards agreement and an SQP with the Agency, said that that would represent an additional step towards the universality of comprehensive safeguards and towards making the Middle East a nuclear-weapon-free zone, making for greater security and stability in the region.

106. His country would like to see the only State in the region that had developed nuclear capabilities, but that had not yet concluded a comprehensive safeguards agreement with the Agency, concluding such an agreement and so demonstrating its good faith. It would also like to see those States which wanted Saudi Arabia to take measures over and above what was required by SQPs calling with the same enthusiasm upon the State to which he had just referred to demonstrate the seriousness of its interest in halting nuclear proliferation.

107. The CHAIRPERSON said she assumed that the Board wished to take the action recommended in the cover note of document GOV/2005/30 and authorize the Director General to conclude with the Kingdom of Saudi Arabia, and subsequently implement, the safeguards agreement and protocol thereto that were the subject of that note.

108. It was so decided.

109. Mr. SHARAF (Yemen), having congratulated Saudi Arabia on the decision just taken by the Board, said that Yemen would like to see all countries with nuclear weapons concluding comprehensive safeguards agreements with the Agency.

110. The CHAIRPERSON said she assumed that the Board wished to take the action recommended in the cover note of document GOV/2005/42 and authorize the Director General to conclude with the Union of the Comoros, and subsequently implement, the safeguards agreement and protocol thereto that were the subject of that note.

111. It was so decided.

112. The CHAIRPERSON said she assumed that the Board wished to take the action recommended in the cover note of document GOV/2005/46 and authorize the Director General to conclude with the Republic of Cape Verde, and subsequently implement, the safeguards agreement and protocol thereto that were the subject of that note.

113. It was so decided.

114. The CHAIRPERSON said she assumed that the Board wished to take the action recommended in the cover note of document GOV/2005/39 and authorize the Director General to conclude with the Principality of Liechtenstein, and subsequently implement, the additional protocol that was the subject of that note.

115. It was so decided.

116. The CHAIRPERSON said she assumed that the Board wished to take the action recommended in the cover note of document GOV/2005/40 and authorize the Director General to conclude with Fiji, and subsequently implement, the additional protocol that was the subject of that note.

117. It was so decided.

118. The CHAIRPERSON said she assumed that the Board wished to take the action recommended in the cover note of document GOV/2005/41 and authorize the Director General to conclude with the Former Yugoslav Republic of Macedonia, and subsequently implement, the additional protocol that was the subject of that note.

119. It was so decided.

120. The CHAIRPERSON said she assumed that the Board wished to take the action recommended in the cover note of document GOV/2005/43 and authorize the Director General to conclude with the Union of the Comoros, and subsequently implement, the additional protocol that was the subject of that note.

121. It was so decided.

122. The CHAIRPERSON said she assumed that the Board wished to take the action recommended in the cover note of document GOV/2005/44 and authorize the Director General to conclude with Honduras, and subsequently implement, the additional protocol that was the subject of that note.

123. It was so decided.

124. The CHAIRPERSON said she took it that the Board wished to take the action recommended in the cover note of document GOV/2005/47, and authorized the Director General to conclude with the Republic of Cape Verde, and subsequently implement, the additional protocol in question.

125. It was so agreed.

126. Mr. KURDI (Saudi Arabia)*, having congratulated the Director General on his reappointment for a third term of office, said that Saudi Arabia supported the NPT, especially the non-proliferation of nuclear weapons. Safeguards agreements, when fully implemented, enabled the Agency to discharge its role to the full. His country had joined the NPT and, following intensive SQP negotiations with the Agency, was now ready to sign a safeguards agreement pursuant to Article III of that Treaty, and the protocol thereto.

127. Recent statements in the media might have led to some misunderstandings regarding his country's nuclear activities. The relevant authorities in Saudi Arabia had supplied the Director General with an explanation which had been distributed to all Member States. The reports in question related to a cyclotron for the production of medical isotopes, the peaceful use of which had been confirmed.

128. Indeed, his country was keen to do its utmost to limit threats to the international community, was firmly committed to the NPT, and supported efforts to establish nuclear-weapon-free and WMD-free zones. It had confirmed to the Director General its willingness to cooperate in the

reinforcement of international commitments in that area, in particular with respect to coverage of the NPT and related instruments. Saudi Arabia would comply fully with its obligations under its comprehensive safeguards agreement.

129. In conclusion, he commended the Deputy Director General for Safeguards on his contribution to the Agency's work.

130. Ms. AL-KHALID (Kuwait)* welcomed the proposed conclusion of a comprehensive safeguards agreement with Saudi Arabia which would contribute to the establishment of a nuclear-weapon-free and WMD-free zone in the Middle East. She called on all States to take similar steps towards international and regional peace and security.

(c) The staff of the Department of Safeguards to be used as inspectors
(GOV/2005/36 and Mod.1, and Note to Governors dated 6 June 2005)

131. The CHAIRPERSON said that documents GOV/2005/36 and Mod.1 contained proposals by the Secretariat regarding the staff of the Department of Safeguards to be used as inspectors. The Secretariat had circulated the curricula vitae of the staff members in question to all Board members under cover of a letter dated 20 May 2005. An updated summary, by nationality, of the staff of the Department of Safeguards to be used as inspectors had been circulated under cover of a Note to Governors dated 6 June 2005.

132. There being no speakers, she took it that the Board wished to take the action recommended in document GOV/2005/36 and Mod.1 and authorize the Director General to use the professional staff members referred to in paragraphs 1 and 2 of that document as safeguards inspectors.

133. It was so decided.

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

134. The CHAIRPERSON noted that the Director General had last reported to the Board on the issue in question at its March meetings and he had also referred to it in his introductory statement.

135. Mr. WU Hailong (China) said that the denuclearization of the Korean Peninsula in the interest of peace and stability had always been one of China's steadfast goals, in keeping with the common interests of the countries in the region and the aspirations of the international community. China had done its utmost to promote the three rounds of six-party talks and the two rounds of working group meetings.

136. The six-party talks were the most realistic means of peacefully resolving the Korean Peninsula issue. It was therefore essential that the fourth round should be held soon. China was using the opportunity afforded by contacts with the DPRK and the United States to urge both parties to exercise restraint and demonstrate flexibility in order to create favourable conditions for the resumption of the talks. In recent months the United States and the DPRK had met in New York and the situation appeared to be taking a turn for the better. It was to be hoped that the DPRK and the United States, and the other parties involved, would show further flexibility and goodwill in order to create conditions favourable to the imminent resumption of the talks and turn the current understanding into concrete action. Furthermore, he expressed the hope that the Board's discussion of the Korean Peninsula nuclear issue would spur a resumption of the talks.

137. China would continue to adhere to the goal of denuclearization of the Korean Peninsula and would do its utmost to reconcile the parties, promote the talks in the interest of peace and stability, and work towards a peaceful solution of the issue at an early date.

138. Mr. FABER (Luxembourg), speaking on behalf of the European Union, the acceding countries Bulgaria and Romania, the candidate countries 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 Iceland and Norway, members of the European Economic Area, as well as Ukraine, said that the European Union took note of the Director General's comments on the DPRK and remained seriously concerned that that country's nuclear activities had been outside Agency verification since December 2002. It strongly urged the DPRK to dismantle completely, promptly, verifiably and irreversibly any nuclear weapons programme. It noted with interest recent information on the possible resumption of the six-party talks which it strongly supported. Furthermore, it strongly urged the DPRK to comply, fully, unconditionally and without delay, with its relevant international commitments. Compliance with its NPT safeguards agreement should lead to the re-establishment of the required containment and surveillance measures at the DPRK's nuclear facilities and thus to full implementation of all the required safeguards measures at all times, including the return of Agency inspectors. In conclusion, the European Union supported the Director General's attempts to restore the Agency's essential verification role.

139. Mr. TAKASU (Japan) said that his country deeply regretted the fact that, despite a series of Agency resolutions, the DPRK had rejected comprehensive Agency safeguards and had refused to cooperate with the organization. Its decision to withdraw from the NPT and its declaration in February 2005 regarding its manufacture and possession of nuclear weapons were sources of deep concern to all, as was the announcement that it had again completed the withdrawal of 8000 spent fuel rods from the 5 MW reactor and was continuing to bolster its nuclear arsenals. The DPRK's nuclear programme posed a direct threat to peace and stability throughout the region and a serious challenge to the international nuclear non-proliferation regime. Any development, acquisition, possession, test or transfer of nuclear weapons by the DPRK could not be tolerated under any circumstances. The DPRK should observe all international agreements related to nuclear issues, including the NPT, and fully and immediately implement its comprehensive safeguards agreement with the Agency. Japan called on the DPRK to dismantle completely all its nuclear programmes, including its uranium enrichment programme, in a permanent, thorough, transparent, credible and internationally verifiable manner.

140. The six-party talks continued to be the most appropriate framework to achieve that end. A high-level delegation from the Republic of Korea was visiting the DPRK to hold ministerial-level talks. Following the summit meeting between the United States and the Republic of Korea, a meeting between Japan and the Republic of Korea was expected to take place soon with a view to the early resumption of the six-party talks. The DPRK should expeditiously return to those talks without preconditions. All partners would continue to work, through diplomatic channels, towards a resolution of the issue.

141. Mr. MINTY (South Africa) expressed appreciation for the Agency's continued efforts aimed at the resumption of the six-party talks and called for the return of the Agency's safeguards inspectors to the DPRK. That country's recent announcement regarding its possession of nuclear weapons had added to the region's insecurity and destabilization and had increased the threat to international peace and security. Moreover, recent satellite imagery suggested it was preparing to test a weapon underground. His country joined the international community in appealing to the DPRK to desist from such a step, to reconsider its withdrawal from the NPT, place its facilities under Agency verification, provide credible assurances about its nuclear programme and completely and verifiably dismantle its

nuclear weapons, since the possession and testing of such weapons could only further increase tension in the region. It should also return to the negotiating table as soon as possible.

142. Mr. PROUDFOOT (Canada) said that his delegation had pointed out at the March 2005 meetings of the Board the implications for international stability and security of the DPRK's announcement in February 2003 of its indefinite suspension of its participation in the six-party talks and its manufacture of nuclear weapons. Since that time, further provocative and bellicose statements and actions had been forthcoming, including the shutdown of the 5 MW reactor at Nyongbyon in April, the unloading of 8000 fuel rods from the reactor, and a missile firing into the Sea of Japan. The possession of nuclear weapons by the DPRK would not only constitute a grave threat to international peace and security and to the multilateral nuclear non-proliferation and disarmament regime, it would also violate the 1992 North-South Joint Declaration on the Denuclearization of the Korean Peninsula.

143. Since continued dialogue was the best way of achieving a peaceful and comprehensive resolution of the issue, Canada welcomed the ongoing efforts of all parties involved, in particular China, to achieve a resumption of the six-party talks. He called on the DPRK to return to the talks, to dismantle completely, verifiably and irreversibly its nuclear weapons programme, to reverse its decision to withdraw from the NPT, to accept the resumption of Agency safeguards on all its nuclear activities, and to implement fully the requirements of its safeguards agreement.

144. Mr. CHO Chang-Beom (Republic of Korea) expressed concern that the DPRK nuclear issue remained unresolved despite repeated calls from the Board and indeed the entire international community. The DPRK had been continuously in non-compliance with its obligations under the NPT and its Agency safeguards agreement for no less than 12 years, and in violation of commitments it had undertaken voluntarily such as the 1992 North-South Joint Declaration on the Denuclearization of the Korean Peninsula and the 1994 Agreed Framework. It had exacerbated the situation with its recent statements that it was in possession of nuclear weapons and would continue to take the necessary steps to increase its nuclear arsenals. The discharge of 8000 spent fuel rods from the 5 MW reactor at Nyongbyon announced by the DPRK in May was also a matter of the utmost concern.

145. The DPRK nuclear issue posed a most serious challenge to the global nuclear non-proliferation regime and was severely undermining peace and security on the Korean Peninsula, in North-East Asia and beyond. His country took the firm position that possession of nuclear weapons by the DPRK could not be tolerated under any circumstances.

146. The DPRK should realize that there was nothing to gain and everything to lose by choosing to develop nuclear weapons capabilities. Possession of nuclear weapons would guarantee neither the DPRK's security nor its prosperity and would only deepen its isolation. The Republic of Korea therefore urged the DPRK to dismantle completely any nuclear weapons and related programmes in a thorough, transparent and verifiable manner. It should also return to the nuclear non-proliferation regime and cooperate with the Agency in the full and effective implementation of comprehensive Agency safeguards without delay.

147. The issue should be resolved as soon as possible through peaceful and diplomatic means. The importance of the six-party talks could not be overemphasized. Although one year had passed since the last round of talks, all possible efforts had not yet been exhausted and there had recently been some positive indications from the DPRK and other parties regarding their resumption. He urged the DPRK to return to the table without delay. His Government, for its part, would continue to make every effort to facilitate the early resumption of the talks and would work closely with the Agency and the international community for the peaceful and comprehensive resolution of the issue.

148. Finally, he expressed the hope that the Board would send an unequivocal message to the DPRK and requested the Director General to keep the Board informed of any further developments.

149. Mr. GAFOOR (Singapore) said that his country remained deeply concerned that the Agency was still not in a position to draw any conclusions about the DPRK's nuclear programme. The situation in the DPRK had to be resolved through peaceful and diplomatic means. The six-party talks provided a forum to work towards a comprehensive solution and, ultimately, a denuclearized Korean Peninsula. The DPRK should return to the negotiations as soon as possible. It should also dismantle any nuclear weapons programme in a prompt, transparent and verifiable manner and allow the application of comprehensive safeguards to its nuclear activities.

150. Ms. STOKES (Australia) expressed regret at the lack of any tangible process in resolving the DPRK nuclear issue since the Board's preceding series of meetings. The DPRK's nuclear programme, and its past and ongoing proliferation activities remained a serious threat to international peace and security. Its continuing provocations, notably its recent claim to have produced nuclear weapons, served only to isolate it further from the international community. No reasonable observer of events could be in any doubt that the DPRK was the only country obstructing a resumption of negotiations on the nuclear issue. The onus remained on it to address the proposal tabled at the third round of the six-party talks, which provided for multilateral security assurances and political and economic reintegration into the international community in exchange for the complete cessation and dismantlement of its nuclear programme. The DPRK should be under no illusion that its progressive escalation of the crisis had in any way altered the international community's commitment to the complete, verifiable and irreversible disarmament of any nuclear weapons programme. Nor should there be any doubt that such an outcome would enhance, not diminish that country's security and future prosperity. It was only by making the strategic choice to leave the dangerous path on which it had embarked that the DPRK could achieve its stated goal of normalizing its political and economic relations with its neighbours and the international community. Australia therefore strongly urged the DPRK to return to the six-party talks without further delay.

151. Mr. BERDENNIKOV (Russian Federation) said that his country continued to advocate the denuclearization of the Korean Peninsula. The DPRK nuclear issue should be resolved by peaceful means through negotiation. The six-party talks provided the best mechanism for addressing the issue and should be resumed as soon as possible with a view to finding compromise approaches. His country supported all efforts aimed at achieving that end, in particular those undertaken by China. At all events, it was important to avoid a dangerous escalation of tension that could threaten security in North-East Asia.

152. Mr. FORD (United States of America) said that his country remained deeply concerned by the DPRK's pursuit of nuclear weapons and the continued threat it posed to the international community. The DPRK had stayed away from the six-party talks for almost 12 months and was the only party that refused to return to the table. In that time, it had deepened its isolation through a series of belligerent statements that cast increasing doubt on its stated commitment to the denuclearization of the Korean Peninsula. If diplomacy was to be given a chance to work, the DPRK had to do its part by returning to the talks without precondition and by abandoning its pursuit of nuclear weapons, including both its uranium enrichment programme and its plutonium production programme. Otherwise, the United States would have to consult with its allies and partners on other options.

153. The six-party talks held out not only the prospect of a denuclearized Korean Peninsula, but also offered the DPRK a path to end its international isolation. In June 2004, the United States had tabled a fair and reasonable proposal that had yet to be addressed. Instead, the DPRK had put obstacles in the way, such as the statement in March 2005 that it was no longer bound by its voluntary moratorium on long-range missile testing and its February 2005 statement that it had manufactured nuclear weapons and was suspending indefinitely its participation in the six-party talks, to which the Board had responded by publicly issuing a Chairperson's conclusion expressing serious concern.

154. The United States was also concerned about DPRK's activities prior to its announced withdrawal from the NPT, in particular the possible transfer by the DPRK of UF₆ to the Libyan nuclear programme some years previously. The production and transfer of any unsafeguarded nuclear material from the DPRK was a matter of serious proliferation concern to the international community. Such actions would represent further violations of the DPRK's obligations under the NPT and its safeguards agreement, and would provide another indication of its enrichment-related capabilities. He urged the Secretariat and the Board to follow up on any such matters relating to the DPRK's non-compliance with its safeguards agreement.

155. The DPRK's nuclear programme was a pressing regional and global problem that could only be addressed through strong and concerted multilateral effort. There was unanimous agreement among the other five participants of the six-party process that the DPRK should return immediately to the talks and end its nuclear ambitions permanently. It had to make a strategic choice to abandon the path it had set for itself. The six-party talks were the way forward to enable the DPRK to achieve its own stated interest and establish normal relations with its neighbours and the international community.

156. Ms. BRIDGE (New Zealand)* said that her country remained concerned that the Agency was still unable to draw any conclusions on the DPRK's nuclear activities. The situation with regard to the DPRK remained a serious challenge to the non-proliferation regime, and to stability and security in the Asia and Pacific region. The issue should be resolved through dialogue, and she called upon the DPRK to dismantle its nuclear programmes in a complete, verifiable and irreversible manner. Furthermore, it should return to the NPT without delay and re-engage in the six-party talks.

157. Lastly, she expressed her thanks to the Deputy Director General for Safeguards for his excellent work at a particularly challenging time for the Agency and its safeguards system. His dedication, impartiality and professionalism had been exemplary and she wished him every success for the future.

158. The CHAIRPERSON, summing up the discussions, said that the Board had noted with concern that the DPRK had yet to take any of the necessary steps called for in the Board resolutions contained in document GOV/2003/3, adopted on 6 January 2003, and GOV/2003/14, adopted on 12 February 2003. The Board had also noted with concern that the DPRK had not permitted any Agency verification activities since December 2002, and thus the Agency was still not in a position to provide any assurances about nuclear material and activities in that country.

159. Some members had also expressed concern about statements made by the DPRK regarding its possession of nuclear weapons. They considered the DPRK nuclear issue a serious challenge to the international nuclear non-proliferation regime and urged the DPRK to dismantle completely any nuclear weapons programme in a prompt, transparent, verifiable and irreversible manner, maintaining the essential verification role of the IAEA.

160. The Board had emphasized the importance of continued dialogue to achieve a peaceful and comprehensive resolution of the DPRK nuclear issue. It had expressed the hope that such a resolution would ensure the return of the DPRK to the nuclear non-proliferation regime and provide the Agency with the authority necessary for it to provide credible assurances regarding the nature of the nuclear programme of the DPRK. In that regard, the Board had strongly encouraged all the parties concerned to redouble their efforts to facilitate an early resumption of the six-party talks without pre-conditions, with a view to achieving a peaceful resolution of the DPRK nuclear issue.

161. The Board had requested the Director General to keep it informed of future developments.

162. She took that her summing-up was acceptable.

163. Mr. TAKASU (Japan) and Mr. WU Hailong (China) requested more time for consideration before a decision was taken.

(e) Other safeguards implementation issues
(GOV/2005/33)

164. The CHAIRPERSON recalled that, at its meetings in March 2005, the Board had considered the issue of SQPs to comprehensive safeguards agreements and had requested the Secretariat to provide it with a comprehensive report in June, together with possible remedies. Document GOV/2005/33 highlighted the verification problems posed by SQPs and suggested possible solutions to remedy the situation.

165. Mr GOLDSCHMIDT (Deputy Director General for Safeguards) recalled that the Secretariat had identified SQPs to comprehensive safeguards agreements as a weakness in the safeguards system. Since February, the Agency had been engaged in consultations with Member States on that issue with a view to identifying possible remedies. The outcome of those consultations was contained in document GOV/2005/33.

166. Since 1971, the Agency had offered States with limited amounts of nuclear material and no facilities containing nuclear material a protocol to their safeguards agreement. The so-called SQP in effect held in abeyance the implementation of important safeguards measures routinely implemented in States with comprehensive safeguards agreements alone. Those measures included most of a State's reporting obligations and important rights of access for the Agency to safeguards-relevant information and locations.

167. A State with an operational SQP was not required to submit to the Agency an initial report on its nuclear material. In the case of a State with a comprehensive safeguards agreement and an operational SQP, the Agency was unable to verify independently that the State had initially met the requirements for an SQP or that it continued to do so. In practice that meant that a State with an SQP could have inventories of nuclear material up to the amounts specified in paragraph 37 of document INFCIRC/153 without the Agency being informed. As had become clear over the preceding several years, a State could conduct nuclear activities of proliferation concern with quantities of nuclear material much smaller than that amount.

168. Furthermore, a State with an operational SQP in force was not required to provide the Agency with design information about new facilities at an early stage. Currently, such a State could maintain unsafeguarded nuclear facilities or construct new facilities as long as they did not contain nuclear material. It would not be required to declare such facilities to the Agency until six months prior to the introduction of nuclear material.

169. The Agency's experience since the early 1990s had underscored the crucial importance of being able to detect indications of undeclared nuclear material and activities. Seen in that light, SQPs ran counter to the rationale underpinning strengthened safeguards and were, in some respects, inconsistent with Board decisions in that regard. The Secretariat believed that the time had come to bring that fact to the Board's attention.

170. In the Secretariat's view, the most straightforward way to remedy the situation was for the Board to decide that it would not authorize the conclusion of any further SQPs, and to call on States with an SQP to rescind them. Should the Board still decide to retain SQPs as part of the safeguards system, the Secretariat had outlined an alternative approach whereby the Board would approve a modification of the standardized text, decide that all further SQPs would have to follow the revised standard, and call upon States with SQPs to modify them accordingly. Measures that would continue to be held in abeyance included, for example, the obligation to report some types of inventory changes. That option, while not reinstating all of the relevant provisions of Part II of comprehensive safeguards agreements, would, to a large extent, address the limitations outlined. Under both options, it was foreseen that a State having a planned or existing facility would no longer qualify for an SQP.

The rescission or modification of existing SQPs would be effected through an exchange of letters with the Agency.

171. The conclusion of additional protocols with all States continued to be an indispensable component of the strengthening of safeguards. Additional protocols addressed some of the concerns with respect to SQPs and, for States that had already concluded an additional protocol, dispensing with SQPs would be of limited consequence. However, additional protocols did not require States to provide early design information, they did not address the Agency's need to receive initial reports on nuclear material, nor did they provide for the Agency's right to verify that a State qualified for an SQP or continued to do so.

172. The Secretariat had brought the matter before the Board not because of any on-going implementation issue involving particular SQP States, but rather to ensure that the Agency had the right, should it see the need, to apply appropriate verification measures in order to derive soundly based safeguards conclusions for SQP States. It was expected that SQP States had little or no nuclear material and most were not expected to have facilities. Under either of the remedial options discussed in document GOV/2005/33, the Secretariat would only conduct verification activities where the need was indicated on the basis of a State evaluation. It therefore foresaw few additional verification activities in SQP States and did not expect the implementation of either proposal to have any effect on the overall safeguards budget.

173. The time had come to address that weakness in the safeguards system and the Secretariat would appreciate the Board's urgent attention to the issue.

174. Mr. OLMOS (Bolivia)*, speaking on behalf of GRULAC, drew attention to paragraph 9 of document GOV/2005/33 which stated that the Secretariat did not foresee regular verification activities in SQP States and did not foresee any measurable increase in safeguards costs should SQPs be rescinded or revised. He called for a detailed and specific evaluation of the financial implications of the proposal on the Agency's safeguards costs and emphasized the importance of maintaining a balance between the Agency's statutory activities.

175. Mr. FABER (Luxembourg)*, speaking on behalf of the European Union, the acceding countries Bulgaria and Romania, the candidate countries 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 Iceland and Norway, members of the European Economic Area, as well as Ukraine, noted that SQPs to comprehensive safeguards agreements constituted a weakness in the safeguards system. While their withdrawal might have certain advantages over modifying the standardized text of the protocol, the Board required more time to consider the options put forward in document GOV/2005/33. Until any decision was taken, it would be preferable if the Board were asked to approve only comprehensive safeguards agreements and additional protocols.

176. Informal consultations might be useful with a view to reaching a conclusion on the issue at the Board's September meetings.

177. Mr. TAKASU (Japan) agreed that SQPs constituted a weakness in the safeguards system that should be addressed as soon as possible, particularly in the light of increased proliferation worries. However, the issue raised some concerns, notable the possibility of an additional burden from changing the current arrangement.

178. Of the two alternatives put forward, Japan would prefer the more realistic option of modifying the protocol rather than abolishing it. Further consideration was required to develop an alternative that met the concerns of both Member States and the Secretariat. The Secretariat should therefore carry out

a more thorough examination of the alternatives in full consultation with the countries concerned, as well as with expert groups such as SAGSI, and report on the results in September. In the meantime, it should intensify its efforts to deepen the understanding of States that were intending to apply for an SQP, or had already done so. The Board should produce guidelines on how the matter should be approached to enable it to reach a consensus decision as soon as possible.

179. Mr. MOREJÓN-ALMEIDA (Ecuador) said that his country recognized the new challenges and international concerns related to the possible malicious use of nuclear material and had brought its additional protocol into force in 2001. It also agreed that additional protocols were an important means of addressing some of the Agency's concerns, in particular as regards the Agency's rights of access to certain information.

180. The possible solutions put forward by the Secretariat in document GOV/2005/33 could be viable. However, their financial and administrative implications for each State needed to be studied in more detail. Every State's nuclear authorities had different technical, administrative and financial capacities to deal with the practical implications described in paragraphs 10 and 11 of the document, in particular as regards the establishment of an accounting and control system for all nuclear material subject to safeguards. The Secretariat should, in consultation with national authorities, provide more detailed information about the additional costs of the possible solutions, and inform each State of the extent of the additional obligations arising out of the rescission of its SQP. The technical assistance that Member States would require should not be allowed to impact negatively on the technical assistance those countries received to promote their development.

181. Ecuador would be interested to know whether the implementation of comprehensive safeguards in countries with SQPs would involve additional cost to the Agency that might have repercussions on the budget and ultimately on contributions, which were already burdensome enough for many Member States.

182. Mr. MINTY (South Africa) said that countries with SQPs in place were mostly developing countries with very limited nuclear material and/or facilities. If Member States were prevailed upon or voluntarily decided to rescind their SQPs, many would face the difficult situation of having to introduce a comprehensive State system of accounting for and control of nuclear material, for which infrastructure and expertise would need to be provided. Assistance would be needed with the development of legislation, skills and procedures. The matter required further careful consideration but, while his country had no objection to informal consultations, it was not sure that the Secretariat would be able to provide any further information. A more pressing task for the Secretariat would be to reach out to those NPT States that had not yet concluded the required safeguards agreement with the Agency in order to promote universal adherence to that Treaty.

183. Mr. HONSOWITZ (Germany) said that SQPs in States possessing little or no nuclear material were an adequate provisional instrument to enhance the efficiency of the safeguards system. They were not suitable for States that were building facilities or had already done so. The Agency should however have the right to apply appropriate verification measures in all States, and as the existing SQPs did not provide for any verification measures they should be amended. The revised standardized text proposed by the Secretariat in Annex 3 to document GOV/2005/33 constituted an important step towards strengthening the safeguards system. Germany supported the option put forward in paragraph 7 of the document, which involved modifying the standardized text of the SQP and requesting States with an SQP in force to rescind their text. Such a solution should not entail substantial additional cost for the Agency or its Member States.

The meeting rose at 1 p.m.