

IAEA Board of Governors

Record of the 1164th Meeting
GOV/OR.1164

Any other business

Board of Governors

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Record of the 1164th Meeting

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Contents

Item of the agenda ¹	Paragraphs
12 Any other business	1–86
– Tributes	87

¹ GOV/2006/39.

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.)

Mr. AMANO		Chairman (Japan)
Ms. FEROUKHI	_____	Algeria
Mr. CURIA		Argentina
Ms. STOKES		Australia
Mr. GAISENAK		Belarus
Mr. NIEUWENHUYS		Belgium
Mr. GUERREIRO		Brazil
Ms. GERVAIS-VIDRICAIRE		Canada
Mr. SUN Qin	}	China
Mr. YANG Dazhu		
Mr. PINTO GALVIS		Colombia
Ms. GOICOCHEA ESTENOZ		Cuba
Mr. MOREJÓN-ALMEIDA		Ecuador
Mr. KASSEM		Egypt
Mr. CARON		France
Mr. HONSOWITZ		Germany
Mr. BEKOE		Ghana
Mr. CRICOS		Greece
Mr. SHARMA		India
Mr. WIBOWO		Indonesia
Mr. SUMI		Japan
Mr. CHOI Sung-Joo		Korea, Republic of
Mr. GASHUT		Libyan Arab Jamahiriya
Mr. LUNDBY		Norway
Mr. INOCÊNCIO PEREIRA		Portugal
Mr. BERDENNIKOV		Russian Federation
Mr. GAFOOR		Singapore
Mr. ŠIMKOVÁ		Slovakia
Mr. KRIŽ		Slovenia
Mr. MINTY		South Africa
Mr. PERERA		Sri Lanka
Ms. MELIN		Sweden
Mr. OTHMAN		Syrian Arab Republic
Mr. DRAPER		United Kingdom of Great Britain and Northern Ireland
Mr. SCHULTE		United States of America
Ms. GARCÍA DE PÉREZ		Venezuela, Bolivarian Republic of
Mr. SHUGA'A		Yemen
Mr. ELBARADEI	_____	Director General
Mr. ANING		Secretary of the Board

Representatives of the following Member States also attended the meeting:

Austria, Bolivia, Bulgaria, Chile, Côte d'Ivoire, Croatia, Cyprus, Denmark, Estonia, Ethiopia, Finland, Guatemala, Hungary, Islamic Republic of Iran, Iraq, Ireland, Israel, Italy, Kenya, Latvia, Lithuania, Luxembourg, Malaysia, Mexico, Mongolia, Morocco, Netherlands, New Zealand, Nigeria, Pakistan, Panama, Poland, Romania, Saudi Arabia, Spain, Switzerland, Thailand, Tunisia, Turkey, Ukraine, Vietnam.

Abbreviations used in this record:

EFTA	European Free Trade Association
EU	European Union
GRULAC	Latin American and Caribbean Group
INPRO	International Project on Innovative Nuclear Reactors and Fuel Cycles
NAM	Non-Aligned Movement
NPT Review Conference	Review Conference of the Parties to the Treaty on the Non-Proliferation of Nuclear Weapons
UNDP	United Nations Development Programme
WHO	World Health Organization

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

12. Any other business (GOV/INF/2006/10)

1. The CHAIRMAN invited Governors to take up matters arising out of the Director General's introductory statement or any other matters of concern to them. He also drew attention to the communication dated 31 May 2006 from the Permanent Missions of France, Germany, the Netherlands, the Russian Federation, the United Kingdom and the United States, which had been circulated in document GOV/INF/2006/10 and contained a concept for a multilateral mechanism for reliable access to nuclear fuel.
2. Mr. CARON (France) said that his country relied heavily on nuclear power and was convinced that nuclear energy could make a major contribution to meeting the energy needs of many countries within the context of sustainable development. France was eager to address the expectations of countries wishing to develop a nuclear power programme. The concept circulated in document GOV/INF/2006/10 was a contribution to the debate initiated by the Director General on assurance of supply of nuclear fuel and enrichment services.
3. The proposed concept covered the supply of uranium enrichment services and, if necessary, enriched uranium. It combined several levels of measures which mutually reinforced one another to create a credible assurance of supply.
4. The first level was the market level, which showed every sign of operating to the full satisfaction of stakeholders. However, if a supplier could not meet commitments for reasons which were neither commercial nor proliferation-related, an assurance mechanism would be brought into play by the Agency. The first stage of the mechanism would consist of assurances of a commercial nature provided collectively by industrial suppliers of enrichment services on the international market. If that mechanism should prove to be ineffective in certain circumstances, a supplementary assurance would be provided through a stock of enriched uranium made available to the Agency. The Agency would be responsible for verifying the applicability of the mechanism on a case-by-case basis and would see to its implementation. All States, including supplier States acting collectively to ensure a substitute supply, would engage to respect the decisions of the Agency.
5. The proposed mechanism in no way sought to limit States' exercise of their rights to the peaceful use of nuclear energy. Its aim was to ensure better assurance of supply. It could also not be compared to a cartel. No attempt was being made to forbid anyone from developing enrichment activities; the aim was rather to offer an assurance to those who made a different choice. The mechanism would not affect the market. Nor would it be an obligatory international regime. States were free to choose. The aim was to offer a concrete and credible option which was sufficiently attractive to encourage States to have recourse to it.
6. It was the Director General who had relaunched consideration of the issue, which the Agency had worked on in the past. France hoped that the new impetus would be maintained and remained ready to contribute further, together with other interested States.
7. Mr. HALPHEN PÉREZ (Panama)*, speaking on behalf of GRULAC, said that the topic under discussion was of great importance for GRULAC and required in-depth and detailed analysis by the experts and authorities of its member countries. Since the document had been circulated recently, it would be premature to consider it at the Board's current series of meetings.

8. Nevertheless, GRULAC wished to emphasize that any initiative relating to civilian uses of nuclear energy should respect the inalienable right of States, recognized by Article IV of the NPT, to the peaceful uses of nuclear energy, including all stages of the fuel cycle. The balance between the NPT's three pillars (non-proliferation, disarmament and cooperation in the peaceful use of nuclear energy) should be respected.

9. He also reminded the Board that the GRULAC countries had signed the Treaty for the Prohibition of Nuclear Weapons in Latin America and the Caribbean, through which they had committed themselves to keeping their territories free of nuclear weapons forever, thereby enabling the region to become the first highly populated nuclear-weapon-free zone.

10. Mr. STELZER (Austria)*, speaking on behalf of the European Union, the acceding countries Bulgaria and Romania, the candidate countries Turkey, Croatia and the former Yugoslav Republic of Macedonia, the countries of the Stabilization and Association Process and potential candidates Albania, Bosnia and Herzegovina and Serbia, the EFTA countries Iceland and Norway, members of the European Economic Area, and Ukraine and Moldova, said that the question of multilateral approaches to the fuel cycle had again been the subject of attention over the preceding two years. Such approaches aimed to offer options for the use of nuclear energy by interested States, while taking into account concerns related to the spread of sensitive technologies, enrichment and reprocessing.

11. Since the publication of the report of the expert group on multilateral approaches to the nuclear fuel cycle (contained in document INFCIRC/640), various proposals had been made reflecting the interest in and support for such approaches on the part of many States. The European Union noted with interest the concept presented by six countries, including four EU members, in document GOV/INF/2006/10, welcomed it as an important contribution to the debate and intended to study carefully the various measures presented in it. It noted the view of the Director General that the issue was of key importance for expanded use of nuclear energy and urged the Secretariat to consult with Member States in order to identify possible options. The initiative before the Board could constitute a first step in that direction.

12. Ms. HUSSAIN (Malaysia)*, speaking on behalf of NAM, said that any multilateral approach to the nuclear fuel cycle would have serious consequences for Members States' inalienable right to develop and use nuclear energy for peaceful purposes. Since the report of the expert group on multilateral approaches to the nuclear fuel cycle had been made available, no substantive consideration of the legal, technical and institutional aspects of the issue had taken place.

13. Paragraph 9 of Chapter 1 of the group's report stated that the group consisted of individuals, participating in their personal capacity, selected by the Director General. Furthermore, paragraph 10 stated that the report did not necessarily reflect agreement by all of the experts on the desirability or feasibility of multilateral approaches, or on all of the options, nor did it reflect a consensus assessment of their respective value but was intended only to present possible options and to reflect on the range of factors that could influence the consideration of those options.

14. Any proposals presented in the Agency had to be consistent with its Statute and without prejudice to the inalienable right of Member States to research, develop and use nuclear energy for peaceful purposes. NAM felt that the issue under discussion was complex and that consideration by the Board of any proposal was premature as yet.

15. Ms. STOKES (Australia) said her country welcomed international efforts to develop effective controls on the spread of sensitive nuclear technology. As such, it supported the non-proliferation objectives underpinning the concept paper contained in document GOV/INF/2006/10. As a leading uranium supplier, Australia had a direct interest in proposals in that area and their further development. The concept paper was still at an early stage and would require substantial further

development before its implications could be fully assessed. She noted the Secretariat's intention to continue exploring the various issues and options. Australia looked forward to receiving information elaborating the possible legal, institutional and other aspects of such a mechanism.

16. Ms. GERVAIS-VIDRICAIRE (Canada) said that document GOV/INF/2006/10 put forward some interesting ideas concerning the development of multilateral measures for reliable access to fuel supplies. The United States and Russia had already mentioned the idea of fuel assurances in different contexts, as had the Director General. Canada welcomed the document as a further effort to develop those various contributions.

17. There was considerable merit to the idea that countries which chose not to invest in enrichment and reprocessing technologies, were in full conformity with their nuclear non-proliferation obligations, and were rigorously committed to implementing global non-proliferation norms, should have reliable access to the broad range of fuel cycle services. The document under discussion contributed to the process of elaborating a mechanism to address that objective. However, a number of questions regarding the mechanisms and requirements for implementing such assurances were still pending and required further examination. Her country looked forward to a continuing dialogue among all fuel cycle stakeholders, including uranium suppliers, to resolve those questions.

18. Any multilateral arrangement should take into account the circumstances of countries that had a strong record on non-proliferation, were fully compliant with all their non-proliferation obligations, had a significant nuclear industry and could, and at some future time, based on sound economic reasons, need to consider further broadening their own fuel cycle activities. The Agency should play a central role in such arrangements. Addressing those considerations was very important if a workable and broadly acceptable multilateral solution was to be found. Canada was giving the document careful consideration and was ready to work closely with other interested parties in developing a constructive multilateral approach to the issue.

19. Mr. MINTY (South Africa) noted that the concept paper only dealt with the issue of assurance of supply of enrichment services or enriched uranium, leaving the possibility of enlarging the scope of application to cover reprocessing services to be explored at a later stage. The issues identified and proposals made in the concept paper were still receiving due consideration in South Africa, and his comments were therefore preliminary in nature.

20. The concept paper drew upon the comments made by the Director General on assurances of nuclear fuel supply and the conclusions and recommendations contained in the report of the expert group on multilateral approaches to the nuclear fuel cycle. Member States had differing views on the recommendations made in that report, and the experts themselves had stated that the report did not necessarily reflect agreement by all the experts on the desirability or feasibility of multilateral approaches, or on all of the options.

21. In response to the expert group report, South Africa had noted the suggested approaches identified by the expert group and had looked forward to further consideration of the subject. At the same time, it had said that any decision taken in that regard could not place any unwarranted restriction on the inalienable right of States to the peaceful applications of nuclear energy, and that actions which would merely serve to exacerbate existing inequalities should be guarded against, including those which could create another kind of cartel which would exclude full participation, particularly by States in full compliance with their safeguards obligations. Those same comments were equally valid for the concept paper under discussion.

22. Nothing in the NPT should be interpreted as affecting the inalienable right of all Parties to develop research, production and use of nuclear energy for peaceful purposes without discrimination and in conformity with Articles I, II and III. The NPT provided a framework of confidence and

cooperation within which the development of the peaceful uses of the of the atom could take place. Prevailing proliferation concerns had prompted others to propose restrictions and controls on the legitimate peaceful uses of nuclear energy; however, it was important that such measures be matched by reinforcement of the obligation to achieve nuclear disarmament.

23. The establishment of credible mechanisms to ensure the reliable supply of nuclear fuel should be a subject for further discussions. Those discussions should involve the Agency as it had a legitimate role, in accordance with its Statute, to encourage and assist the practical application of nuclear energy for peaceful purposes. The Agency also had a special responsibility to take into consideration the needs of the underdeveloped areas of the world.

24. Any discussions on the need for and the possible framework of a mechanism to ensure access to nuclear fuel should not involve any preconditions that even hinted at the possibility that non-nuclear-weapon States that were in conformity with their legal obligations under the NPT should forgo their inalienable right to the peaceful use of nuclear energy. The concept paper included a precondition requiring States wishing to make use of the proposed mechanism not to pursue sensitive fuel cycle technologies. That precondition was unacceptable. If States, owing to the availability of nuclear fuel or the existence of mechanisms to facilitate the supply of such fuel, decided not to pursue sensitive fuel cycle activities, that was their own voluntary decision. Indeed, the existence of such mechanisms and States' access thereto could even contribute to a decision not to pursue such activities.

25. Although it was argued that those already pursuing nuclear enrichment would in any event not be using the proposed mechanism, some might choose only to pursue sensitive fuel cycle activities in a limited way or only for research purposes. States which had decided to pursue sensitive fuel cycle activities should not be discriminated against by excluding them from the possible benefits of such mechanisms.

26. Finally, it was premature for the Board to request the Secretariat to prepare costing models for future consideration.

27. Mr. HONSOWITZ (Germany), noting the comments of the Director General in his introductory statement to the effect that an assurance of supply mechanism was key to coping with an expanded use of nuclear energy and was a prerequisite for stemming the spread of sensitive fuel cycle activities, said that his country understood the concept paper as a contribution to a long discussion which had intensified over the preceding two years. The expert group convened by the Director General had been an important step in that process. Germany hoped the concept would contribute to advancing the issue further and would clear the way for a generally acceptable solution to the problem. The initiative should contribute to strengthening common non-proliferation goals and his country invited all Member States concerned and the Secretariat to share their views in an open and transparent manner with the authors of the concept paper. Finally, he welcomed the Secretariat's intention to organize a special event on assurances of supply and non-proliferation during the next General Conference.

28. Mr. SCHULTE (United States of America) said that his country strongly supported the development of clean, safe nuclear power to meet the world's energy needs, including those of developing countries. Reliable access to nuclear fuel could help address concerns about the dissemination of sensitive fuel cycle technologies. The United States had joined in making the proposal before the Board as a means consistent with Article IV of the NPT to enable more countries to take advantage of the benefits of nuclear power and enhance their energy security. The subject was a complex one and it was important to proceed step by step rather than trying to solve the problem all at once. The proposed concept was an important first step, drawing on ideas from the report of the expert group on multilateral approaches to the nuclear fuel cycle. It would provide important and unprejudiced benefits to countries that were beginning to enjoy the benefits of nuclear power, and

could be the basis for further development and elaboration over time. It also complemented the Russian proposal for a centre in Russia to provide uranium enrichment services.

29. The concept put forward was based on the premise that the commercial market was working well in supplying nuclear fuel, which had been an important conclusion of the expert group. If a problem should arise for other than commercial or proliferation reasons, the proposed approach would provide an important mechanism to which States could turn for the fuel supplies they needed without developing costly and proliferation-sensitive enrichment capabilities. Countries were not being asked to give up their rights to nuclear technology. The mechanism was a voluntary one.

30. The United States looked forward to consultations with the Secretariat and Member States to develop the concept further and urged the Secretariat to begin work to elaborate the details so that the Board could consider a more fully developed mechanism, which took into account the views of potential recipients, at an early date. It also looked forward to the special forum to be held at the fiftieth regular session of the General Conference which would provide an important opportunity to discuss multinational approaches to the nuclear fuel cycle, including the Global Nuclear Energy Partnership proposed by the United States as a way to help all countries benefit from safe, secure and proliferation-resistant nuclear power.

31. Mr. KASSEM (Egypt) said that his country had taken note of and was currently studying document GOV/INF/2006/10. All such initiatives should take account of the rights of all States to develop nuclear energy for peaceful purposes, assuming those States had joined the NPT and provided the necessary assurances to the international community regarding the peaceful nature of their programme.

32. He called upon interested States to avoid including prerequisites which went against the NPT and the Agency's Statute and welcomed the reassurances that had been provided by the representatives of France and the United States that the proposal in no way sought to infringe States' rights to use nuclear energy for peaceful purposes or to strengthen a market monopoly. That principle should be borne in mind as the concept was developed further.

33. Egypt hoped that the initiative would result in an examination of commercial and economic obstacles related to the cost of nuclear fuel with a view to finding a balanced mechanism that addressed the concerns of States wishing to use nuclear energy for peaceful purposes. It should not become another form of discrimination.

34. Mr. BERDENNIKOV (Russian Federation) said that the concept put forward in document GOV/INF/2006/10 was based on the fundamental documents of the Agency, including its Statute, and on the multilateral approaches to the nuclear fuel cycle proposed by the international expert group in 2004.

35. Assurance of supply of nuclear fuel was an important factor in promoting nuclear power, especially in developing countries, as it removed the need to invest in expensive nuclear fuel cycle installations. The proposed mechanism could foster international cooperation on the peaceful use of atomic energy in accordance with Article IV of the NPT and minimize the risk of proliferation of sensitive technologies. It was an insurance mechanism which would not undermine the commercial market for nuclear services. It also should not prevent States which did not have recourse to it from obtaining enriched uranium on the market under normal market conditions.

36. It was time to move from the conceptual stage to the development of the legal, institutional and other aspects of the mechanism, the detailed elaboration of which should be done by experts from interested States and the Agency Secretariat. The concept did not presuppose that anyone should renounce their legal rights to peaceful nuclear activities. The goal was to provide a more economical,

pragmatic and reliable alternative to creating full nuclear fuel cycle enterprises everywhere in the world.

37. It was important that the mechanism work well and it would therefore be ill-advised to set a date for completing the work on it.

38. In that connection, he drew attention to the initiative of the President of the Russian Federation to develop cooperation on the peaceful uses of atomic energy in the context of efforts to ensure global energy security. That initiative aimed at developing a global infrastructure, a key element of which would be a system of international centres providing nuclear fuel cycle services, including uranium enrichment, under Agency control and based on non-discriminatory access.

39. Mr. SUMI (Japan) said that his country recognized the importance of assurance of supply of nuclear fuel for strengthening the international non-proliferation regime, which was currently an urgent issue facing the international community. Careful discussion was needed on how initiatives in that regard, including multilateral approaches, could best contribute to that goal. Any such initiatives should have no negative impact on States which had already acquired an excellent international reputation for their nuclear activities through strict and transparent fulfilment of their NPT obligations.

40. Japan welcomed the proposal that had been put forward. It was important for the Agency to start discussing it in a transparent manner.

41. Japan wished to make a positive contribution to achieving meaningful progress on the issue. It had already been supplying nuclear fuel for domestic usage and there was a possibility it might export nuclear fuel in the future. In particular, careful discussion of the definition of 'supplier countries' was required.

42. Mr. MOREJÓN-ALMEIDA (Ecuador) said that the proposal for a multilateral mechanism for reliable access to nuclear fuel had been received positively by his country's authorities. The issue was a complex one and required detailed analysis. Thus, time was needed to reflect on it and clarify the concerns raised. His country would appreciate additional information on the initiative so that it could study and discuss it in a constructive manner in the Board.

43. Mr. GASHUT (Libyan Arab Jamahiriya) said that his country shared the view that that more time was needed to consider the proposal, which had policy, economic, security, technical and legal implications and related to an important aspect of the Agency's mandate: ensuring the peaceful use of nuclear energy. The proposal ran counter to Article IV of the NPT which upheld the inalienable right of all parties to the Treaty to develop research, production and use of nuclear energy for peaceful purposes without discrimination.

44. Preservation of nuclear knowledge was vital for the development of nuclear energy, which had the capacity to contribute to development and to solving health and food problems. The acquisition of knowledge was a natural right of individuals and societies as a whole. In recent years, the Agency had devoted much time and effort to that subject.

45. In conclusion, he suggested that the Board merely take note of the proposal and allow States time for consultations.

46. Mr. GUERREIRO (Brazil) said that the issue before the Board was a complex one with technical, legal, commercial, economic and strategic implications. In view of the possible consequences for the rights enshrined in Article IV of the NPT, it required thorough analysis and deliberation, not only within the Agency but by the NPT Review Conference.

47. Mr. DRAPER (United Kingdom) said that his country supported the proposition that a reliable, assured supply mechanism would facilitate the safe and reliable peaceful use of nuclear energy while minimizing proliferation risks. In particular, it supported the notion that it should be possible to devise a mechanism to provide reliable guarantees of fuel supplies at prevailing market prices. Some speakers had suggested that the proposal constituted a denial of rights. The United Kingdom saw it as providing additional choice for those countries that wanted to avoid the immense costs and technological challenges involved in enrichment by enabling them to choose to take advantage of an internationally underwritten assurance of fuel supply.

48. The proposal outlined in document GOV/INF/2006/10 followed on from the excellent work of the expert group and described initial steps that could quickly be put in place to achieve a fuel assurance mechanism. As many had noted, much of the practical detail still needed to be worked out, but it was timely to circulate the concept paper now at an early stage in its development. It was a good basis for wide consultation — particularly with prospective recipient States, including developing countries — both in the coming months and during the seminar which the Agency was planning to hold during the General Conference. His country looked forward to attending that seminar and to working with the Secretariat and others to develop further the necessary commercial, non-proliferation, export and legal conditions.

49. Mr. YANG Dazhu (China) said that, as the Director General had pointed out in his introductory statement, the issue under discussion was a complex one with policy, legal, technical, safety, security and proliferation-related aspects and it deserved in-depth discussion and an extensive exchange of views, in particular those of developing countries. China was open to all initiatives and ideas which contributed to achieving non-proliferation objectives and promoting the peaceful uses of nuclear energy. Any new mechanism should be based on universal participation and adequate consultations, taking into account as far as possible the legitimate concerns of the various parties, as that would help ensure its effective operation. China was prepared to participate constructively in discussions.

50. Mr. CURIA (Argentina) said that the proposal should be properly analysed by national authorities in capitals, which was what his country was doing. He noted that Article IV of the NPT upheld the inalienable right of countries to develop and use nuclear energy for peaceful purposes. Argentina was analysing a number of initiatives in the light of that article, including the one put forward by the six countries. It was concerned that the latter proposal would result in a restriction on the right of non-nuclear-weapon States party to the NPT to develop and have access to technology. That was not acceptable because it would weaken the non-proliferation and safeguards regime. In view of the complexity of the issue and the national interests involved, it was too soon to consider it at present or for the Secretariat to initiate consultations.

51. Ms. FEROUKHI (Algeria) said that the proposal for the creation of a multilateral mechanism for reliable access to nuclear fuel was currently being studied by the Algerian authorities. The issue was complex and had policy, security, legal, technical and, of course, economic implications. Informal consultations might be envisaged under the auspices of the Agency between suppliers and users to see whether such a mechanism was feasible and to analyse the concept in greater depth, keeping in mind the need to preserve the inalienable right of States granted by Article IV of the NPT to develop and produce nuclear technology, and the need to avoid any adverse impact on their nuclear programmes.

52. Ms. COPPOOLSE (Netherlands)* said that her country had actively participated in the expert group convened by the Director General. The Netherlands attached great importance to exploring further the issue of multilateral nuclear approaches, which was why it had worked with the United States, the Russian Federation, the United Kingdom, France and Germany on the concept paper. A healthy well-functioning market already existed at the front end of the nuclear fuel cycle and the mechanism was not meant to replace that. On the contrary, it was meant to function as a last-resort

safety net for problems that could not be resolved through normal commercial processes. It offered interested Member States an extra possibility which they could use if any saw fit.

53. Despite intensive discussions in the preceding year, many issues, questions, modalities and details still needed to be addressed and elaborated. The concept paper was thus a first step and aimed at stimulating more input, ideas and suggestions from all Member States. The Netherlands hoped that the Secretariat would be able to consult soon with as many Member States as possible, both supplier States and recipient States, in an open and transparent way. It also remained ready to continue its active participation and was looking forward to the results of the special event which would be organized during the forthcoming General Conference.

54. Mr. SCHALLER (Switzerland)* said that the discussions on a multilateral approach to the fuel cycle had to be seen in the context of Article IV of the NPT. The proposal by six Member States for a multilateral mechanism providing reliable access to nuclear fuel took up some of the elements of the report produced by the expert group convened by the Director General. That report had not yet been discussed in the Board and Switzerland felt it would be preferable to look at all proposals on multilateral approaches to the fuel cycle within that framework.

55. Mr. SOLTANIEH (Islamic Republic of Iran)* said that, in 1987, after seven years of negotiations, the Committee on Assurances of Supply had collapsed as a result of wide divisions between potential nuclear suppliers and recipients. Representing his country on that Committee, he had himself witnessed the lack of cooperation and political will on the part of the industrial countries in their relations with developing countries. There currently existed no legally binding international instrument on assurance of supply. Any mechanism which would have a negative impact on the inalienable right of Member States to use nuclear energy in general, and to have access to the fuel cycle in particular, and more specifically enrichment, was unacceptable. Member States were entitled to choose their energy supply option, and whether the fuel for their reactors and power plants came from domestic suppliers or the open market, without discrimination, or any conditions or restrictions arbitrarily imposed by suppliers, above all by certain nuclear-weapon States. The Agency's Secretariat should not conduct a study or convene an expert meeting or seminar on that sensitive issue, which had technical, legal, security and political dimensions, unless there was a consensus among Member States and the financial and administrative arrangements for such activities had been approved by the General Conference, since it would have a long-term impact on all Member States and on the Agency's statutory functions and activities.

56. The DIRECTOR GENERAL said that, in working with the benefits and the risks of nuclear technology, the world continued to learn more about how to maximize the benefits and minimize the risks, so it was natural that systems continued to evolve. He had first spoken some two or three years previously about the need for a new framework for using nuclear energy in the 21st century.

57. Ten years ago, after the experience in Iraq, the Agency had reported that its ability to implement safeguards effectively was limited by the terms of safeguards agreements and that it needed additional authority. It had not gone into whether that was or was not a legal obligation; it had simply stated that it was asked under the NPT to verify that all material in a country with a comprehensive safeguards agreement was subject to safeguards, but that with existing safeguards agreements its ability to look for possible undeclared activities was rather limited. It was not a matter of trust or distrust but rather of the Secretariat's ability to fulfil its obligations faithfully. At that time Member States had responded positively and the additional protocol had been elaborated. He continued to hope that that protocol would be universally applied, because without it the Agency's ability to fulfil its mandate under Article III of the NPT was rather limited.

58. Later on, after the events of 9/11, the Secretariat had brought the security issue to the Board. Nuclear terrorism was something of a new area for the Agency. Although it had dealt with safety, security had been rather in the background. Now the security programme was, unfortunately, one of the most flourishing programmes because of the risks associated with nuclear material and radioactive sources.

59. In recent years, he had come to realize that the time had possibly come to activate Article IX of the Statute, which talked about assurance of supply. As had rightly been mentioned during the current meeting, that issue had been on and off the organization's agenda for over 25 years. There had been failures in the past, but perhaps it was time to start to succeed.

60. The issue was rooted in the Statute and it was his obligation as Director General to bring it to the Board's attention. There were two aspects to the assurance of supply mechanism. The first was that it acted like an insurance policy to ensure that all countries that fulfilled their non-proliferation obligations were able to get the fuel and the technology they needed, without being subject to extraneous political considerations. Such considerations had been applied in the past and one of the problems at present was, in part, previous denial of access. He would like to see that not happen in the future. The situation was not one of supplier and recipient but rather of an international project where everybody should work together to ensure that whichever country needed nuclear fuel or reactor technology would get it, provided that certain non-proliferation criteria had been met. The second benefit of an assurance of supply mechanism was that it would enable countries to make use of nuclear energy without necessarily mastering a complete fuel cycle. Many countries could not do that for financial or technological reasons.

61. Dissemination of fuel cycle technology was also undesirable because it had security implications. He had been saying for a number of years that he would like, in future, to see sensitive aspects of the fuel cycle confined to multinational or regional centres. To achieve a more proliferation-resistant system, all enrichment and reprocessing systems should be regional or multinational, and that required the establishment of an assurance of supply mechanism.

62. Not one of the sponsors of the proposal before the Board had suggested that the proposed mechanism would have any implications for the inalienable right of countries to make full use of nuclear energy for peaceful purposes. He wished to affirm and make clear that any work by the Secretariat on the issue would in no way prejudice any country's right under Article IV of the NPT.

63. Expectations of expanded use of nuclear power and many promising new potential nuclear applications were rising. The risks were under better control and the Agency had improved its verification ability through application of the additional protocol. Protection had been improved in the field of security. In a wider context, he had been calling for the three countries which remained outside the non-proliferation regime to be brought into the regime and had been stressing that nuclear disarmament was key to progress on many of the aforementioned issues.

64. In returning to the question of assurance of supply, he was fully aware that that subject involved a number of complex issues with obvious technical, political and legal dimensions. Who was going to provide the fuel? Who was going to pay for it? Was the fuel going to be under Agency custody? Where was the material to be stored if the Agency took custody of it? What criterion would be used to release the fuel? Who was going to decide in each case, the Director General or the Board? Those questions needed to be thrashed out and there was also a need to work in close consultation in that regard.

65. Success would be a major achievement but it would not happen overnight. It was essential to build consensus, to be clear about the goals and to ensure that there was no negative impact on anyone's rights or on the ability to use nuclear energy. He saw it as a win-win situation for everybody

and that was how he wished to approach it. The Secretariat was organizing a special event at the forthcoming General Conference where different options would be considered. He encouraged everyone to come forward with ideas and suggested that the Secretariat could synthesize the various ideas and options in consultation with Member States. It would also continue to keep the Board abreast of progress.

66. Ms. STOKES (Australia), referring to the continuing problem of denial of shipment services for legitimate radioactive commodities, said that denials and delays in moving radioactive products generated increased costs and interfered with the delivery of timely and effective medical treatment.

67. Australia was pleased that those issues had been considered in detail at the Agency's technical meeting on the denial of shipment of radioactive material which had been held in Vienna in May 2006. Participants had come from governments, industry associations and, most importantly, from companies engaged in producing and shipping radioactive products. A number of useful recommendations had been made. Numerous examples of denial-of-shipment events had been discussed at the meeting, including the negative impact of denials on the Agency's ability to implement technical cooperation projects that involved radioactive sources being sent to developing countries. There had been cases where cobalt sources for medical therapy provided under the technical cooperation programme had been delayed by nearly a year owing to the inability to find a carrier for the source. One of the meeting's findings had been that the problem had worsened since concerns had been first raised at the 2003 International Conference on the Safety of Transport of Radioactive Material.

68. The 2005 General Conference had requested the Agency to set up a steering committee to address the issue of denial of shipment. The aforementioned technical meeting in May had made several recommendations as to the most effective role that the committee could play. A high-level standing group of transport experts could help address specific denial problems through targeted lobbying. Australia cautioned against setting up a committee simply to talk about the problem. What was required was a group that could start to make a difference. The Agency should keep Member States informed about progress made towards setting up the committee and, in particular, about its composition and terms of reference.

69. The experts at the technical meeting had also made other suggestions about paths forward, including assisting Member States to train transport workers and port officials in the international safety regulations for radioactive material. Her country looked forward to hearing how the Agency would turn those recommendations into a programme of activities that could help address the problem.

70. Another recommendation from the meeting had been that each Member State had a responsibility to examine closely the regulatory requirements it imposed on air and sea carriers of radioactive commodities. In many cases, it was the burden of additional national regulations applied on top of the international transport regulations that led a carrier to refuse to carry a radioactive product. Those additional national regulations could be confusing and, in many cases, did not provide extra safety. Australia encouraged all Member States to help the Agency compile a register of those extra regulatory requirements by providing the Secretariat with full descriptions of their various requirements for transport of radioactive goods.

71. Quick and effective follow-up by the Agency was essential to improve the situation for those many Member States that needed reliable shipping services for radioactive products. Member States should also avoid arbitrary actions with no scientific basis which inhibited legitimate trade in radioactive material. Many governments and commentators predicted a greater role in the future for nuclear power and other nuclear applications. That vision would not be realized fully unless the problem of unwarranted denial of shipments was overcome.

72. Ms. GERVAIS-VIDRICAIRE (Canada) said that her country was increasingly concerned over denial of and delay in the transport of radioactive material. The problem was generating increased costs and was interfering with the delivery of timely and effective medical treatments. Canada was pleased with the recommendations of the Agency's technical meeting on denial of shipment of radioactive material and looked forward to the creation of a steering committee on the issue. It would work closely with the Secretariat and other concerned countries to improve the situation.

73. Mr. SCHULTE (United States of America) said that his country strongly supported the safe and secure expansion of nuclear power to meet the growing demand for energy worldwide, including in developing countries. In making decisions on nuclear power, national authorities had to understand what infrastructure was needed to ensure that such expansion was safe and secure and did not contribute to proliferation. Both the Agency and the World Nuclear University were doing important work to expand that understanding. His country was aware that insufficient funds were available that year for the Agency to support fully attendance by developing countries at the World Nuclear University Summer Institute for young professionals. It encouraged the Agency to support fully developing country participation in the Summer Institute in the future. The United States Government was prepared to provide the Agency with US \$100 000 to support participation by developing countries in the 2006 Summer Institute.

74. The desire to help developing countries with the task of building the infrastructure required to allow them to benefit from nuclear power had been a major reason for the United States joining INPRO and was the focus of work by a United States cost-free expert. The country had also been working with the Agency on planning a workshop to be held in December 2006 on the infrastructure needed for the expansion of nuclear energy in developing countries. In support of that workshop, the United States was ready to make an extrabudgetary contribution to the Agency of up to \$250 000. Co-sponsorship from other countries for the workshop would be welcome.

75. Mr. HERASYMENKO (Ukraine)* recalled that, 20 years ago, on 26 April 1986, the most serious accident in the history of the nuclear industry had occurred at Unit 4 of the Chernobyl nuclear power plant. The destroyed reactor had caused a huge release of radionuclides over large areas of Ukraine, Belarus and the Russian Federation, with radioactive material measurable over practically the entire northern hemisphere. The tragedy had had major social, political, economic, health and environmental consequences and had prompted many actions to strengthen international and national legislation on nuclear safety, radiation protection, radioactive waste management and emergency preparedness and response. It had proven unambiguously that serious nuclear accidents had a global impact and affected the vital interests of many countries.

76. On 24–26 April 2006, an international conference had been held in Kiev to review, consolidate and share the vast experience gained over the preceding two decades in responding to and managing the diverse and continuing consequences of the Chernobyl accident, and to identify what still needed to be done. The conference had been organized by the Government of Ukraine in cooperation with the Governments of Belarus and the Russian Federation, and the European Commission, the Agency, WHO, UNDP, the Council of Europe and a number of Ukrainian and European institutions. Ukraine was grateful to the Deputy Director General for Nuclear Safety and Security, who had participated in the conference on behalf of the Director General, and to the Agency staff involved for their valuable contribution.

77. The conference had been the last in a series of events dedicated to the 20th anniversary of the Chernobyl accident. It had promoted the effective implementation of accumulated experience in the areas of: radiation protection of the population and emergency workers; the environmental consequences of the accident; medical and public health response to radiation emergencies; radiological emergency management; economic and legal aspects of radioactive waste management

and nuclear power plant decommissioning; radioactive waste management; decommissioning of nuclear power plants based on experience at the Chernobyl plant; and transformation of the Chernobyl shelter into an ecologically safe system.

78. Based on a common understanding of the causes and consequences of the accident, and the efficiency of the response, the conference had identified the main lessons learned and had produced a set of conclusions and recommendations. The conference had concluded that: the Chernobyl accident had been the result of an inherently unsafe reactor design combined with serious deficiencies in safety culture; radiation levels in the environment had decreased by a factor of several hundred since 1986 as a result of natural processes and the countermeasures and much of the land that had been contaminated could now be used with few or no restrictions or remedial measures, though in the Chernobyl exclusion zone and in certain areas of Belarus, Ukraine and Russia some restrictions on land use would continue to apply for decades; significant attention should be given to the continuation of studies devoted to establishing a clear picture of the public health consequences, especially as regards deterministic and stochastic effects, and oncological, hereditary and cardiovascular diseases; Chernobyl had demonstrated convincingly that the cost of ensuring the safety of nuclear facilities was considerably lower than that of dealing with the consequences of an accident; the accident had shown the importance of strict compliance with basic safety principles for the design and operation of nuclear installations, continuous safety assessments and timely upgrading of installations, remaining abreast of and incorporating best world practice and experience, and taking thorough account of the human factor.

79. In his address to the conference, the President of Ukraine had stressed the global scale of the Chernobyl tragedy which took no account of national borders or political arguments. Noting that Ukraine adhered strictly to its international obligations, the President had called upon all signatories of the Ottawa Memorandum to implement their commitments in relation to decommissioning of the Chernobyl nuclear power plant. He had also insisted that no effort should be spared in building a new shelter to convert the existing temporary structure into a secure and environmentally safe system. He had also endorsed the United Nations position that international efforts in the Chernobyl zone had to move on from protecting the zone to developing it, and had expressed the hope that the exclusion zone would be revived and restored. In that context he had called on international partners, primarily the United Nations, the European Union and donor countries, to engage in closer cooperation.

80. Chernobyl was not only a lesson, it was a responsibility. Ukraine expected continued active cooperation from the Agency and all parties concerned to protect the population and the environment from the consequences of the largest nuclear accident in the history of humanity.

81. The CHAIRMAN, summing up, said that wide-ranging views had been expressed on the issue of assurance of supply of nuclear fuel and the concept for a multilateral mechanism for reliable access to nuclear fuel put forward in document GOV/INF/2006/10.

82. A number of Board members had referred to the various proposals made in that regard and had emphasized the importance of an assurance of supply scheme, foreseen under the Agency's Statute, for meeting the expanded use of nuclear energy and stemming the spread of sensitive nuclear technology.

83. Other members had stressed that assurance of supply was a complex issue and that any assurance of supply scheme should be consistent with the Agency's Statute and the right of Member States to research, develop and use nuclear energy for peaceful purposes.

84. The Board had noted the intention of the Secretariat to continue to work, in consultation with interested Member States, on identifying and exploring the relevant questions and various options regarding assurances of supply of nuclear fuel and reactor technology.

85. He asked whether his summing-up was acceptable.
86. The Chairman's summing-up was accepted.

– Tributes

87. The CHAIRMAN bade farewell to colleagues due to leave Vienna shortly or who had already left: Ms. Stokes, the Governor from Australia, and the Resident Representatives Ms. Mohammed of Ethiopia, Mr. Akhondzadeh of the Islamic Republic of Iran, Ms. Hussain of Malaysia, Mr. Rumpf of Namibia, Ms. Bridge of New Zealand, Mr. Halphen Pérez of Panama, Mr. Jenkins of the United Kingdom, Mr. Mutalemwa of the United Republic of Tanzania and Mr. Sharaf of Yemen. Several colleagues from Permanent Missions were also leaving. Their contributions to the Agency's work and their diligent efforts in serving their respective countries had been appreciated and he wished them all the best for their future assignments.

The meeting rose at 5.05 p.m.