

IAEA Board of Governors

Record of the 1205th Meeting
GOV/OR.1205

Follow-up to decisions on personnel matters taken by the UN General Assembly

Any other business

Board of Governors

GOV/OR.1205

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Record of the 1205th Meeting

Held at Headquarters, Vienna, on Wednesday, 5 March 2008, at 3.10 p.m.

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¹ GOV/2008/8.

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. SKOKNIC		Chairman (Chile)
Mr. GALANXHI	_____	Albania
Mr. KHELIFI		Algeria
Mr. CURIA		Argentina
Mr. SHANNON		Australia
Ms. SELLNER		Austria
Mr. VALLIM GUERREIRO		Brazil
Ms. GERVAIS-VIDRICAIRE		Canada
Mr. LAGOS KOLLER		Chile
Mr. TANG Guoqiang		China
Mr. ZEBIĆ		Croatia
Ms. POLASTRI AMAT		Ecuador
Mr. KEBEDE		Ethiopia
Ms. KAUPPI		Finland
Mr. CARON		France
Mr. GOTTWALD		Germany
Mr. BEKOE		Ghana
Mr. KUMAR		India
Mr. ALSHARIA		Iraq
Mr. CONLON		Ireland
Mr. BAIANO		Italy
Mr. AMANO		Japan
Mr. ROSINAS		Lithuania
Mr. FUENTES SANCHEZ		Mexico
Mr. ZNIBER		} Morocco
Ms. EL ABDAOUI		
Mr. OSAISAI		Nigeria
Mr. SHAHBAZ		Pakistan
Ms. DELA ROSA		Philippines
Mr. BERDENNIKOV		Russian Federation
Mr. AL-TAIFI		Saudi Arabia
Mr. MINTY		South Africa
Mr. STEINMANN		Switzerland
Mr. PANUPONG		Thailand
Mr. SMITH		United Kingdom of Great Britain and Northern Ireland
Mr. SCHULTE		United States of America
Mr. ELBARADEI	_____	Director General
Mr. ANING		Secretary of the Board

Representatives of the following Member States also attended the meeting:

Afghanistan, Angola, Bulgaria, Burkina Faso, Colombia, Costa Rica, Côte d'Ivoire, Cuba, Cyprus, Denmark, Dominican Republic, Egypt, Estonia, Greece, Guatemala, Holy See, Hungary, Indonesia, Islamic Republic of Iran, Israel, Jordan, Kenya, Republic of Korea, Kuwait, Latvia, Lebanon, Libyan Arab Jamahiriya, Luxembourg, Malaysia, Malta, Montenegro, Namibia, Netherlands, New Zealand, Norway, Panama, Paraguay, Peru, Poland, Portugal, Romania, Serbia, Slovakia, Slovenia, Spain, Sri Lanka, Sudan, Sweden, Syrian Arab Republic, Tunisia, Turkey, Ukraine, Bolivarian Republic of Venezuela, Yemen, Zimbabwe.

Abbreviations used in this record:

AIPS	Agency-wide Information System for Programme Support
EFTA	European Free Trade Association
G8	Group of Eight
GPS	Global Positioning System
GRULAC	Latin American and Caribbean Group
HEU	high-enriched uranium
HWR	heavy water reactor
IPPAS	International Physical Protection Advisory Service
IPSAS	International Public Sector Accounting Standards
ISSAS	IAEA SSAC Advisory Service
LWR	light water reactor
NAM	Non-Aligned Movement
NPT	Treaty on the Non-Proliferation of Nuclear Weapons
R&D	research and development
SSAC	State system of accounting for and control of nuclear material

4. Nuclear Verification

(c) **Implementation of the NPT safeguards agreement and relevant provisions of Security Council resolutions 1737 (2006) and 1747 (2007) in the Islamic Republic of Iran** (continued) (GOV/2008/4)

1. Ms. POLASTRI AMAT (Ecuador) expressed optimism at the progress achieved in the work plan agreed between Iran and the Agency, which had allowed the Agency to conclude that the answers provided by Iran were consistent with its own findings on several of the outstanding issues. However, her country shared the concern of the Director General over the need to clarify certain questions which were critical to ruling out a possible military dimension to Iran's nuclear programme. Ecuador called on Iran to implement the additional protocol as soon as possible as an important confidence-building measure, in accordance with the request of the Board and the resolutions of the Security Council.
2. Her country, which supported the universal application of international instruments relating to non-proliferation, emphasized the importance of multilateral efforts and diplomatic dialogue to arrive at a consensual solution to the Iranian nuclear issue and underlined the need for Iran to comply with its binding obligations. It called on Iran to demonstrate its commitment to peace and dialogue by complying with the resolutions of the Board and the Security Council and urged all countries involved to give the Agency time it needed to resolve the issue through the work plan. Ecuador was confident that frank and open dialogue and transparency would allow the doubts surrounding the Iranian nuclear programme to be dispelled. It endorsed the view expressed by the Director General that the Agency should continue verifying the authenticity of the documentation relating to the alleged studies, as well as the substantive issues.
3. She commended the Agency's professional and impartial approach in applying safeguards and carrying out verification activities with a view to clarifying the scope and nature of the Iranian nuclear programme.
4. Mr. JOHANSEN (Norway)* said it was encouraging that the Agency continued to be able to verify the non-diversion of declared nuclear material in Iran and that Iran had responded to questions and provided clarifications and amplifications on most of the issues raised in the work plan. Improved transparency and updated design information had also been provided to shed light on Iran's declared nuclear programme.
5. However, Iran had not provided the necessary clarification regarding the alleged studies, which were some of the key issues for restoring the confidence of the international community in the peaceful nature of Iran's nuclear programme. The alleged studies were part of the work plan and should be dealt with in a timely manner. Norway called on Iran to make every effort to resolve the remaining outstanding issues.
6. It was regrettable that the Agency had again concluded that Iran had not suspended its enrichment-related activities, as required by the resolutions of the Security Council. By failing to clarify past activities and cooperate with the Agency and the Security Council by suspending enrichment-related activities, Iran was denying itself the opportunity to demonstrate to the world that its nuclear programme was exclusively for peaceful purposes. He urged Iran to do everything within its power to clarify all aspects of its past and present nuclear programme, including through the rapid and unconditional reapplication of the additional protocol and additional transparency measures.

7. Ms. LISTYOWATI (Indonesia)* welcomed the progress made on the Iranian nuclear issue, in particular the resolution of all six outstanding issues within the framework of the work plan. Both the Agency and Iran had made a concerted effort to rebuild the trust of the international community in the peaceful nature of the Iranian nuclear programme. In order to ensure continued progress, it was important that every Member State support the Director General's efforts to address the remaining issues. The cooperation between Iran and the Agency needed to be maintained and all parties should continue to show their commitment to resolving the issue through dialogue, cooperation and diplomacy.

8. Mr. UZCÁTEGUI DUQUE (Bolivarian Republic of Venezuela)* said his country's constitution defended equality, justice, morals, ethics, respect for international law and the sovereignty of States. Any act or statement that violated international law, which enshrined those values, it therefore viewed as inadmissible.

9. The current international situation was fraught with complexities and uncertainties that threatened international peace and security. Thus, non-proliferation should be dealt with in the context of commitments to nuclear disarmament, but the very powers which demanded compliance with non-proliferation agreements were those that possessed weapons of mass destruction and did not meet disarmament commitments. Such concerns were heightened by violations of international law in various contexts that made it increasingly difficult to achieve the goals of peace, justice and development in the world.

10. Venezuela held to the position that all States should eliminate weapons of mass destruction, and in particular nuclear weapons, as a matter of priority. Efforts in the field of nuclear disarmament and non-proliferation should be conducted in parallel on a multilateral and non-discriminatory basis. His country supported the inalienable right of all States to develop technologies that promote their economic and social prosperity, including nuclear technologies, in a transparent manner and without discrimination. Venezuela rejected the double standards whereby some countries, which purported to defend non-proliferation, cast doubt on some States for allegedly failing to comply with their obligations while ignoring violations of those same obligations by other States. The Agency was the body competent to deal with Iran's peaceful nuclear programme with the aim of arriving at a negotiated and peaceful solution.

11. He commended Iran for cooperating with the Agency and welcomed the progress in implementing the work plan, which had enabled the Agency to conclude the six outstanding issues mentioned in parts I.2 and II of the work plan and clarify other issues relating to the Iranian nuclear programme. He noted with satisfaction that the Agency continued to be able to verify the non-diversion of declared nuclear material in Iran and stressed the importance of recognizing the progress that had been made, in order to create an atmosphere conducive to the exchange of information between the Agency and Iran, maintain cooperation and build confidence. His country therefore rejected Security Council resolution 1803 (2008), which was politically motivated. A third set of sanctions against Iran, far from contributing to harmonious relations, would only cast a shadow over the progress that had been made. Furthermore, a discussion of an alleged missile programme based on documents whose authenticity had not been verified by the Agency was dubious and also jeopardized the chances of finding a diplomatic solution based on an exchange of technical information between the Agency and Iran.

12. It was regrettable that, despite the positive atmosphere of cooperation within the Agency, certain countries had once again taken such action in the Security Council with the aim of creating a media show that would enable them to go on justifying their imperialist war-mongering. A satisfactory solution to the Iranian nuclear issue could only be achieved through dialogue and negotiation.

13. Mr. SOLTANIEH (Islamic Republic of Iran)* noted that the Agency was once again considering the Iranian nuclear issue at a time when its Director General had officially declared that all outstanding issues regarding Iran's nuclear programme had been resolved in accordance with the agreed work plan. The Director General's report confirmed for the eleventh time that there had been no diversion to military or prohibited purposes, and acknowledged that the Iranian leadership had stated that the country's nuclear programme had always been exclusively for peaceful purposes and that there had never been a nuclear weapons development programme. Iran's nuclear policy had always been based on cooperation with the Agency, which proved that all the misinformation and negative propaganda surrounding Iran's nuclear programme only served the short-sighted and narrow interests of a few States.

14. Since 2003, the issue of the Iranian nuclear programme had been kept on the agenda of the Board by a few Member States whose hidden political agenda consisted in depriving Iran of access to nuclear energy for peaceful purposes. Certain ambiguities had been used as a pretext for portraying the Iranian nuclear programme as a matter of proliferation concern. A certain country and its allies had exaggerated the issue of HEU particles and had pointed to it as evidence that Iran had a nuclear weapons programme. As a result of Iran's proactive cooperation, the Agency had been able to confirm that the HEU had originated outside Iran and not from enrichment activities in Iran. Once the HEU issue had been resolved, the Iranian nuclear issue should have been removed from the Board's agenda. However, those countries with political motivations had then turned their attention to another allegation: past plutonium experiments. At the November meetings of the Board in 2004, the United States had stated that the latter issue was a strong indication of Iran's plutonium nuclear weapons programme. On the eve of each series of meetings of the Board at which the Director General was due to report progress, other issues and baseless accusations had been raised, as a result of which visits had been requested to highly sensitive military sites and permission asked to take samples. On all such occasions, Iran had made every effort to cooperate with the Agency in order to remove the pretexts and respond to the questions, even though in most cases that went beyond its legal obligations. In all cases, Iran's statements had been consistent with the Agency's findings, proving the allegations to be false.

15. In August 2007, Iran had taken the initiative to resolve the remaining outstanding issues, in order to clear up any ambiguities about the past and present nature of its nuclear activities once and for all. A work plan had then been agreed between the Agency and Iran and the Agency had presented an exhaustive list of six issues to Iran. The issues included research on plutonium, P-1 and P-2 centrifuges, the source of contamination, the uranium metal document, polonium-210, and the Gchine mine. In implementing the work plan, Iran had shown the utmost transparency and had cooperated fully with the Agency. It had even implemented the work plan in six months rather than the 18 months required.

16. In its reports of November 2007 and February 2008, contained in documents GOV/2007/58 and GOV/2008/4 respectively, the Agency had clearly declared that all six remaining outstanding issues had been resolved, that Iran had answered all the Agency's questions in connection with the outstanding issues in accordance with the work plan, that Iran's answers were consistent with the Agency's findings, and that the Agency considered those questions no longer outstanding. That proved that Iran's declarations in October 2003 regarding the exclusively peaceful nature of its nuclear programme had been true, and that the allegations and accusations made against it since that time had been completely without foundation.

17. Although the initial agreement had only stipulated that his country should address past outstanding issues, it had, as gesture of goodwill, considered current issues as well. Two important legal documents, the safeguards approach document and the Facility Attachment for the fuel enrichment plant at Natanz, had been negotiated and had finally come into force on

30 September 2007. As the Director General had reported in November 2007, the implementation of those documents had provided the necessary assurances for the verification of enrichment activities in Iran for the present and the future.

18. Thus, the flawed justifications used by a few States to involve the Security Council in the Iranian nuclear issue had vanished and the resolutions of the Security Council lacked any legal or technical justification, having originated solely from the political and malicious objectives of certain countries. Those countries, which included the United States, France, and the United Kingdom, claimed to be concerned about proliferation, yet the United Kingdom was engaged in modernizing its Trident missile system, the United States was developing mini-nuclear weapons, which constituted vertical proliferation, and France was supporting Israeli nuclear weapons programmes.

19. As stated by the Director General in his report, Iran had provided additional information similar to that which it had previously provided under the additional protocol, as well as updated design information. As a result, the Agency now had a clearer picture of Iran's current declared nuclear programme. However, as long as the Security Council continued to be involved such information could only be provided on an ad hoc basis and not in a consistent and complete manner. During the Director General's visit to Iran, some other information had also been provided, in particular on R&D work on enrichment and laser activities.

20. Turning to the alleged studies, he noted that, under the work plan, the alleged studies had not been categorized as an outstanding issue since they were of a totally different nature. It had been agreed in the work plan that, as a token of goodwill and cooperation, Iran would review all the documents upon receiving them and inform the Agency of its assessment. The work plan had not stipulated anything more.

21. However, the Agency had been unable to deliver the documents in question because the country that had them in its possession had not permitted the Agency to do so. Clearly, the country in question wanted to retain control over the fabricated documents and manipulate and prolong the process. At the request of the Secretariat, Iran had demonstrated the utmost flexibility by reviewing the material, which had been merely shown to it, and providing a final assessment. Although not envisaged as part of the work plan, Iran had taken part in discussions and had even provided written clarifications and responses along with highly confidential supporting documents and a final assessment. Following the submission of its final assessment and the return of Agency's team to Vienna, Iran had been informed that the Agency had just received additional material which it had received permission to show, but not deliver, to Iran. Iran had not been in a position to fulfil the Agency's request because deliberations on the alleged studies had already been concluded in accordance with the work plan. The alleged studies were nothing but worthless allegations and printouts from an unidentified laptop computer whose original owner remained unidentified and was now believed to be dead.

22. The Director General had reported that the Agency had not detected the use of nuclear material in connection with the alleged studies and that it did not have credible information in that regard. Mindful of past experience, he had thus cleverly disassociated the Agency from the allegations in question. It was unfortunate that the events in the informal technical briefing — and the politically motivated propaganda which appeared to have been prepared in advance given the rapid dissemination of news of the meeting in the media by the ambassadors of certain countries — seemed designed to spoil the positive atmosphere created by the cooperation between Iran and the Agency and the resolution of the six outstanding issues.

23. The unfounded allegations made by the United States against Iran were not without precedent. Allegations had previously been made regarding the Parchin military site, for example, which the Director General had later found to be baseless. There had also been allegations of undeclared

exploration at a uranium mine next to the Gchine mine which were apparently supported by two satellite images of the area from 2002 and 2004 and two years of sophisticated intelligence work by United States spies. Several days of fruitless searching by inspectors and the host team, using the satellite pictures and GPS equipment to pinpoint the exact location, had revealed nothing except a stone-cutting workshop belonging to a private company and a few extra lavatories — the alleged facilities — that had been built in 2002 for new employees. The incident had been deeply embarrassing for the Agency's inspectors, as it had wasted their time and undermined their technical credibility.

24. He asked who was responsible for the money and resources wasted on investigating such a baseless allegation and the damage that had been done to the Agency's credibility. The day would come when Iran would seek compensation for the damages inflicted on it as a result of unsubstantiated allegations and unlawful actions. All of the allegations made against Iran had been proved to be false and baseless, and the new allegation would be no exception.

25. In that connection, he recalled the infamous case of the Niger documents which had been used as a basis for waging war on Iraq on the pretext of concerns over the proliferation of weapons of mass destruction. In formal statements, high-ranking United States officials had referred to the Niger documents in an attempt to mislead and deceive public opinion and justify the invasion of Iraq, when they had known all along that those documents were forgeries. It would thus hardly be surprising if the so-called alleged studies also turned out to be fake.

26. Iran had implemented the work plan in full, cooperating with the Agency in a proactive manner even beyond its legal obligations. The resolution of all the remaining outstanding issues, which the Director General had described as obviously encouraging, was a turning point in Iran's relations with the Agency which should result in safeguards being implemented in a routine manner henceforth. Unwarranted actions, such as those which had recently taken place outside the Agency, would have no impact on Iran's determination to continue its exclusively peaceful nuclear activities, including enrichment, and to continue its cooperation with the Agency. Unlawful actions would only undermine the authority, credibility and integrity of the Agency, and any politically motivated attempt to jeopardize the positive atmosphere in Vienna would face strong opposition by almost all Member States, as had become clear during the course of the Board's meetings.

27. He thanked all those who had endeavoured to preserve the constructive atmosphere that had resulted from Iran's cooperation with the Agency, in particular NAM and its Chairperson.

28. Responding to some of the specific comments made during the discussions, he noted that the issue of the suspension of enrichment activities had originally been raised when HEU particles had been found in some used components at Natanz. Following intensive technical collaboration between Iran and the Agency, the Director General had reported in June 2004 that the contamination was not the result of enrichment in Iran but originated outside the country. A further request to suspend enrichment had been made in connection with the issue of P-1 and P-2 centrifuges. Given that the issues of contamination and P-1 and P-2 centrifuges were now closed, as indicated in the Director General's report, there was no technical and legal justification for demanding that Iran suspend its enrichment activities. There was also no justification for the continuing involvement of the Security Council. The insistence of a few members of the Board on suspension raised the concern that the aim was the total cessation of Iran's peaceful nuclear activities, and that those calling for suspension were using it to divert public attention from their politically motivated intentions.

29. In December 2006, the Prime Minister of the Israeli regime had publicly admitted Israel's possession of nuclear weapons. NAM, in its statement of 5 February 2007, had expressed great concern over the acquisition of nuclear capability by Israel, which posed a serious and continuing

threat to the security of neighbouring and other States, and had condemned Israel for continuing to develop and stockpile nuclear arsenals. Although the representative of that regime had denied Israel's possession of nuclear weapons and the correctness of the aforementioned statement both at the Agency's General Conference and in the Board, the delegation of Iran had requested that the Agency embark on the verification of Israel's clandestine nuclear activities to assure countries in the region that that regime was no longer developing nuclear weapons. The threat of Israel's nuclear capability, coupled with its expansionist and aggressive policy, was a matter of serious concern to the whole world and a real threat to international peace and security. The double standards which were being applied, and the fact that the Board was ignoring such a serious security concern, undermined its credibility and that of the Agency. Future generations would wonder why the Agency had not reacted to such a situation.

30. With regard to the HWR issue, Iran had to replace its LWR, which produced radioisotopes for medical purposes, and had decided to choose an HWR since that type of reactor would work with natural uranium. An LWR would require at least 20% enriched fuel. He therefore expressed surprise that the proponents of the various resolutions on the Iranian nuclear issue should propose that Iran replace that HWR or stop its construction and revert to an LWR.

31. Turning to the comments made by the Ambassador of the United States with reference to the material presented at the Deputy Director General's informal briefing, he pointed out that that material could easily have been fabricated by an undergraduate student who had been given the relevant information, and the United States was the only nuclear-weapon State with experience of using such weapons. Moreover, all the documents and materials shown to Iran, and the new ones shown by the Deputy Director General in his informal briefing, lacked authenticity and credibility.

32. In order to give Member States a clear understanding of the endless allegations made against his country, Iran had prepared a compilation of all allegations made by the United States and the results of Agency reports regarding those allegations which he would distribute later. Finally, he invited those present to ponder the following question: if a Member State provided materials or documents containing allegations of diversion of nuclear material or activities for military purposes, did that State have the right to give instructions to the Secretariat on how and when it should use those documents, and to instruct the Secretariat to reveal the responses of the accused Member State before the Secretariat made its official report to Member States? Iran would not permit the Secretariat's impartiality and independence to be jeopardized further by certain States, particularly the United States of America.

33. The CHAIRMAN said that the Board had noted with appreciation the Director General's report on the implementation of the NPT safeguards agreement and related provisions of Security Council resolutions 1737 (2006) and 1747 (2007) in the Islamic Republic of Iran contained in document GOV/2008/4. The Board had commended the Director General and the Secretariat for their continuous professional, technical and impartial efforts related to the verification of Iran's nuclear programme and had welcomed the agreement between Iran and the Agency to resolve all outstanding issues concerning Iran's nuclear programme, and the progress made in that regard.

34. Several members had noted with satisfaction that all the six outstanding issues reflected in paragraphs I.2 and II of the work plan had been resolved and had expressed their appreciation for the cooperation of Iran with the Agency in that regard. They had welcomed that substantive progress and the fact that Iran had agreed to provide certain information to which the Agency would have been entitled under the additional protocol, in particular with regard to R&D work on enrichment and laser activities. They had expressed the expectation that safeguards implementation in Iran should be conducted in a routine manner.

35. Several other members had noted that the Agency regarded a number of the issues in the work plan as no longer outstanding at the current stage. They had expressed support for the Agency's stated intention to continue to seek corroboration of its findings with respect to those issues and to verify the completeness and correctness of Iran's declarations concerning its nuclear material and activities.
36. They had noted with serious concern that one major remaining issue relevant to the nature of Iran's nuclear programme was the alleged studies on the green salt project, high explosive testing and the missile re-entry vehicle, which they had regarded as critical to an assessment of a possible military dimension to Iran's nuclear programme. They had urged Iran to engage actively with the Agency in a more detailed examination of the documents available about the alleged studies.
37. Several other members had noted, however, the statement of the Agency that it was still examining the authenticity of the alleged studies and that it had not detected the use of nuclear material in connection with those studies, nor did it have credible information in that regard. It had been noted that the information regarding the alleged studies had been provided to Iran only very recently.
38. Several members had expressed serious concern that Iran had not complied with the previous requests of the Board and the obligations established by the Security Council in its resolutions 1696 (2006), 1737 (2006) and 1747 (2007), and had urged Iran to implement the measures contained therein and, most recently, in resolution 1803 (2008), in particular those related to the suspension of all enrichment-related activities. They had recalled in that regard that the Security Council had expressed its intention in those resolutions to adopt further appropriate measures under Chapter VII of the United Nations Charter should Iran continue in its failure to suspend enrichment-related activities.
39. The view had been expressed that the adoption of the latest Security Council resolution should have awaited the consideration by the Board of the Director General's report and his verbal update.
40. Several members had noted with concern that no progress had been made in connection with the Agency's request to Iran that it reconsider its decision to suspend implementation of the modified Code 3.1 of the Subsidiary Arrangements General Part, and had underlined that the Subsidiary Arrangements could not be suspended or amended unilaterally. They had called on Iran to reconsider its decision.
41. Several members had highlighted the fact that the Director General's report stated that the Agency's knowledge about Iran's current declared nuclear programme had become clearer. They had further recalled the assessment of the Secretariat that all declared nuclear material in Iran had been accounted for, while recognizing that the Agency's work on verifying the completeness of Iran's declarations was ongoing. They had noted that there was no evidence of undeclared activities in Iran and that the Agency had not found indications of ongoing reprocessing activities in Iran.
42. Several members had expressed serious concern over the fact that, as stated by the Director General, in the light of the remaining issue of the alleged studies, the Agency was still not in a position to determine the full nature of Iran's nuclear programme despite more than four years of intensive efforts. The Agency's statement that Iran had been providing additional information on an ad hoc basis and not in a consistent and complete manner had been noted.
43. Several members had expressed concern that, in the absence of full implementation of the additional protocol, the Agency was not in a position to provide credible assurances of the absence of undeclared nuclear material and activities. They had called on Iran to provide full, clear and credible answers to the Agency to resolve all questions concerning Iran's nuclear activities, to ratify and implement the additional protocol and to fully implement the Subsidiary Arrangements to its comprehensive safeguards agreement. They had further emphasized that carrying out those actions and

the transparency measures requested by the Agency would constitute positive steps to build confidence concerning Iran's nuclear programme.

44. Members had reaffirmed the basic and inalienable right of all Member States to develop nuclear energy for peaceful purposes in conformity with their respective legal obligations. Several had emphasized the distinction between voluntary confidence-building measures and legally binding safeguards obligations. It had been noted that the call on Iran to suspend enrichment was not a goal in itself but rather was for reasons of building confidence and should not be used as a pretext for the imposition of an indefinite suspension or termination.

45. They had also reiterated their support for the establishment of a nuclear-weapon-free zone in the Middle East region. They had stated that any attack or threat of attack against peaceful nuclear facilities would pose a great danger and constitute a grave violation of international law.

46. Several members had emphasized that the Agency was the sole competent authority for nuclear verification in connection with the NPT and that the Agency should continue its work to resolve the Iranian nuclear issue. They had rejected any undue pressure on or interference in the Agency's activities, especially its verification activities, which could jeopardize its efficiency and credibility.

47. Several members had expressed full support for the recent steps taken by the Director General to resolve the outstanding issues on Iran and had called on all parties concerned to avoid taking any measures which could put at risk the constructive process between the Agency and Iran.

48. The continued need for negotiation and dialogue among all parties covering all relevant issues, as stressed by the Security Council, had been emphasized as the way to reach a long-term solution of the Iranian nuclear issue. The package proposal of the six countries, with the support of the European Union High Representative, and the response thereto, had been noted in that regard. The statement of the six countries issued on 3 March 2008 upon the adoption of Security Council resolution 1803 had also been also noted.

49. The Board had requested the Director General to continue to keep it informed of developments as appropriate.

50. He took it that his summing-up was acceptable.

51. The Chairman's summing up was accepted.

52. The CHAIRMAN noted that there had been requests to make public the report of the Director General contained in document GOV/2008/4 and he asked whether that was agreeable to the Board.

53. It was so decided.

5. Follow-up to decisions on personnel matters taken by the UN General Assembly

(GOV/2008/5)

54. The CHAIRMAN said that, in document GOV/2008/5, the Secretariat was submitting to the Board for its approval, in accordance with Staff Regulations 5.01(a) and 13.03, proposals for changes to the current net base salary scale for staff members in the Professional and higher categories on a no loss/no gain basis.

55. Mr. SHAHBAZ (Pakistan), speaking on behalf of the Group of 77 and China, said that the Group had noted the changes proposed to the base salary scale for staff members in the Professional and higher categories in order to bring them into line with the corresponding scale of the comparator, which the General Assembly had approved with effect from 1 January 2008 and which were to be implemented on a no loss/no gain basis, as well as the consequential changes to the annual gross base salary of the Director General. The Group had also noted that the estimated additional cost to the Agency in 2008 of utilizing the revised net base salary scale for repatriation grant payments, amounting to US \$24 000, would be absorbed within available resources.

56. The CHAIRMAN took it that the Board wished to take the action recommended in document GOV/2008/5 and approve the revised salary scale as shown in the Annex to the document for promulgation by the Director General, and approve the consequential changes to the annual gross and net base salaries of the Director General as indicated in paragraph 7 of the document.

57. It was so decided.

6. Any other business

58. Mr. SHAHBAZ (Pakistan), speaking on behalf of the Group of 77 and China, said that a cautious approach should be taken with respect to the issue of assurances of supply of nuclear fuel in order to ensure that the associated technical, legal and economic aspects of the issue, as well as possible political dimensions, were taken into account. It would be premature for the subject to be considered before the various unresolved aspects and concerns had been adequately examined. Moreover, given the financial and administrative challenges currently being faced by the Agency, extreme caution should be exercised before involving the Secretariat.

59. Concerns related to nuclear proliferation should not restrict in any way the alienable right of all States to develop all aspects of nuclear science and technology for peaceful purposes, in particular given the relevance of such technology for the sustainable socio-economic development of developing nations. The Group rejected, in principle, any attempts aimed at discouraging certain peaceful nuclear activities on the grounds of their alleged sensitivity.

60. Mr. CODORNIU PUJALS (Cuba)*, speaking on behalf of NAM, said that the issue of nuclear fuel supply was a very complex and multidimensional one with technical, legal, political, commercial and economic implications. Extensive, comprehensive and transparent consultations and negotiations should be held before any decision on the matter was considered, and any decision should be based on a consensus. Any proposals on the subject should be consistent with the Agency's Statute and without prejudice to the inalienable right of Member States to research, develop and use all aspects of nuclear science and technology for peaceful purposes.

61. Mr. KRIŽ (Slovenia)*, speaking on behalf of the European Union, the candidate countries Croatia, the Former Yugoslav Republic of Macedonia and Turkey, the countries of the Stabilization and Association Process and potential candidates Albania, Bosnia and Herzegovina, Montenegro and Serbia, the EFTA countries Iceland and Norway, members of the European Economic Area, as well as the Republic of Moldova and Ukraine, said that the European Union welcomed the report entitled 20/20 Vision for the Future that would serve as a basis for discussion for the Commission of Eminent Persons, and it looked forward to the work of the Commission. The European Union would participate actively in the process and attached great importance to transparency and inclusive interactive dialogue. It would provide its detailed position on the study at the Board's meetings in June.

62. Mr. CURIA (Argentina), speaking on behalf of GRULAC, said that a detailed and thorough analysis was needed of the issue of assurance of supply of nuclear fuel before the proposals put forward by Member States were discussed. The Latin America and Caribbean region, as the first densely populated nuclear-weapon-free zone, was committed to disarmament and nuclear non-proliferation. GRULAC would view as unacceptable any initiatives that sought to impose limits on the inalienable right of States to use nuclear energy for peaceful purposes, as recognized by Article IV of the NPT. Any attempt to alter the balance of obligations set forth in the Treaty that called into question the right of States to technological development for exclusively peaceful purposes could undermine the widely accepted NPT regime.

63. GRULAC noted that the document entitled 20/20 Vision for the Future also referred to assurances of supply. It hoped that the Commission of Eminent Persons would, in its work, identify ways in which optimum use could be made of the financial resources available, and seek alternative funding mechanisms for the Agency.

64. Ms. SELLNER (Austria) said that the report entitled 20/20 Vision for the Future should provide a thought-provoking basis for the deliberations of the Commission of Eminent Persons. One of the issues considered in the report was the Agency's possible role in connection with the multilateralization of the nuclear fuel cycle. Her country had submitted a proposal on that subject which had been circulated in document INFCIRC/706. The 20/20 report rightly pointed out that a fully developed fuel cycle framework was a complex endeavour to be developed in stages. While the establishment of a mechanism to assure supply of nuclear fuel might be a useful non-proliferation tool, efforts should be made to go further than that in the long term in the interests of security. The crisis of confidence in the use of nuclear technology could be overcome by establishing an international system ensuring fair and equal treatment for all States, irrespective of whether or not they had enrichment facilities on their territory. That goal could only be achieved by putting the distribution of nuclear fuel under the control and supervision of the international community with every fuel transaction being cleared by an impartial, non-discriminatory and trustworthy nuclear broker, such as the Agency.

65. Austria shared the view expressed in the 20/20 report that, although efforts at present should focus primarily on implementing the additional protocol in addition to safeguards agreements as the universal verification standard, the limitations inherent in the existing legal framework needed to be addressed with a view to increasing the transparency and efficiency of the verification regime. That issue was also addressed in her country's fuel cycle proposal.

66. The time had come to engage in an honest and serious discussion of a new framework for the nuclear fuel cycle as the centrepiece of the Agency's future safety and security programme.

67. Mr. MINTY (South Africa) conveyed his Government's appreciation of the valuable assistance it had received from the Agency and a few other countries during the investigations of the landmark cases against two proponents of the so-called A.Q. Khan network, allowing those cases to be brought to a close.

68. In September 2007, Mr. Gerhard Wisser, a German national, had entered into a plea and sentence agreement with the national prosecuting authority under which he had been convicted on seven counts related to his activities with both Libya and Pakistan. He had been sentenced to three years' correctional supervision, as well as a total of 18 years' imprisonment suspended for five years on conditions requiring him, inter alia, to cooperate fully with the authorities in further investigations into the network's activities. A confiscation order had been issued in respect of his proceeds from the crime.

69. In February 2008, Mr. Daniel Geiges, an Swiss national, had entered into a plea and sentence agreement with the national prosecuting authority under which he had been convicted on five counts

relating to centrifuge uranium enrichment plants and his activities with both Libya and Pakistan. He had been sentenced to a total of 13 years' imprisonment suspended for a period of five years on the condition that: he was not, during the period of suspension, convicted of contravening the Nuclear Energy Act of 1999 and the Non-Proliferation of Weapons of Mass Destruction Act of 1993, nor any equivalent acts; that he provide affidavits to the South African police service detailing the full extent of his knowledge of all matters relating to nuclear proliferation; that he testify in all relevant proceedings as directed by the national prosecuting authority, and that he comply with all processes relating to him; that he cooperate fully with the South African Council for the Non-Proliferation of Weapons of Mass Destruction on all matters identified by it as being relevant to nuclear proliferation and under its supervision; and that he inform an official designated by the Council of any enquiries he might receive with nuclear or other proliferation implications and comply with any direction that official might give. In addition, a confiscation order had been issued in respect of his proceeds from the crime.

70. South Africa hoped that all countries affected by the network would step up their efforts and work closely with the Agency. Illicit networks could only be eliminated through the successful prosecution of all those involved in the illegal activities.

71. In conclusion, he requested that his statement and the annex thereto be circulated as an official document of the Agency.

72. Mr. TANG Guoqiang (China) recalled that the Commission of Eminent Persons had been set up to develop recommendations for the Agency's long-term vision, pursuant to a proposal made by the Director General. The 20/20 study had strategic significance in determining the future direction of the Agency and dealing with the opportunities and challenges ahead. Therefore, China attached great importance to it. It put forward a concept for the future development of the Agency which could serve as a sound basis for future discussions.

73. In formulating the 20/20 vision for the future, a precise analysis needed to be made of the world's future development trends, which should be used to define the future mission of the Agency in a comprehensive and balanced way, ensuring a balance between the promotion of the peaceful uses of nuclear energy and the prevention of nuclear proliferation.

74. In order to respond to the international renaissance in nuclear energy, the Agency should fulfil its unique role and responsibilities and strengthen its efforts, in particular to provide greater assistance in meeting the ever increasing needs of developing countries for nuclear power development. Technical cooperation constituted a major channel for the Agency to transfer nuclear technology to developing countries and had played an important role in promoting those countries' economic and social development. In the coming decades, with economic development and continued population growth, developing countries' need for nuclear technology applications was bound to continue to increase. The Agency should take that into full consideration and adopt effective measures to deal with it. The Secretariat needed to act cautiously when considering changes in the mode of implementation of technical cooperation and give due consideration to the varying situations and needs of developing countries, so as to ensure effective implementation of projects.

75. Mr. CURIA (Argentina), speaking on behalf of his own country and Brazil, said that on 22 February 2008, at the invitation of the President of the Argentine Republic, Cristina Fernández de Kirchner, the President of the Federative Republic of Brazil, Luiz Inácio Lula da Silva, had made a State visit to Argentina which had allowed both Presidents to review the extensive bilateral relation of the two countries. They had signed a joint declaration, point 7 of which referred to nuclear cooperation between their countries:

“Nuclear Cooperation

To instruct the competent bodies of Argentina and Brazil to establish a Binational Commission responsible for developing a model nuclear power reactor that would meet the needs of the electrical systems of both countries and, eventually, of the region. To arrange, also, for the above-mentioned Binational Commission to prepare a specific report on action to this effect by the end of August 2008.

“To instruct the competent bodies to draw up, by the same date, a joint project in the nuclear fuel cycle area and to prepare, by the end of August 2008, a specific report on action to this effect.

“To announce its intention to create a binational uranium enrichment enterprise. To this end, to instruct the competent bodies to initiate negotiations on this matter within the next 120 days.

“To arrange for the organization, by May 2008, of a seminar of Argentine and Brazilian researchers to discuss the strategy for future cooperation in the nuclear field and to identify specific projects for bilateral cooperation, including the identification of capacities required by either side in terms of human, technological and financial resources, and covering also the complementation of industries.”

76. In accordance with that joint declaration, the Binational Commission had been established on 3 March 2008. That confirmed the decision of the two governments to strengthen their links in the nuclear field, pursuing a longstanding policy of cooperation and integration.

77. Ms. EL ABDAOUI (Morocco) said that her country viewed nuclear terrorism as a worldwide threat that called for constant efforts by the entire international community and close international collaboration between developed and developing countries. That was why Morocco had joined the Global Initiative to Combat Nuclear Terrorism, the first meeting of which had been held in Rabat on 30–31 October 2007. It was pleased to see other Member States joining that Initiative, under which Morocco had hosted a seminar on emergency response to malicious acts involving radioactive material on 5–7 February 2008. The seminar’s main objectives had been to strengthen response capabilities in the event of incidents involving radioactive material and to make use of technical and operational assistance capabilities in that connection, in accordance with point 7 of the Initiative’s Statement of Principles. Morocco welcomed the progress made at that meeting and was pleased at the number of participants, which showed the interest that all partner countries had in combating nuclear terrorism and their desire to strengthen response capabilities. She thanked the partner States that had made the seminar possible and contributed to the discussions. Morocco was also grateful to the Agency, and in particular to the Office of Nuclear Security for contributing its expertise and know-how, demonstrating how the Initiative complemented existing mechanisms developed within the Agency, which played an undisputed role in combating nuclear terrorism.

78. Mr. GOTTWALD (Germany) said that, against the background of the intensified discussions of various proposals to increase the level of assurance of supply of nuclear fuel, Germany had brought to the attention of Member States in document INFCIRC/704 a proposal for a multilateral enrichment sanctuary project. In doing so, it was responding to international concerns that had been raised by the Director General, an expert group he had convened to study the issue in 2005, the Special Event organized in parallel to the 2006 General Conference, and document GOV/INF/2007/11. Germany had revised and refined its proposal in several rounds of informal discussions with members of the Secretariat, had presented it to the European public in October 2007, and had provided updated information to Agency Member States in mid-February 2008.

79. The proposal was based on the idea that a host State would provide a territory to the Agency and transfer certain sovereignty rights. The Agency would guarantee the unhampered operation of an enrichment plant on that territory under its authority and would independently control the export of enriched fuel from that territory. A group of interested States would create a private enrichment company to run a commercial enrichment plant on the said territory and conclude a framework agreement with the Agency. Technology providers would deliver essential technology to the enrichment centre and maintain its protection. The Agency would ensure the highest safety, security and safeguards standards and serve as the regulator. Members of the group of interested States might satisfy their enrichment needs through the enrichment plant, which would have the right to conclude supply contracts with those States' utilities on a commercial basis, as well as with other customers. In addition, his country was working on the inclusion of a crisis mechanism which would enable the Director General to supply a country with nuclear fuel in the event of a political, non-technical, non-commercial cut-off of supply. The project was under dynamic review.

80. Germany thanked the Secretariat for its continuous support, and representatives of Member States for their constructive participation in the February briefing. During that briefing, Germany had received many important and constructive observations and recommendations which it was assessing and would take into account. Specifically, it would look further into liability, licensing and the exact involvement of the Agency and its various governing bodies at various levels. It aimed to present a revised version of the proposal to Member States at the June meetings of the Board.

81. Finally, his country supported the AIPS project and would make an appropriate contribution.

82. Mr. AMANO (Japan) said that his country believed it was important to discuss the future roles of the Agency and establish its long-term strategy. The Director General's 20/20 initiative was expected to serve that end. Japan was expecting a fruitful outcome to the discussions of the Commission of Eminent Persons and looked forward to effective communication between the Commission and Member States.

83. With regard to assurance of supply of nuclear fuel, Japan welcomed the ongoing discussions between Member States and the Agency. It was important to establish an effective framework which could be widely accepted and in which many countries could easily participate. Any such framework should also meet nuclear non-proliferation requirements. Japan believed that it was important for all States planning to introduce nuclear power to implement the highest level of safeguards, including adherence to the additional protocol. It was planning to host a seminar on that issue, focusing on all front-end fuel cycle activities.

84. Mr. SHANNON (Australia) said that his country supported for the Secretariat's efforts to identify funds for AIPS, which was a high-priority project.

85. Mr. DOKOTYLO (Ukraine)* said that, earlier in the year, the media had published information, which was said to have come from a reliable source, on attempts to smuggle radioactive material across borders. His country had been named as one of the States where many of the trafficking attempts originated, an allegation which was apparently based on the Agency's log of illegal trafficking attempts.

86. Disarmament, arms control and non-proliferation, including strengthening of nuclear security and combating of illicit trafficking in nuclear and other radioactive material, remained a priority in Ukraine's foreign and domestic policy. The country fully met its obligations under the relevant international treaties, conventions and agreed arrangements, considering global implementation of and compliance with those instruments to be an important issue on the international community's agenda. Ukraine's outstanding contribution to nuclear disarmament and non-proliferation, i.e. its voluntary renunciation of the world's third largest nuclear arsenal, demonstrated clearly its commitment to

peace, democracy and transparency. It fulfilled its commitments under a number of international initiatives in the sphere of non-proliferation, such as the Global Initiative to Combat Nuclear Terrorism, the Global Threat Reduction Initiative, the G8 Global Partnership Against the Spread of Weapons and Materials of Mass Destruction and the Proliferation Security Initiative.

87. Since 1997, Ukraine had been providing relevant information on incidents related to illicit trafficking in nuclear and other radioactive material to the Agency's illicit trafficking database. The collection, evaluation, use and dissemination of information in that regard was recognized as a key contribution to the development and implementation of measures to strengthen nuclear security worldwide and prevent nuclear and radiological terrorism. In 2007, Ukraine had provided information to the database concerning one incident related to nuclear material, seven incidents related to ionizing radiation sources, three incidents related to radiation-contaminated scrap metal, two incidents related to the detection of material containing natural radionuclides and one incident related to radioactive contamination of a territory.

88. The biggest concern with respect to possible use of nuclear material for terrorist purposes was material that could be used to make a nuclear weapon. The illicit trafficking reported in Ukraine related to depleted uranium with an enrichment of 0.4%.

89. The information submitted by Ukraine to the illicit trafficking database showed that the country's monitoring system worked and was constantly being improved in line with security needs, developments in technology and current challenges. According to information received from the Agency, the incidents reported from Ukraine over the preceding years had not involved nuclear material of particular vulnerability, and the trafficking statistics for Ukraine did not indicate a new risk. Therefore, the information published about Ukraine was not in line with the real situation. In that connection, he emphasized the importance of complying with the obligations imposed by the Agency's Statute, in particular Article VII.F, since speculations regarding the aforementioned 'reliable sources' might affect efforts in other significant areas.

90. Ukraine's State system of accounting for and control of nuclear material and State system for the physical protection of nuclear facilities, nuclear material and other ionizing radiation sources were routinely monitored by the Agency, inter alia via safeguards, ISSAS and IPPAS missions. The Agency had recognized Ukraine's efforts to establish effective nuclear security systems at facilities, locations and international borders and had acknowledged the positive effect that those efforts had had on the control of radioactive material.

91. Ukraine highly appreciated its cooperation with the Agency, in particular with the Office of Nuclear Security. At the end of 2007, that cooperation had resulted in the adoption of the Integrated Nuclear Security Support Plan, which provided a platform for further joint activities in that field. Ukraine thanked all those countries that had helped it establish its nuclear security system and hoped that that cooperation would continue.

92. Mr. SAMUEL (Malaysia)* said that his country was of the firm view that any initiative aimed at developing multilateral approaches to the nuclear fuel cycle should focus on the original aim of finding an optimum arrangement that would satisfy assurance of supply objectives and meet non-proliferation requirements. It should concentrate on developing innovative approaches to enhance supply assurances in a manner consistent with the existing non-proliferation regime. Any attempt to capitalize on the initiative to introduce new or additional non-proliferation commitments that went beyond those enshrined in the existing regime, including denial of technology acquisition, would most likely lead to the same negative outcome as numerous past efforts to enhance assurance of supply.

93. As was indicated in the final report of the expert group on multilateral approaches to the nuclear fuel cycle established by the Director General in 2004, the value of a multilateral arrangement could

be measured by the associated incentives, such as the guarantees provided by suppliers, governments and international organizations, the economic benefits that would be gained by countries participating in multilateral arrangements, and better political and public acceptance of such nuclear projects. One of the most critical steps was to devise effective mechanisms for assurance of supply of material and services which were commercially competitive, free of monopolies and free of political constraints.

94. Malaysia believed that the inalienable right of all States party to the NPT to develop research, production and use of nuclear energy for peaceful purposes without discrimination, as recognised in Article IV of that Treaty, had to be preserved and respected. Any State could decide to exercise, or temporarily suspend the exercise of that right, but his country rejected any attempt by a Member State or group of Member States to impose the suspension of that right as a precondition for assurance of fuel supply.

95. Developing multilateral approaches to the nuclear fuel cycle required extensive study of the technical, economic, legal and political implications. Malaysia urged the Secretariat to take a conservative and cautious approach until all concerns had been fully addressed.

96. Ms. COPPOOLSE (Netherlands)* said that her country attached great importance to the prudent management of the Agency and therefore took the need to implement the AIPS project very seriously. The Netherlands was ready to contribute extrabudgetary funds for that project and warmly welcomed the similar decisions made by other countries. However, the amount pledged so far was not enough to initiate the project and time was running out fast. The Board had decided that IPSAS should be implemented by 2010. As AIPS was a prerequisite for achieving that goal, it had to be launched by spring 2008. A number of States had urged the Secretariat to identify funds within the existing budget. If contributions from Member States fell short of the amount needed for the first phase in the coming month, the Netherlands would support such a step.

97. Mr. JOHANSEN (Norway)* commended the South African Government on its prompt and comprehensive action to prosecute illicit proliferation of nuclear material and nuclear assistance, which should serve as a good example to other Member States.

98. Norway found it alarming that the future of AIPS and IPSAS might be in jeopardy. Having made a contribution to AIPS, it urged other Member States to do likewise and encouraged the Secretariat to identify funds within the existing budget for that project as expeditiously as possible. The implementation of AIPS was a win-win situation. Modest investment and savings at the current time would facilitate more efficient programme management and savings in the future.

99. Mr. SOLTANIEH (Islamic Republic of Iran)* said that his country was of the view that any multilateral approach to the nuclear fuel cycle would have far-reaching implications for Member States' inalienable right to research and develop nuclear science and technology for peaceful purposes. Therefore, any proposal presented to the Agency had to be consistent with the Statute and without prejudice to that inalienable right, in conformity with Article IV of the NPT. The matter should be subjected to thorough analysis and deliberation, and any decision taken in that regard should be based on a consensus. No legally binding internationally negotiated instrument existed on assurances of supply. Discussion of the mechanisms and criteria for assurances of supply fell only within the mandate of the General Conference. If any ad hoc or exclusive group of countries attempted to supplant the General Conference in that regard, their decisions would be rejected. Member States had the right to choose their nuclear fuel supply options without discrimination or restrictions. A cautious approach was required to address thoroughly the associated technical, legal and economic aspects, as well as the possible political dimensions. Iran therefore believed it was premature to consider the subject before the various unresolved aspects and concerns had been adequately examined.

100. Mr. SCHULTE (United States of America) joined Ukraine and Morocco in acknowledging the importance of the Agency's nuclear security programme in combating nuclear terrorism.

101. Ukraine was a valued partner of the United States in the nuclear non-proliferation field. It had made a strategic decision to abandon nuclear weapons and had committed itself to improving national capabilities to combat nuclear smuggling and terrorism, in which area it was working with international donors to fill gaps in its national capacity. For over two years, Ukraine had been collaborating with the United States and other partners to improve its ability to prevent, detect and respond to illicit trafficking in nuclear and radioactive material. In January 2006, it had signed a joint document with the United States identifying 30 steps to improve capabilities to combat nuclear smuggling, most of which had now been implemented or were in the process of being implemented. It had developed a register of radioactive sources consistent with Agency guidelines, had improved security at facilities with dangerous nuclear and radioactive material, had expanded radiation detection capabilities at its borders and other points of entry, had strengthened its legal authorities to prosecute nuclear smuggling-related offences and had improved its nuclear forensics capabilities. It had also provided detailed and timely reporting to the Agency's illicit trafficking database. The vast majority of incidents reported had not involved attempts to sell, or traffic illicitly, nuclear or radioactive material that had fallen out of legitimate control.

102. He thanked Morocco for its leadership in the Global Initiative to Combat Nuclear Terrorism, in which it had been a key partner since the Initiative's inception, having hosted its first meeting in October 2006. In February 2008, Morocco had hosted a seminar on response to malicious acts involving radiological emergencies, which had been a great success and an effective launch for what would be a pivotal year for the Initiative. The United States looked forward to working closely with Morocco and other Global Initiative partners as the Initiative expanded its activities to include a robust practical exercise programme in 2008.

103. The Agency's Office of Nuclear Security played a key role in efforts to combat the threat of nuclear terrorism. The Agency had been instrumental in performing assessment missions, providing training and facilitating information exchanges and donor meetings, all aimed at helping States to improve controls, identify gaps and potential losses or thefts of material, and enhance physical protection. Collaboration through the various initiatives and the Agency helped form a stronger alliance against nuclear terrorism, and the United States was pleased that the Secretariat's report to the Commission of Eminent Persons for the 20/20 project recognized the Agency's important role in that area.

104. His country supported the implementation of AIPS, which would help significantly to modernize the Agency's management structure. It had contributed \$1.4 million to that project, including funding for a cost-free expert. Other States, including Germany, the Netherlands and Norway, had also given generously, but further contributions were needed. He urged all Member States to act now, so that the Agency could move forward with the activity.

105. Finally, he commended South Africa on its diligence in investigating and prosecuting individuals involved in the so-called A.Q. Khan network, which had been directly involved in spreading sensitive technologies, thus contributing to a number of the proliferation problems which the Agency had faced and continued to face, of which the most prominent was the nuclear programme of the Islamic Republic of Iran. All Member States stood to gain from preventing the emergence of such illicit trafficking networks.

106. The DIRECTOR GENERAL, responding to a number of concerns expressed by Member States, said that AIPS was crucial to the Agency's future efficiency and effectiveness, and the organization depended on the contributions of Member States towards the \$8 million required. Implementation of

AIPS had to begin in spring 2008 if the Agency was to meet the target of implementing IPSAS by 2010. Both projects would be in jeopardy if the Agency did not receive the necessary funding within the coming few months.

107. The issue of multinational assurances of supply of nuclear fuel was a complex one in which no party should be expected to give up any rights, and which required a study of the legal, political and economic implications. Such a study was the responsibility of Member States, albeit with the support of the Agency acting within the terms of its Statute, and several of them were working on proposals which, when fully developed, would be presented to all Member States. No one would disagree that there was a need to multinationalize the existing system. Ultimately, the question of how to proceed on the matter was a decision for Member States to take. The Secretariat could only provide support and then proceed with any programme agreed upon, should the required financial resources be available.

108. Under the 20/20 project, the Commission of Eminent Persons would be applying their experience, vision and qualifications to consider, free from bureaucratic constraints, what the nature of the Agency would need to be in the future for it to best serve its Member States in a changing world. The Commission's report would be submitted to the Board of Governors, which would make its own decisions on whether and how to act on the report.

– Tributes

109. The CHAIRMAN bade farewell to Mr. Kaluba Chitumbo, who was leaving the Agency after 24 years in the Department of Safeguards. He wished him well for the future.

The meeting rose at 5.30 p.m.