

IAEA Board of Governors

Record of the 1221st Meeting
GOV/OR.1221

Nuclear Verification (Algeria)

Nuclear Verification (Cuba)

Board of Governors

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Record of the 1221st Meeting

Held at Headquarters, Vienna, on Thursday, 25 September 2008, at 10.25 a.m.

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¹ GOV/2008/50.

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
Ms FEROUKHI		Algeria
Mr CURIA		Argentina
Mr SHANNON		Australia
Mr BÖCK		Austria
Ms ESPINOZA PATIÑO		Bolivia
Mr VALLIM GUERREIRO		Brazil
Ms GERVAIS-VIDRICAIRE		Canada
Mr LAGOS KOLLER		Chile
Mr TANG Guoqiang		China
Mr HORVATIĆ		Croatia
Mr STACEY MORENO		Ecuador
Mr KEBEDE		Ethiopia
Ms KAUPPI		Finland
Mr CARON		France
Mr LÜDEKING		Germany
Mr BAAH-DUODU		Ghana
Mr KUMAR		India
Mr ALSHARIA		} Iraq
Mr AYOUB		
Mr COGAN		Ireland
Mr BAIANO		Italy
Mr AMANO		Japan
Mr MAKSIMOVAS		Lithuania
Mr FUENTES SANCHEZ		Mexico
Mr ZNIBER		Morocco
Mr OSAISAI		Nigeria
Mr SHAHBAZ		Pakistan
Ms LACANLALE		Philippines
Mr BERDENNIKOV		} Russian Federation
Mr KUCHINOV		
Mr AL-TAIFI		Saudi Arabia
Mr GUMBI		South Africa
Mr MARFURT		Switzerland
Mr CHARANASOMBOON		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, Azerbaijan, Belarus, Colombia, Cuba, Cyprus, Czech Republic, Egypt, El Salvador, Holy See, Indonesia, Islamic Republic of Iran, Israel, Jordan, Republic of Korea, Kuwait, Latvia, Lebanon, Libyan Arab Jamahiriya, Liechtenstein, Luxembourg, Malaysia, Malta, Namibia, Netherlands, New Zealand, Norway, Panama, Paraguay, Peru, Poland, Portugal, Romania, Singapore, Slovakia, Slovenia, Spain, Sri Lanka, Sudan, Sweden, Syrian Arab Republic, The Former Yugoslav Republic of Macedonia, Turkey, United Arab Emirates, Uruguay, Uzbekistan, Bolivarian Republic of Venezuela, Yemen, Zimbabwe.

Abbreviations used in this record:

AIPS	Agency-wide Information System for Programme Support
Chemical Weapons Convention	Convention on the Prohibition of the Development, Production, Stockpiling and Use of Chemical Weapons and on their Destruction
EFTA	European Free Trade Association
EU	European Union
Euratom	European Atomic Energy Community
GRULAC	Latin American and Caribbean Group
NAM	Non-Aligned Movement
NPCs	national participation costs
NPT	Treaty on the Non-Proliferation of Nuclear Weapons
NPT Review Conference	Review Conference of the Parties to the Treaty on the Non-Proliferation of Nuclear Weapons
OECD/NEA	Nuclear Energy Agency of the Organisation for Economic Cooperation and Development
PACT	Programme of Action for Cancer Therapy
R&D	research and development
TCF	Technical Cooperation Fund
Tlatelolco Treaty	Treaty for the Prohibition of Nuclear Weapons in Latin America and the Caribbean
WANO	World Association of Nuclear Operators
WNA	World Nuclear Association

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

9. Nuclear verification (continued)

1. The CHAIRMAN invited the Board to resume its consideration of the agenda item, upon which a number of delegations had expressed a desire to speak.

2. Ms FEROUKHI (Algeria), speaking on behalf of NAM and on a point of order, said it was her understanding that the delegations to which the Chairman had referred wished to speak on the subject of the Syrian Arab Republic, but there was no sub-item of the agenda item under which that subject could be discussed. She requested that the meeting be suspended to enable her group to meet.

The meeting was suspended at 10.30 a.m. and resumed at 11.10 a.m.

3. Ms FEROUKHI (Algeria), speaking on behalf of NAM and referring to Rules 14 and 15 of the Provisional Rules of Procedure of the Board of Governors, said that the matter of the Syrian Arab Republic was not on the agenda of the current session and should not be considered under agenda item 9. NAM requested that discussion of the matter be conducted under agenda item 12 on any other business.

4. Mr AYOUB (Iraq) expressed support for the position of NAM set forth by the Governor from Algeria.

5. Ms GERVAIS-VIDRICAIRE (Canada) said that the issue of the implementation of safeguards in the Syrian Arab Republic, which had been raised by the Director General in the section of his introductory statement devoted to nuclear verification, was clearly an issue relevant to nuclear verification and as such her delegation would prefer to discuss it under agenda item 9. However, in a spirit of cooperation, her delegation would respect any ruling made by the Chairman.

6. The CHAIRMAN, referring to Rule 23 of the Provisional Rules of Procedure regarding the functions of the presiding officer, suggested that the Board consider the issue under agenda item 12.

7. Mr CARON (France), speaking on behalf of the European Union, the candidate countries Croatia, the former Yugoslav Republic of Macedonia and Turkey, the countries of the Stabilisation 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 Moldova and Ukraine, said he was willing to follow the Chairman's ruling.

8. Mr SHANNON (Australia) said that the issue of the implementation of safeguards in the Syrian Arab Republic was relevant to the broad issue of nuclear verification. While his delegation would prefer to consider it under agenda item 9, it was also willing to follow the Chairman's ruling.

9. Mr SCHULTE (United States of America) said that the issue was one of nuclear verification and had been treated as such by the Director General in his introductory statement. It was difficult to regard it as 'any other business'. Nevertheless, his delegation would respect the Chairman's ruling provided that it did not preclude the issue being treated under the agenda item on nuclear verification in the future.

10. The CHAIRMAN took it that the Board agreed to consider the issue of the implementation of safeguards in the Syrian Arab Republic under agenda item 12.

11. It was so decided.

10. Report of the Commission of Eminent Persons on the future of the Agency (GOV/2008/22)

12. The CHAIRMAN said that in late 2007 the Director General had established the Commission of Eminent Persons to advise on how the nuclear future might evolve to the year 2020 and beyond, what the world was likely to expect from the Agency and what steps needed to be taken to allow the Agency to fulfil those needs and expectations. The Commission had consisted of an independent high level panel of experts, chaired by Professor Ernesto Zedillo, who had introduced its report to the Board at its June 2008 session, at which time the Board had noted that it would have a substantive discussion of the report at its current session. The Commission's report was contained in document GOV/2008/22. He reminded the Board that the report would be the theme of the Scientific Forum to be held during the upcoming fifty-second regular session of the General Conference.

13. Mr SHAHBAZ (Pakistan), speaking on behalf of the Group of 77 and China, said that as a matter of principle the Group supported every action aimed at strengthening the capacity of the Agency to fulfil its statutory functions, and therefore expressed its appreciation to the Director General for his initiative in establishing the Commission as well as to the members of the Commission for preparing the report reflecting their personal views. The Group emphasized that, as the report did not derive from consultations with Member States, the recommendations contained in it were not binding. Any decision inspired by it should require the involvement and participation of all Member States and be made by consensus.

14. The Group noted that the Commission had endeavoured to provide an overview of the opportunities presented to, as well as the challenges faced by, the international community in the future. In that context, the Group recalled the prefatory statement in which the members of the Commission endorsed the report as a whole but did not each subscribe to every statement and recommendation in the text. The Commission had acknowledged, in the introduction, that additional significant steps would need to be taken by other multilateral institutions, national governments, industry, and other key stakeholders in the global nuclear system. The Group also noted that the Commission had placed great emphasis on some aspects in the report while others, like the technical cooperation programme, had received less attention. In that connection, the Group reiterated its view that there was an urgent need to ensure the necessary balance between promotional and other statutory activities of the Agency.

15. The report referred to the expansion of nuclear energy and to the implementation of nuclear power projects in many countries. There were, however, few specific suggestions as to how the benefits of nuclear energy could be made accessible to much of the world. Bearing in mind that the capacity to construct nuclear plants was limited to a few countries, the Group believed that there should be greater international efforts towards facilitating developing countries to access nuclear technology and develop their own capacities. The Group supported all efforts related to: assisting developing Member States to launch their own nuclear energy programmes; coordinating R&D on nuclear energy; preparing better estimates of the global resources of uranium and thorium and coordinating R&D in their fuel cycles.

16. With regard to multilateral assurances of fuel supply, the Group had consistently held the position that any proposal to establish a framework for multilateral nuclear fuel assurances under the aegis of the Agency must be preceded by a thorough analysis of all the technical, legal, political and economic issues involved, in consultation with Member States. Furthermore, the Group believed that any decision in that regard must be taken on a consensus basis. The Group reiterated that any such

proposals should not be contradictory to the inalienable right of States to develop nuclear technologies for peaceful purposes, as stipulated in the Statute. In that regard, the proposal of international partnerships as envisaged by the Commission could be interpreted as the continuation of monopolies and cartels that negatively affected the economic growth of developing countries.

17. The Commission had identified the need to enlarge the contribution of nuclear applications to human well-being and, in that context, the need for a substantial increase in the Agency's technical cooperation budget. That corresponded to the position held by the Group and was in accordance with the Agency's Statute. The Group would have preferred a more in-depth analysis by the Commission on that important issue. One of the main objectives of technical cooperation was the transfer of technology and therefore the scope of the Agency's technical cooperation programme went beyond establishing frameworks for the efficient, safe and secure use of nuclear technologies. The Group again underscored the urgent need to establish a credible mechanism that would ensure that resources for the TCF were sufficient, assured and predictable in order to meet the objective mandated in Article II of the Statute. In that context, he drew attention to the key issue of payment by recipients of a portion of the costs of technical cooperation, which was addressed in terms of the payment of NPCs and government cost sharing.

18. The Group stressed that all Member States should conclude safeguards agreements with the Agency to ensure that assistance was not used in such a way as to further any military purpose. The Group could not support any proposals that would grant the Secretariat the right to exclude certain technologies from the technical cooperation programme based on the assumption that those technologies were regarded as posing proliferation risks.

19. The Group noted with concern that the report assumed that access to certain peaceful nuclear technologies represented a threat to international peace and security. The Agency facilitated and enhanced the transfer of nuclear technology and know-how for peaceful uses among Member States. The Group believed that the provision of equipment was an essential aspect of the technical cooperation programme and should be continued. With reference to the need to develop the capability and infrastructure to manage nuclear and radiological applications, there was a particular need for inter-regional cooperation and national capacity building, policy advice, establishment of standards and guidelines, and needs-driven research and methods development. In that regard, consideration should be given to establishing regional Agency training centres to enhance manpower development, as well as the participation of members of the region in such training programmes.

20. The Group reiterated the importance it attached to nuclear safety and was pleased with the improvements made in that sphere in recent decades, as shown by a wide range of national and international safety indicators. The Group believed, however, that nuclear safety and security considerations should not be used to hamper the utilization of nuclear technology, especially in developing countries. The Agency had a key role to play in that field, establishing safety standards and providing for the application of those standards to its own operations and, at the request of Member States, to any activities in the field of atomic energy, as provided for in Article III of the Statute. Thus, the Group supported the Agency's measures to strengthen international cooperation in nuclear safety, especially its activities related to the promotion of education and training and to assisting Member States in establishing and strengthening their nuclear safety infrastructures. Furthermore, the Group encouraged adherence to relevant conventions and agreements as that could contribute to the development of a safety culture in Member States. Recalling that the primary responsibility for the safety and security of nuclear and other radioactive materials rested entirely with the State, the Group stressed that safety and security standards took the form of recommendations and guidelines and should not be binding on Member States.

21. As regards the budget increases called for by the Commission in view of the additional tasks it envisaged for the Agency by 2020 and beyond, the Group was concerned over the emphasis placed on safeguards costs. Once again, the Group recalled the need to ensure the necessary balance in the allocation of resources for promotional activities, including the technical cooperation programme, and for other statutory activities of the Agency.

22. Mr CARON (France), speaking on behalf of the European Union, the candidate countries Croatia, the Former Yugoslav Republic of Macedonia and Turkey, the countries of the Stabilisation and Association Process and potential candidates Albania, Bosnia and Herzegovina, Montenegro, and Serbia, Iceland, member of the European Economic Area, as well as the Republic of Moldova and Ukraine, reiterated the EU's full support for the Agency in the fulfilment of its missions. The EU attached the greatest importance to the Agency's ability to pursue its work in the long term, under its Statute, as efficiently as possible.

23. The EU noted with interest the report of the Commission of Eminent Persons on the future of the Agency, published in May 2008. Owing to the diversity of the views expressed by the Commission's members, the report offered a broad overview that would be useful in providing food for thought in the future.

24. The EU saw merit in looking at how best to fulfil the Agency's statutory missions in the future by clearly identifying its objectives and priorities. From that viewpoint, the Commission's report offered useful considerations that the Member States should take on board. As far as the Agency's working procedures were concerned, Member States should reach their own conclusions. Such considerations should not be confused with budgetary discussions, however, and he noted the EU's readiness to participate in a responsible debate, at the appropriate time, on the issue of how the Agency was to be financed.

25. It was important to consider the Agency's place within the international nuclear framework. International cooperation on the safe, peaceful and non-proliferating use of nuclear energy for the benefit of all those who wanted it was essential, and the Agency had a leading role to play in that regard. The EU underlined the importance of international cooperation between the Agency and all other nuclear-related organizations and stakeholders, in particular in such areas as safety, radiation protection and development aid, in application of the principle of subsidiarity.

26. For its part, the EU was determined to cooperate with the Agency as closely as possible and to give it full support. It welcomed, in particular, the reinforcement of relations between the Agency and the European Commission, signalled by the joint statement signed in Brussels on 7 May 2008, which defined a wide range of priority areas for cooperation. In that context, he recalled the importance of the regional system created under the Euratom Treaty.

27. In general, the EU was interested in continuing far-reaching consultations and cooperation with the Agency to determine the support the EU might lend it in its work in order to meet the need for effective and efficient management and in the fulfilment of its missions. In particular, the existing non-proliferation instruments needed to be maintained, made universal and strengthened so as to meet new challenges. Safety and security were also priority areas for all Member States, including those that were contemplating nuclear power for the first time. Also, the EU wished to take part in development activities on the basis of a partnership approach in technical cooperation.

28. Ms GOICOCHEA ESTENOZ (Cuba)*, speaking on behalf of NAM, stressed the Movement's support for all efforts aimed at strengthening the Agency's role in line with its statutory objectives. NAM commended the Director General for his initiative aimed at elaborating a comprehensive vision of the Agency in 2020 and beyond in light of the new challenges and perspectives for nuclear energy

in the current international situation. She expressed NAM's appreciation to the members of the Commission of Eminent Persons for preparing the report contained in document GOV/2008/22.

29. NAM had studied carefully the report's recommendations and noted that they were highly varied. NAM recalled the statement by the members of the Commission, endorsing the report as a whole while not subscribing to every statement and recommendation and also the Commission's acknowledgement that additional significant steps would need to be taken by other multilateral institutions, national governments, industry and other key stakeholders in the global nuclear system.

30. The Agency's technical cooperation programme was not considered sufficiently in the report, as compared with the attention given to non-proliferation, disarmament, nuclear terrorism or safety. Efforts towards strengthening all the statutory activities of the Agency should be made in a balanced manner.

31. The Agency had a major role to play in assisting developing countries when planning for and using nuclear science and technology for peaceful purposes, especially in the context of accelerating socio-economic development and the sustainable transfer of such technology and knowledge towards achieving the United Nations Millennium Development Goals. It was important for the Agency, in line with its statutory obligations, to pursue the goals of technical cooperation in peaceful applications of nuclear energy as one of the three pillars of its activities.

32. Furthermore, any efforts aimed at non-proliferation, including safeguards and verification, should go hand in hand with simultaneous efforts aimed at nuclear disarmament.

33. NAM expressed concern that the visions and proposals for strengthening the Agency for 2020 and beyond should not be based on speculation. Country specific references in the report should have been avoided.

34. With regard to section 6 of the report on nuclear proliferation, NAM confirmed that the Agency was the sole competent authority for verifying Member States' compliance with their obligations under their respective safeguard agreements.

35. Regarding the set of recommendations under the section 6 subheading "Access to all necessary information, locations and people", a clear distinction needed to be made between the legal obligations of Member States under their safeguards agreements, on the one hand, and voluntary measures, on the other, in order to ensure that the latter were not turned into legal safeguards obligations. NAM could not accept any recommendation that implied new legal safeguards obligations for the Members States. Moreover, the issue of proliferation should be resolved through political and diplomatic means. Measures and initiatives taken in that regard should be within the framework of international law, the relevant conventions and the United Nations Charter, and should contribute to the promotion of international peace, security and stability. In addition, NAM reaffirmed the inalienable right of developing countries to engage in research, production and use of nuclear energy for peaceful purposes without discrimination. It noted with concern that undue restrictions on exports to developing countries of material, equipment and technology for peaceful purposes persisted. Proliferation concerns were best addressed through multilaterally negotiated, universal, comprehensive and non-discriminatory agreements. Non-proliferation control arrangements should be transparent and open to participation by all States, and should not impose restrictions on access to material, equipment and technology for peaceful purposes required by developing countries for their continued development.

36. Regarding transparency in the Agency's verification work, NAM was of the view that the concept was linked to the respective safeguards agreements and the voluntary measures of each Member State. Any additional measures had to be negotiated appropriately between the Agency and

the party concerned. In that regard, any undue pressure or interference in the Agency's activities, especially its verification process, that might jeopardize the efficiency and credibility of the Agency, should be avoided. On the other hand, it was extremely important to observe the confidentiality measures aimed at the protection of proprietary, commercially sensitive and national security information of Member States. The Agency should consider adopting a system for the handling of confidential information similar to that adopted in connection with the Chemical Weapons Convention.

37. The report laid emphasis on the issue of the assurances of nuclear fuel supply. Comprehensive and transparent consultations on the technical, legal, political, commercial and economic implications should take place before any kind of decision on that complex and sensitive issue could be considered. Moreover, decisions on the matter should be taken by consensus, with the active participation of all interested countries. Any proposals presented in the Agency on that issue must 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 rejected, in principle, any attempts aimed at discouraging certain peaceful nuclear activities on the basis of their alleged sensitivity. Concerns related to nuclear non-proliferation should not in any way restrict the inalienable right of all States to develop all aspects of nuclear science and technology for peaceful purposes.

38. Turning to section 7 on nuclear terrorism, she said that NAM considered it appropriate to refer to the final document of the meeting of NAM Ministers of Foreign Affairs held recently in Tehran, which reflected the Movement's position on that important issue. In that document, the Ministers had expressed their satisfaction with the consensus among States on measures to prevent terrorists from acquiring weapons of mass destruction. They had welcomed the adoption by consensus of General Assembly resolution 62/33, entitled "Measures to prevent terrorists from acquiring weapons of mass destruction", and had underlined the need for that threat to humanity to be addressed within the United Nations framework and through international cooperation. While stressing that the most effective way of preventing terrorists from acquiring weapons of mass destruction was through the total elimination of such weapons, they had emphasized that progress was urgently needed in the area of disarmament and non-proliferation in order to help maintain international peace and security and to contribute to global efforts against terrorism. They had called upon all Member States to support international efforts to prevent terrorists from acquiring weapons of mass destruction and their means of delivery. They had also urged all Member States to take and strengthen national measures, as appropriate, to prevent terrorists from acquiring weapons of mass destruction, their means of delivery and materials and technologies related to their manufacture.

39. It was NAM's opinion that the views and proposals contained in section 7 should be considered keeping the aforementioned in mind. Moreover, the Agency's efforts aimed at combating nuclear terrorism should correspond fully with its statutory functions.

40. Regarding section 8 of the report, NAM stressed the relevance of nuclear safety and security issues for the future of nuclear energy worldwide and the important role of the Agency in that regard. In particular, NAM supported the need to strengthen radiological safety and protection systems at facilities using radioactive materials as well as at radioactive waste management facilities. Existing international regulations relating to the safety and security of transportation of such materials should also be strengthened. NAM called for effective implementation of the Agency's Code of Practice on the International Transboundary Movement of Radioactive Waste as a means of enhancing the protection of all States from the dumping of radioactive wastes on their territories. At the same time, however, nuclear safety and security considerations should not be used to hamper the use of nuclear energy, especially in developing countries.

41. Discussion of the Agency's role up to 2020 and beyond was of paramount importance for all Member States, particularly for NAM. The approach taken should be careful and transparent and involve the active participation of all Member States. NAM, which was ready to play an active part itself in that process, felt that the report of the Commission of Eminent Persons could not form the basis for determining the future of the Agency. That should be done by the Member States alone.

42. Mr UZCATEGUI DUQUE (Bolivarian Republic of Venezuela)*, speaking on behalf of GRULAC, thanked the Director General for taking the initiative of analysing the challenges that the Agency would face by 2020 and beyond. Having expressed the Group's full support for any efforts to strengthen the Agency's activities in accordance with its Statute, he thanked the members of the Commission of Eminent Persons for preparing their report. He pointed out that the report reflected the personal opinions of the Commission members and was not binding on the Member States.

43. Envisaging the Agency's role in 2020 and beyond called for in-depth discussion among the Member States, and GRULAC considered that a variety of approaches and inputs would help to enrich that debate.

44. GRULAC noted with concern that the Agency's promotional activities had not been addressed in the report in the same depth as others and stressed the importance of maintaining a balance among the Agency's three pillars.

45. Importance had rightly been allotted in the report to the Agency's work on addressing the renewed interest in nuclear energy. Greater emphasis should be placed on the Agency's efforts to strengthen national capabilities and development so as to ensure that all those interested had access to nuclear energy.

46. The report also referred to the issue of nuclear fuel supply assurances and the possible role for the Agency in that regard. Before any of the suggested initiatives could be discussed, there had to be a far-reaching and detailed analysis of that complex issue. GRULAC could not support any recommendation that might be interpreted as imposing limits on the inalienable right of Member States to use nuclear energy for peaceful purposes, as recognized by Article IV of the NPT.

47. With regard to the recommendation that the Agency should evaluate the approval of technical cooperation projects in the case of sensitive technologies, the Group recalled that the Member States' safeguards agreements already guaranteed that technical cooperation was for peaceful ends only.

48. Highlighting the importance that the Group attached to the transfer of technology, knowledge and capabilities for the peaceful uses of nuclear energy, he called for the transfer process to be maintained and extended to support the development of the countries in the region. The huge task that lay before the Agency in continuing its research into and promotion of peaceful nuclear applications should be given the same priority as other of its activities in any document on the Agency's future. The report pinpointed the need to step up the peaceful applications of nuclear technologies and, in that context, the need for a substantial increase in the resources earmarked for technical cooperation.

49. Mindful of the ever increasing use of nuclear energy for peaceful ends, the Group supported the strengthening of nuclear security worldwide. The Agency had a major role to play in that sphere in terms of developing appropriate mechanisms and cooperating with the countries of the region with a view to fostering a nuclear security culture.

50. GRULAC accorded great importance to disarmament and non-proliferation and was proud that, by signing the Tlatelolco Treaty, the countries in the region had made a commitment to maintaining their territories free of nuclear weapons for ever. As a result, the region had been the first highly populated region in the world to declare itself a nuclear-weapon-free zone. Having renounced nuclear weapons, the States party to the Tlatelolco Treaty had the moral and legal authority to demand that

other countries comply with the disarmament and non-proliferation requirements contained in international legal instruments. The international community should do more to extend nuclear-weapon-free zones, in particular in areas of tension. The Group was convinced that the existence of nuclear weapons threatened the survival of humanity and that the only true guarantee against their use or the threat of their use was their global elimination.

51. In conclusion, he reaffirmed the unalienable right, enshrined in Article IV of the NPT, of those party to that Treaty, to develop research, production and use of nuclear energy for peaceful purposes without discrimination. The Agency had an important role to play in verifying that nuclear energy was used only for peaceful purposes and in preventing its diversion for military ends.

52. Mr CURIA (Argentina) noted that a substantial proportion of the Commission's statements and recommendations went beyond the Agency's statutory mandate and hence lay beyond the Board's jurisdiction.

53. Argentina concurred with the report's conclusion that nuclear energy would play an increasingly important role in the future. The Agency should step up its activities in all countries that were considering, or had already decided on, the nuclear option. The contribution of nuclear energy to the world's increasing energy supply and its manifold applications in the areas of poverty alleviation and human well-being would offer the Agency an opportunity in the years ahead to accelerate the contribution of atomic energy to peace, health and prosperity throughout the world, in keeping with its Statute.

54. Emphasizing the need for balance and synergy between nuclear safety and security, he said that Argentina would continue to contribute to the Agency's key role in both areas. Argentina considered that the Agency was well equipped to meet the security challenges that might ensue from the anticipated expansion in nuclear energy and found that the assumptions and recommendations contained in the report were somewhat exaggerated.

55. Argentina shared the concerns expressed in the report regarding nuclear disarmament.

56. Other issues addressed in the report to which Argentina attached great importance and which were being discussed in other international and multilateral forums included: the role of the additional protocol; new measures to strengthen Agency safeguards; and the debate on assurances of guarantees, multilateralization of the fuel cycle and possible limitations on States' right to develop nuclear technology. Discussion of those issues should be pursued in their respective contexts until a consensus was reached that might entail decisions and actions with implications for the Agency.

57. Argentina emphatically concurred with the Commission's view that nobody should encroach on the sovereign right of every State to take its own decisions regarding the fuel cycle. Furthermore, there should be no restrictions on the use of technology for peaceful purposes.

58. The Secretariat should clearly identify the recommendations in the report that fell within its mandate so that existing machinery and bodies could make appropriate programme and budget proposals to the Board. Budget increases on the scale proposed in the report and any proposal to increase existing authority or responsibilities called for in-depth analysis.

59. Mr VALLIM GUERREIRO (Brazil) said that if the Agency's relevance was to be enhanced, the international community would need to feel that it had an important stake in its activities. An increased perception of belonging and ownership was essential. No Member State should feel alienated and all Member States, whether or not they were major contributors, should feel that their national priorities were also Agency priorities. In short, no single statutory activity should be carried out at the expense of any other activity.

60. It was only natural that some of the comments in the Commission's report went beyond the Agency's statutory functions, since it was necessary to adopt a holistic approach when assessing the Agency's future role against the backdrop of developments taking place worldwide in other bodies. One relevant question was whether the Agency's contribution to poverty alleviation, development, peace and security could be significantly enhanced without amending the Statute. There was no clear-cut answer, but Member States should ensure that the Agency was given the wherewithal to adapt to an every-changing world and to respond to unforeseen challenges.

61. It was, of course, impossible to predict the kind of environment in which the Agency would be operating in twenty or thirty years' time. Trends and desirable scenarios could be identified but no steps should be taken that committed the Agency to a predetermined outcome.

62. Brazil therefore approached the exercise with a sense of purpose, which meant upholding certain principles, and also in a spirit of flexibility, which meant leaving options open. While the world would certainly be relying more heavily on nuclear energy in future, the extent of its reliance was uncertain. At all events, it was necessary to enhance the safety of nuclear power plants and raise public awareness in that regard. Public confidence in nuclear energy as a safe and clean source of energy was essential and only a single accident could jeopardize the renaissance of nuclear power.

63. The dangers of non-proliferation should not be overestimated. There was no reason to believe that greater reliance on nuclear power would lead to the dissemination of nuclear fuel fabrication technologies, including enrichment. Most new plants would be built in countries that already produced their own fuel. To assume that any decision by a 'newcomer' to engage in sensitive fuel cycle activities posed a grave danger was tantamount to underestimating the effectiveness of Agency safeguards. There was no record of any case of diversion of nuclear material in safeguarded enrichment facilities. Any reinterpretation of Article IV of the NPT was unacceptable and any attempt to establish a new divide between the haves and the have-nots underestimated the major concession made by non-nuclear-weapon States on becoming parties to the NPT.

64. Ms GERVAIS-VIDRICAIRE (Canada), noting that a Canadian expert had participated in the Commission, commended the Commission of Eminent Persons for its report and the Director General for his background report entitled *20/20 Vision for the Future*, issued on 22 February 2008.

65. She recalled that the 2002 Marnet report which had called for the formulation of a clear vision for the Agency as a step towards the development of an urgently needed change management strategy to address the systemic stresses that the Agency faced. The Commission's report now contained that vision. It did a good job of painting the big picture and describing the broader context and challenges that the Agency and its Member States collectively faced. Unlike the Marnet report, however, it had not been undertaken in consultation with the Board of Governors.

66. Canada broadly supported the assessment of global trends likely to affect the Agency that the Commission's report and the Secretariat's background paper offered. In particular, her country strongly supported the view that the Agency must remain sharply focused on its core mandates of safety, security and safeguards, while promoting nuclear power and nuclear applications. It was less comfortable, indeed sceptical, about the Commission's call for a "bold agenda" and a "reinvigorated global nuclear order", which, as the Commission itself rightly acknowledged, went "well beyond the IAEA's mandate and capabilities". Such initiatives risked further politicizing the Agency's work and would be better pursued in other forums. Similarly, while Canada fully agreed that the Agency had a major role to play in the verification of nuclear disarmament and in helping to prevent non-proliferation, here again it must be cautious in its approach in order to ensure that such activities remained within the ambit of the Statute, particularly in view of the sensitive issues and resource implications.

67. Canada strongly endorsed the Commission's call to strengthen the safeguards system as well as the "safeguards culture" more broadly. As the Secretariat correctly noted in its background report, meeting future challenges in that area would require a "robust IAEA toolbox". While the Commission concluded that a substantial increase in Agency resources for safeguards was urgently required, Canada favoured the Secretariat's more cautious assessment that the acceptance of new and more rigorous standards would help mitigate the increase in resources required for inspection activities, despite a significant increase in the nuclear sector. The suggestion that inspection activities related to safeguards, safety and security could be integrated posed problems, but it was an example of the kind of new and innovative thinking that Canada encouraged.

68. Canada strongly supported the view that Agency activities related to nuclear applications should be reduced, if not ended altogether, in areas involving mature nuclear technologies or technologies no longer considered to have a comparative advantage. The Agency should focus on activities where it could add value in a cost-effective manner.

69. The Commission had quite rightly concluded that the demand for technical cooperation would always exceed the resources allocated for it. Canada advocated a more strategic approach and prioritization of activities around a few key thematic clusters, as the Secretariat had suggested. The focus should also be shifted from project implementation to facilitation, coordination and norm-building, and greater reliance should be placed on regional and virtual networks. That would again build on the Agency's comparative advantages and help to make better use of the available resources which, although likely to remain limited, would hopefully be more assured and predictable.

70. Canada agreed that the strengthening of international cooperation and partnerships was crucial. PACT had clearly demonstrated what could be achieved through such enhanced cooperation, particularly in leveraging additional resources. Her country was disappointed, however, that there was little discussion about how such enhanced cooperation could be achieved. Other key stakeholders such as the OECD/NEA, WANO and the WNA were barely mentioned. While the Agency was the main player in some areas such as nuclear security, it would be ill-advised to try to play a leading role in every part of the nuclear sector. Collaboration and cooperation were vital and further efforts should be made to focus on areas where the Agency had a comparative advantage and could add significant value.

71. Both the Commission's report and the Secretariat's document gave the impression that more funding was being sought simply in order to do more of the same. Canada could not support such an approach. Most Member States continued to face fiscal constraints and many had to contend with the lengthy planning horizons used by financial authorities. The feasibility of an increase in resources of the magnitude being proposed by the Commission was therefore questionable, at least in the short term.

72. Canada certainly recognized that adjustments, and potentially significant ones, might be necessary in the short to medium term, but every effort must be made to meet requirements in a continuing context of overall restraint. Lower priority activities should be reduced if not terminated, where possible, leaving the focus on areas where the Agency had a comparative advantage and could best add value. All options must be examined, including enhanced cooperation and a clearer division of labour with other stakeholders and the private sector, out-sourcing and innovative financing.

73. Addressing the many challenges identified would not be easy, but other international organizations had substantially 'remade' themselves in the face of such challenges, often within their existing resource envelopes. Canada hoped that the Agency could do the same, notwithstanding its unique role and responsibilities. There continued to be an urgent need for what the Marnett report had termed a change management strategy.

74. Canada fully agreed that the Agency was an “extraordinary bargain”. It could remain a bargain if there was a rigorous process of prioritization around its core functions and a focus on added value, as well as innovative, effective and efficient management and leadership.

75. Lastly, Canada believed that it would be premature to use the report and background document and their recommendations as a framework for the forthcoming discussions on the budget and programme of work for the next biennium.

76. Mr KUCHINOV (Russian Federation) said that in a rapidly changing world the importance of nuclear energy as a means of satisfying demand in a number of areas would grow, presenting the Agency and its Member States with a major challenge. The Commission’s report therefore provided a good basis for a balanced study of the long term nature and scale of the Agency’s activities.

77. However, the Russian Federation found the report somewhat unbalanced and markedly biased on questions relating to safety and security risks, especially in the executive summary which concentrated unduly on the three S’s — safety, security and safeguards — concept. Without wishing to minimize the importance of that concept, he pointed out that it was only through the harmonious combination of all its activities that the Agency could fulfil its statutory mandate of assisting in the development and practical application of atomic energy for peaceful uses throughout the world. The report also deviated somewhat from the practical tasks assigned to the Commission, namely to make concrete long term programme and financial proposals. Russia assumed that the report was solely recommendatory in nature. The fact that the Russian Federation had agreed to take note of the report did not mean that it shared all its conclusions, especially those that went beyond the Agency’s mandate, for instance in the area of disarmament.

78. A relevant point in the report from the standpoint of expanding the use of nuclear energy was the proposal to develop small and medium sized reactors. If the comprehensive package of services needed for the safe and secure operation of such nuclear facilities were to be provided, the full benefits of nuclear energy could be enjoyed by States that did not have the necessary qualified personnel and infrastructure.

79. With regard to the Commission’s recommendations concerning the Agency’s budgetary requirements for the period up to 2020, some clarifications were required. For instance, reference was made in the argument for a constantly growing budget to the need for one-time increases for costly projects, such as refurbishing the Safeguards Analytical Laboratory or the introduction of AIPS. The Russian Federation had no objection to the implementation of such projects, but felt that once they had been completed the financial burden on the budget should be reduced.

80. The Russian Federation had serious reservations about the proposal to seek Agency exemption from the regulations of the United Nations Common System. The principles on which the system was based had demonstrated their viability over several decades, ensuring a decent level of remuneration for the staff of international organizations. A decision to withdraw from the system could set an undesirable precedent and undermine the existing procedure for defining the terms and conditions of service of Agency personnel.

81. With regard to the set of recommendations based on the idea of dispensing with extrabudgetary subsidies for specific Agency activities, which would be wholly financed from the Regular Budget, he argued that such steps would be justified only in cases where a programme activity suffered from a liquidity deficit. If sufficient resources were available, the need to dispense with existing financing facilities called for further clarification.

82. The Russian Federation agreed with the Commission that the Agency deserved the international community’s unconditional support. The recommendations in the report provided important guidelines

for enhancing the Agency's role, which needed to be discussed further by Member States. It remained to be seen how that work should be organized, since it would require not only significant time and effort but also additional resources.

83. Mr SHANNON (Australia) said that his Government had appointed a member of the Commission of Eminent Persons, former Foreign Minister Gareth Evans, to chair the new International Commission on Nuclear Non-Proliferation and Disarmament, with the objective of reinvigorating efforts to strengthen the non-proliferation regime in the context of the 2010 NPT Review Conference and beyond. The Commission would be co-chaired by former Japanese Minister of Foreign Affairs, Yoriko Kawaguchi, and the remaining members would be announced shortly. The report of the Commission of Eminent Persons on the future of the Agency would provide valuable input to the work of the new body.

84. The Commission's report was ambitious and wide-ranging in scope. It raised important and fundamental issues concerning the future role of the Agency across all its fields of activity, which deserved careful consideration. Nonetheless, his delegation was concerned that the report attempted to set the future of Agency in a wider political context, raising a number of contentious issues which might not lend themselves to consensus in the present technical forum.

85. The report came at a time of substantial projected expansion in nuclear power worldwide, as well as unprecedented proliferation and security challenges, which required an increased emphasis on nuclear safety, security and safeguards. It was true that the safeguards system had evolved over time, but it had typically done so reactively, in response to particular proliferation crises which had caught the international community off-guard. The additional protocol had been developed in response to undeclared nuclear activities discovered in the 1990s and its universalization as the contemporary safeguards standard and as a condition of supply was long overdue. The safeguards system must now be shaped for the proliferation challenges of the future.

86. The growth in use of nuclear power would bring greater demands on the Agency for support. At the same time opportunities to apply nuclear techniques to alleviate poverty, support economic growth and protect the environment continued to grow. Maintaining an appropriate balance between activities in relation to power and non-power applications would remain a crucial issue for the Agency in the future.

87. Australia ascribed high importance to the Agency's unique leadership role in promoting the 3S's — safety, security and safeguards — a role that it was well placed to fulfil because of its reputation for objectivity, competence and professionalism. That threefold mandate must continue to remain at the forefront of its activities.

88. In considering any expansion in the Agency's responsibilities, Member States must remain fully cognizant of the mandates and expertise of other organizations. In that context, his delegation welcomed the report's emphasis on partnerships and agreed that international collaboration and cooperation were needed to address the global issues associated with the use and the application of nuclear technologies. In particular, the role of the Agency relative to other international organizations in advancing the use of nuclear power technologies needed to be carefully assessed. Any such activities should not conflict with or detract from one of the Agency's fundamental roles in developing and promulgating standards in relation to the 3 S's. The time might indeed be right for the Agency to begin to shift its focus from technology development and transfer to more normative functions, which would help to alleviate demands on the Agency's resources.

89. It was important not to conflate a discussion of the Agency's mandate and future role with a debate over funding. However, it was unrealistic to expect funds simply to keep increasing without a more fundamental re-examination of priorities, goals and more efficient means of doing business. For

example, the widening application of integrated safeguards would see a gradual shift away from a focus on verification of nuclear material accountancy to an information-driven approach to verification, which would improve both efficiency and effectiveness. It went without saying that the Agency could achieve such improvements only in States which had implemented the additional protocol.

90. There was also a need to reconsider the criteria for technical cooperation allocation. Many regions had developed regional capabilities, which should be relied on more heavily to meet regional needs. Further, a shift in the focus of technical cooperation towards a normative role in assisting partner States in the application of safety and security standards, coupled with increased attention to project sustainability, would provide better value for money.

91. The Agency represented an “extraordinary bargain”, and concerted efforts must be made to ensure that it remained so. Australia stood ready to work with the Secretariat and other Member States in a discussion of the Agency’s future role and the necessary resources.

92. Mr TANG Guoqiang (China) said that the establishment by the Director General of the Commission of Eminent Persons to discuss the future of the Agency had been an initiative of commendable vision. The Commission’s report laid the foundations for future discussion of the issue.

93. The Agency had always sought to maximize the benefits of nuclear technologies for humanity, while minimizing the risks; it therefore deserved broad support from the international community. As the sole intergovernmental organization in the nuclear field, the Agency fulfilled a dual responsibility of promoting the peaceful use of nuclear energy and preventing the proliferation of nuclear weapons. Given the complex situation in the nuclear field and countries’ expectations regarding the Agency’s future role, it must conduct an accurate analysis of trends, understand its mission in a comprehensive and balanced manner, and ensure a balanced development of its two aforementioned main statutory functions.

94. The report forecast the positive development of nuclear energy and predicted a greater role for the Agency in promoting its revitalization and in helping developing countries to develop nuclear power. The report also rightly pointed out the need to strengthen international cooperation in that area. In that context, China would be ushering in a new era of rapid development in nuclear power, cooperating actively with the Agency and others in the international arena and sharing its experiences with developing countries. An assured supply of nuclear fuel was vital to future nuclear power development and the Agency should work with the Member States on coordinating research activities. Every country had the right to make peaceful use of nuclear energy, so long as it complied with its non-proliferation obligations.

95. China shared the Commission’s view that the application of nuclear technologies was crucial to promoting sustainable socio-economic development in Member States, and that the Agency should continue expanding the use of nuclear technology applications and step up financial support for technical cooperation activities. Technical cooperation was an important channel through which the Agency could transfer nuclear technology to developing countries. The availability of sufficient, assured and predictable funds for technical cooperation was crucial. Full account must be taken of the different situations and needs of developing countries. South-south cooperation must be strengthened and regional centres must be given the means to ensure the effective implementation of technical cooperation projects.

96. Although responsibility for nuclear security rested with each country, the Agency could play an important role in assisting Member States in countering the threat of terrorism. The Agency should continue to play an active role in the formulation and wide application of standards for global nuclear safety and security and step up its efforts to build developing countries’ capacities in that field.

97. The Agency, in line with its Statute and the NPT, must likewise continue to play an important role in the field of non-proliferation, improve the effectiveness and efficiency of its safeguard system, and strengthen its capability to carry out independent verifications. With regard to future nuclear disarmament verification, the Agency must act in strict compliance with the relevant international legal instruments and its Statute.

98. To cope effectively with the challenges that lay ahead, future trends should be analysed in depth. China would take an active and constructive part in the discussion on the future role of the Agency and trusted that the Secretariat would take full account of the Member States' views in that regard.

99. Mr SCHULTE (United States of America) said that the efforts to chart a course for the Agency over the next decades were timely because the Agency was facing new and emerging challenges in carrying out its missions. Civilian nuclear power was expanding worldwide, including in developing countries. Agency staff worked on a daily basis to devise methods whereby nuclear technology could be applied to the needs of agriculture, medicine and other beneficial activities. At the same time, the wide availability of nuclear technology and the efforts of State and non-State proliferators to evade national and international controls had increased the chance that some States and terrorists might realize their nuclear ambitions.

100. The report of the Commission of Eminent Persons contained several thoughtful ideas for improving the efficiency and effectiveness of the Agency's programmes and offered a credible picture of possible political, energy, economic, environmental and technical scenarios for the future.

101. The Agency's statutory responsibilities enjoyed broad international support and should be the focus of the Board's discussion. The Commission had made a number of recommendations that lay outside the Agency's statutory responsibilities, which were more appropriately addressed in other forums.

102. The United States welcomed the report's recognition of the need for management reform within the Agency. The Programme Performance Report contained in document GOV/2008/31, which had been discussed under agenda item 3, illustrated that there was still room for improvement. Such reform would benefit all Member States and the global community. Without the requisite measure of accountability, transparency and fiscal discipline, the Agency would be unable to meet the justifiably high expectations of it.

103. The United States welcomed the Commission's recommendations relating to the immediate need to strengthen international cooperation to support the safe, secure and proliferation-resistant expansion of peaceful nuclear energy. It also welcomed the Commission's recommendations on new approaches to managing the nuclear fuel cycle, more effective export controls to stop black market networks, and stronger enforcement. The Secretariat should endeavour to prioritize those areas where the Agency could make the greatest difference, especially where the activities of Member States, other international organizations and the private sector left significant gaps.

104. The Commission's recommendations concerning measures to reduce demand for nuclear weapons fell outside the Agency's responsibilities and were best addressed elsewhere. Addressing those issues in the present forum would only distract from the Agency's core mission.

105. The recommendations to strengthen the Agency's role in helping developing countries make responsible use of nuclear technologies deserved careful consideration. In that regard, he took note of the Commission's call for the Secretariat to conduct a thorough assessment of proliferation risk before agreeing to any project involving technologies that could have an application to a nuclear weapons programme. Where it identified such risks, the Agency should provide assistance only when

appropriate arrangements had been made to minimize those risks, and the benefits outweighed any remaining risks.

106. The United States attached the highest priority to ensuring that the Agency could fully perform its core safeguards missions and strongly endorsed the Commission's unequivocal support in that regard. His country supported the Commission's finding that transparency going well beyond that resulting from the measures called for in additional protocols was occasionally needed in order to provide confidence that a State's nuclear programme was entirely peaceful. Member States must work together to ensure that the Agency made full use of its authorities and help improve Agency access to information, technology, quality personnel and resources in that important area.

107. His delegation shared the Commission's understanding that Member States retained primary responsibility for nuclear security within their borders. However, the Agency was well suited to advise and assist its Member States in meeting those responsibilities, which included implementing obligations under Security Council resolution 1540 (2004). Such advice and assistance might better equip Member States to address nuclear terrorism and nuclear smuggling and to secure dangerous radiological sources more effectively.

108. The Agency contributed meaningfully to strengthening safety and security activities in Member States by supporting the development and implementation of international conventions and codes of conduct, establishing international standards and guidelines, arranging for peer review services, and by facilitating regional and multilateral cooperation through information sharing, coordination of assistance, and training and education programmes. Those activities should be strengthened in such a manner that robust safety, security and safeguards cultures was encouraged and integrated worldwide. The Secretariat should identify areas where the Agency had a unique role, and other areas where it served as a catalyst and facilitator to promote nuclear safety, security and non-proliferation. To maximize its effectiveness, the Agency should explore partnerships with Member States and with other competent organizations.

109. The report made specific proposals for large budget increases without any real analysis of needs and priorities, including calls for an immediate one-time €80 million budget increase to refurbish the Safeguards Analytical Laboratory and fund the Incident and Emergency Centre, as well as a consistent annual increase to the Agency Regular Budget of some €50 million per year. Given the potential budgetary implications, any decisions regarding the implementation of specific recommendations of the Commission must be made carefully and with due consideration of the consistency of each recommendation with the Statute, its merit, and priority with respect to other Agency activities.

110. It was disappointing that the Commission had not attempted to suggest any budgetary discipline or to define priorities and identify those areas where the Agency could make the strongest and most cost-effective future contributions. Also, the Commission had not paid sufficient attention to alternative financial sources beyond the Agency's Regular Budget to fund its recommended actions. Alternative funding sources, including partnerships with other organizations, showed great promise for strengthening many of the Agency's activities. The Secretariat should, furthermore, draw up specific areas of current Agency activity that could be reduced so as to release funds for present and future key priorities.

111. The Secretariat and the Member States must redouble their efforts to ensure that the Agency could continue not only to meet the challenges ahead and respond to Member States' needs, but also to operate in an efficient and effective manner. The United States would welcome a focused discussion on future activities and priorities of the Agency in the light of recent and expected developments relevant to its mission. The Commission's report was a first step in that direction. The next, more challenging, step would be to develop an agreed set of priorities and objectives for the Agency.

The meeting rose at 1.05 p.m.