

**IAEA Board of Governors**

Record of the 1256<sup>th</sup> Meeting  
GOV/OR.1256

Request by the Russian Federation regarding its Initiative to Establish  
a Reserve of Low Enriched Uranium (LEU) for the Supply of LEU to  
the IAEA for its Member States

# Board of Governors

**GOV/OR.1256**

Issued: December 2009

**Restricted Distribution**

Original: English

---

**For official use only**

## Record of the 1256<sup>th</sup> Meeting

*Held at Headquarters, Vienna, on Thursday, 26 November 2009, at 10.50 a.m.*

### Contents

Item of the agenda <sup>1</sup>	Paragraphs
– Opening of the meeting	1–2
– Adoption of the agenda	3–4
1 Introductory statement by the Director General	5–30
2 Technical cooperation: Report of the Technical Assistance and Cooperation Committee	31–47
3 Request by the Russian Federation regarding its Initiative to Establish a Reserve of Low Enriched Uranium (LEU) for the Supply of LEU to the IAEA for its Member States	48–133

---

<sup>1</sup> GOV/2009/83.



## 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 ARSHAD		Chairman (Malaysia)
Mr FERUTĂ		Vice-Chairman (Romania)
Mr SHOOGUFAN	_____	Afghanistan
Mr CURIA		Argentina
Mr POTTS		Australia
Mr ISMAYILOV		Azerbaijan
Mr VALLIM GUERREIRO		Brazil
Mr DIALLO		Burkina Faso
Mr MPAY		Cameroon
Mr BARRETT		Canada
Mr HU Xiaodi	}	China
Mr HUANG Wei		
Mr CODORNIU PUJALS		Cuba
Mr BERNHARD		Denmark
Mr FAWZY		Egypt
Mr MONDOLONI		France
Mr LÜDEKING		Germany
Mr PATNAIK		India
Mr NAKANE		Japan
Mr SHIM Yoon-Joe		Korea, Republic of
Mr SALAM		Malaysia
Mr ENKHSAIKHAN		Mongolia
Mr HAMER		Netherlands
Ms MACMILLAN		New Zealand
Mr ANWAR		Pakistan
Mr GARCÍA REVILLA		Peru
Mr NECULĂESCU		Romania
Mr BERDENNIKOV		Russian Federation
Mr MINTY		South Africa
Mr ROSELLÓ SERRA		Spain
Mr STEINMANN		Switzerland
Mr FIDAN		Turkey
Mr YEL'CHENKO		Ukraine
Mr SMITH		United Kingdom of Great Britain and Northern Ireland
Mr DAVIES	}	United States of America
Mr SCHELAND		
Mr BARROS OREIRO		Uruguay
Mr UZCÁTEGUI DUQUE		Venezuela, Bolivarian Republic of
Mr ELBARADEI	_____	Director General
Mr ANING		Secretary of the Board

**Representatives of the following Member States also attended the meeting:**

Albania, Algeria, Armenia, Austria, Belarus, Belgium, Chile, Colombia, Costa Rica, Croatia, Cyprus, Czech Republic, Dominican Republic, Ecuador, Estonia, Ethiopia, Finland, Greece, Guatemala, Holy See, Hungary, Indonesia, Islamic Republic of Iran, Iraq, Ireland, Israel, Italy, Jordan, Kazakhstan, Kuwait, Kyrgyzstan, Lebanon, Libyan Arab Jamahiriya, Lithuania, Luxembourg, Malta, Mexico, Montenegro, Morocco, Namibia, Nigeria, Norway, Oman, Panama, Paraguay, Philippines, Poland, Portugal, Qatar, Saudi Arabia, Serbia, Slovakia, Slovenia, Sri Lanka, Sudan, Sweden, Syrian Arab Republic, Thailand, The Former Yugoslav Republic of Macedonia, Tunisia, United Arab Emirates, Vietnam, Yemen and Zimbabwe.

**Abbreviations used in this record:**

CPF	Country Programme Framework
CTBT	Comprehensive Nuclear-Test-Ban Treaty
EFTA	European Free Trade Association
GNEP	Global Nuclear Energy Partnership
INIR	International Nuclear Infrastructure Review
LDC	least developed country
LEU	low-enriched uranium
NAM	Non-Aligned Movement
NGO	non-governmental organization
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
PACT	Programme of Action for Cancer Therapy
PWR	pressurized water reactor
TACC	Technical Assistance and Cooperation Committee
UNDAF	United Nations Development Assistance Framework
WHO	World Health Organization
WWER	water cooled water moderated reactor (former USSR)

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

## – Opening of the meeting

1. The CHAIRMAN welcomed participants, especially the new Governor, Mr Mpay of Cameroon, and the new Resident Representatives, Ms Nee-Whang of Ghana, Mr Skjaldarson of Iceland, Mr Azoulay of Israel, Mr Yatani of Kenya, Mr Al-Salal of Kuwait, Mr Marcelo Curto of Portugal and Mr Bayer of Turkey.
2. He bade farewell to colleagues who had left or would shortly be leaving: the Governor, Mr Kumar of India, and the Resident Representatives, Ms Saarsalu-Layachi of Estonia, Mr Michaeli of Israel, Mr Al-Jasem of Kuwait, Mr Duarte of Portugal and Mr Ertay of Turkey.

## – Adoption of the agenda (GOV/2009/73/Rev.1)

3. The CHAIRMAN invited the Board to adopt the revised provisional agenda contained in document GOV/2009/73/Rev.1.
4. The agenda was adopted.

## 1. Introductory statement by the Director General

5. The DIRECTOR GENERAL drew attention to the Agency's technical cooperation programme for 2010, as recommended by the TACC. It was the second year of an unusual three-year programme cycle, implemented to align the Technical Cooperation Fund and Regular Budget cycles. The aim was to synchronize the programme cycles for technical cooperation and the Regular Budget from 2012. As part of the one-house approach, that would enable the technical departments to align their programmatic activities to provide support for the technical cooperation programme.
6. The technical cooperation programme continued to evolve to address pressing challenges in a range of areas. Human health, food and agriculture and nuclear safety remained the top three priorities for Member States. He mentioned a few examples of how the Agency was helping improve lives for people in developing countries. In Yemen, the country's first nuclear medicine centre at the Al-Thawra Hospital, established with the help of the Agency, had been fully operational since July 2008. It treated thousands of patients per year and also served as a national training centre. In Latin America, the Agency was using isotopic techniques to provide tools for the diagnosis and evaluation of obesity in children. In Algeria, the Agency had provided data that had enabled the country to develop national guidelines for the optimal exploitation of water resources.
7. The Agency had been focusing on improving quality across the full technical cooperation programme cycle. Its approach emphasized full involvement by recipient countries in the preparation of the programme, as well as monitoring, self-assessment and independent evaluation. Special efforts

had been made to increase the number of CPFs. Work to increase alignment with United Nations activities was reflected in the signing of six new UNDAF agreements since May 2008.

8. PACT had become a well-recognized programme in the global battle against cancer, as illustrated in May 2009 by the signing of the WHO-IAEA Joint Programme for Cancer Control. PACT and its partners had already implemented missions to 20 Member States. The programme had mobilized US \$24 million for cancer control since 2007, which was an impressive achievement. Seven PACT Model Demonstration Sites were now in operation and, to date, 71 Member States had requested Agency support through PACT. He hoped that more funds would be forthcoming for the programme, which aimed to save lives that would otherwise be unnecessarily lost.

9. He had frequently spoken of the increased interest in nuclear power and the growing number of requests for Agency assistance from countries considering or launching new nuclear power programmes. He had also spoken about the Agency's coordinated one-house approach, about the milestones that had been developed to provide guidance on the development of national infrastructure for nuclear power, and about the INIR service. The first INIR mission to Jordan in July 2009 had proved a significant success. The second mission, to Indonesia, was under way that week, and the third, to Vietnam, would take place the following week.

10. INIR missions were an important new Agency service, but more could and should be done to help so-called newcomers to nuclear power. The Agency had therefore circulated document GOV/INF/2009/11 on strengthening Agency support to Member States considering or launching nuclear power programmes. As some Member States had expressed a willingness to consider additional extrabudgetary contributions to the Agency for such a purpose, it was important to start a serious discussion of how the existing services provided to States considering or launching nuclear power programmes might best be broadened and expanded. Interested Member States could then obtain objective advice from the Agency at cost.

11. There was a growing demand for the Agency's support in safety and security infrastructure development in newcomer countries. The existing set of safety standards, security guidance, peer reviews and advisory services, and knowledge networks was being continually refined to meet the needs of newcomers better. However, plans by some countries for rapid development or expansion of nuclear power were proceeding more quickly than their plans to establish the necessary safety and security infrastructure and capacity. That was an issue not only for newcomers, but also for the expansion of existing nuclear power programmes.

12. The Board had before it a draft additional protocol for the Kingdom of Bahrain. Since the adoption of the Model Additional Protocol in 1997, additional protocols for 136 States had been approved; however, additional protocols were in force for only 93 States. He therefore reiterated his call to all States that had not yet done so to bring into force additional protocols, as they were central to the Agency's ability to provide credible assurances regarding the absence of undeclared nuclear material and activities.

13. Despite some encouraging progress over the preceding twelve months, there were still 24 NPT non-nuclear-weapon States without comprehensive safeguards agreements. As the Agency could not draw any safeguards conclusions for those States, it was essential that they bring into force their required comprehensive safeguards agreements. He also asked States with SQPs that had not yet done so to amend them.

14. He hoped that all those agreements, which were a prerequisite for the Agency to carry out its verification mission in a credible manner, could come into force in conjunction with the next NPT Review Conference in May 2010 which, it was to be hoped, would strengthen the Agency's non-proliferation efforts and agree on concrete steps for nuclear disarmament.

15. The Board had before it the Director General's report on implementation of the NPT safeguards agreement and relevant provisions of Security Council resolutions in the Islamic Republic of Iran. The Agency had continued to verify the non-diversion of declared nuclear material in Iran. However, there had been no movement on remaining issues of concern which needed to be clarified for the Agency to verify the exclusively peaceful nature of Iran's nuclear programme. As it was now well over a year since the Agency had last been able to engage Iran in discussions about those outstanding issues, matters had effectively reached a dead end, unless Iran engaged fully with the Agency. It would help if the Agency could share with Iran more of the material that was at the centre of those concerns. He also believed that prospects for a resolution of the outstanding issues would be enhanced if Iran were to implement the additional protocol and initiate the hoped-for comprehensive dialogue between Iran and the international community.

16. In September 2009, Iran had informed the Agency that it had decided to construct a new pilot fuel enrichment plant. The Agency had since carried out design information verification at the plant and had verified that it was being built to contain sixteen cascades with a total of approximately 3000 centrifuges. The facility was at an advanced stage of construction and Iran planned to make it operational in 2011. Iran had stated that construction of the plant was part of its efforts to protect sensitive nuclear activities against attack by using passive defence systems.

17. Iran's failure to notify the Agency of the existence of that facility until September 2009, rather than as soon as the decision to construct it or to authorize construction had been taken, was inconsistent with its obligations under the Subsidiary Arrangements to its safeguards agreement. Iran's late declaration of the new facility reduced confidence in the absence of other nuclear facilities under construction in Iran which had not been declared to the Agency.

18. As the Board might be aware, the Agency had been asked by Iran for assistance in providing fuel for the Tehran research reactor, which was used mainly to produce isotopes for medical purposes. After a positive response from the United States, the Russian Federation and France, a meeting had been convened by the Agency in Vienna in October 2009 to discuss the principles and modalities of an Agency project and supply agreement to provide such fuel. On the basis of the discussion at the meeting, he had prepared a draft agreement to ship Iranian LEU for further enrichment in the Russian Federation and processing into fuel in France. In view of the degree of mutual mistrust, the draft agreement had extensive built-in guarantees, consisting of the Agency taking custody of the Iranian material until it was returned to Iran in the form of fuel, in addition to commitments by the Russian Federation, France and the United States to ensure that the agreement was implemented. As an alternative, he had proposed that the LEU could be shipped to a third country such as Turkey, which had the confidence of all parties, and remain there under Agency custody until the reactor fuel was delivered to Iran.

19. The proposed agreement, as originally drafted, had been accepted by the United States, the Russian Federation and France. He was disappointed that Iran had not so far agreed to the original proposal or the alternative modalities, both of which he believed were balanced and fair and would greatly help to alleviate the concerns relating to Iran's nuclear programme. His understanding of Iran's position so far was that it was ready to exchange LEU produced in Iran, in two batches, simultaneously upon receipt of an equivalent amount of fuel for its research reactor. Pending receipt of the fuel, Iran was ready to place the LEU under Agency custody and control, but only in Iran.

20. The proposed agreement was intended to ensure the continued operation of the Tehran research reactor and to maintain its ability to produce medical isotopes, so that cancer patients received the treatment they needed. Equally importantly, it would also help to bring about a shift away from confrontation towards cooperation and open the way for a broad dialogue between Iran and the international community. In his view, the proposed agreement represented a unique opportunity to



address a humanitarian need and create space for negotiations. The opportunity should be seized and it would be highly regrettable if it was missed.

21. Essentially no progress had been made since his last report in clarifying the outstanding issues relating to the implementation of safeguards in the Syrian Arab Republic.

22. Syria had not provided the cooperation necessary to permit the Agency to determine the origin of the anthropogenic natural uranium particles found in samples taken at the Dair Alzour site. Nor had Syria provided information or access that would allow the Agency to confirm its statements regarding the non-nuclear nature of the destroyed building on that site.

23. The Agency was investigating whether particles of anthropogenic natural uranium of a type not in Syria's declared inventory, detected at the miniature neutron source reactor in Damascus in July 2009, might be due to experiments that Syria claimed to have carried out at that reactor with materials containing uranium. The materials and certain experiments should have been reported earlier to the Agency. The Agency had taken additional samples at the reactor on 17 November 2009 and was awaiting the results.

24. The Agency would continue its efforts to verify Syria's statements within the limits of the authority available to it. Without Syria's cooperation, or access to information that might be available to other States, including Israel, the Agency would not be able to progress much further in its verification efforts.

25. The agenda for the current meeting of the Board contained a proposal by the Russian Federation on establishing an LEU reserve for the supply of LEU under Agency auspices to Member States. That nuclear fuel assurance mechanism had been described initially in his report contained in document GOV/2009/31. Since then, the Russian Federation had continued consultations with the Secretariat, and a draft agreement between the Russian Federation and the Agency had been prepared for conclusion in that connection, as well as a draft model agreement between the Agency and a Member State requesting LEU from the reserve. The proposed agreements generically followed the Agency's project and supply agreements.

26. The initiative was fully funded by the Russian Federation. It would guarantee the supply of LEU through the Agency for eligible Member States, in accordance with predetermined criteria to be approved by the Board. It would complement the proposed Agency LEU bank, if and when that was approved, by making more material available to the Agency.

27. He remained convinced that some such mechanism — which was clearly envisioned in the Agency's Statute — was essential as more and more countries introduced nuclear energy. The ultimate goal, however, should be full multinationalization of the sensitive parts of the fuel cycle — uranium enrichment and spent fuel reprocessing — as part of a move towards a world that would, he hoped, be free from nuclear weapons.

28. With regard to the proposal to establish an Agency LEU bank, as described in his report contained in document GOV/2009/30, he was pleased to note that the Nuclear Threat Initiative had once again extended its offer of a financial contribution of \$50 million by another year to September 2010. He remained hopeful that an Agency LEU bank could be set up during the coming year.

29. His views on the inadequacy of Agency funding were well known. He had recently circulated document GOV/INF/2009/10, entitled *The 2010 Budget: Effect on Programme Delivery*, which provided details of areas where the reduction in the approved Regular Budget as compared with the initial proposals would have a significant impact on programme delivery. It would be felt most in the Agency's efforts to respond to requests for assistance from Member States considering or launching

nuclear power programmes. He earnestly hoped that Agency funding would finally be put on a sustainable basis in the years ahead.

30. It had been an honour and a privilege to serve as Director General of the Agency for the preceding 12 years. He was grateful to Member States for placing their trust in him and he thanked all the staff of the Agency for their professionalism, hard work and dedication. He wished the Director General elect every success in the future and expressed the hope that Member States would give the Agency all the support it needed to remain an effective and credible partner in creating a safer and more humane world.

## **2. Technical cooperation: Report of the Technical Assistance and Cooperation Committee** (GOV/2009/77)

31. The CHAIRMAN drew attention to the report of the Technical Assistance and Cooperation Committee contained in document GOV/2009/77, which had been the subject of extensive discussions at the TACC meetings earlier that week. He took it that, as recommended by the Committee, the Board agreed to take the actions set out in paragraph 22 of Annex 1 to the report.

32. It was so decided.

33. The CHAIRMAN also took it that, as recommended by the Committee in paragraph 15 of Annex 2 to the report, the Board agreed to take note of the Secretariat's report on its evaluation of technical cooperation activities in 2009 and the proposed work plan for 2010.

34. It was so decided.

35. Finally, the CHAIRMAN took it that the Board wished to adopt the Committee's report contained in document GOV/2009/77 as a whole.

36. It was so decided.

37. Mr ELMESALLATI (Libyan Arab Jamahiriya), speaking on behalf of the Arab Group, said that the Arab Group had reservations regarding the technical cooperation projects with Israel contained in the proposed programme for 2010. He reminded the Board of General Conference resolution GC(53)/RES/17, concerning the threat posed by Israeli nuclear capabilities, which called on Israel to accede to the NPT and place all its nuclear facilities under comprehensive Agency safeguards, a demand that had already been made in Security Council resolution 487 (1981).

38. Mr NAKANE (Japan) expressed appreciation for the decision by the Republic of Korea to relinquish its status as a recipient of Agency technical cooperation, thus making resources available to other recipient countries. Japan was encouraged and impressed by the willingness expressed by the delegation of the Republic of Korea at the TACC meetings to share with other Member States the experience and knowledge it had accumulated through its participation in the Agency's technical cooperation activities, thereby contributing to the development of other Member States' technical capacities.

39. Mr SCHELAND (United States of America) congratulated the Republic of Korea on its decision to become exclusively a donor of technical cooperation, and expressed the hope that other Member States would also consider taking such a decision.

40. The United States congratulated the Agency on its contribution to making a difference in the world through the application of nuclear techniques in such areas as agriculture and water resources management, and commended it for its continued promotion of PACT and its partnership with the WHO to help make radiation medicine available for cancer diagnosis, treatment and palliative care in developing countries. The work of PACT, and specifically its assessment method, project planning, innovative resource mobilization and results-driven approach, could serve as a model for other areas of the Agency's work such as technical cooperation.

41. The United States was proud of its long-standing, generously funded and firmly held commitment to the advancement of human well-being through nuclear science and techniques across the full spectrum of the Agency's technical endeavours. It was unfortunate that the TACC had set a precedent by not approving by consensus the original technical cooperation programme for 2010, which would have allowed the Secretariat to provide training requested by many recipient States to improve project planning and management. The United States encouraged the Agency to look for opportunities to assist Member States to enhance their human resources capacity in order to achieve greater success in the application of nuclear techniques. Much more remained to be done by the international community to realize the benefits of peaceful nuclear technology on a global basis, and the United States would continue to make its own contributions and seek to enlist the widest possible network of public and private donors around the world.

42. Mr MONDOLONI (France), noting that the Agency's technical cooperation programme should be tailored to meet the needs of Member States and that its implementation should be as efficient and effective as possible, expressed support for the requests from LDCs that special attention be given to their needs, in the spirit of General Conference resolution GC(53)/RES/12.

43. With regard to the proposed programme for 2010 and interregional project INT/0/085 on strengthening Member States' institutional capacity for the application of results-based management across the programme cycle, whose implementation would improve the management of technical cooperation, France hoped that discussions with Member States could be pursued with a view to making useful adjustments and submitting the project to the Board for approval at its meetings in March 2010, and implementing it as soon as possible thereafter.

44. With respect to the evaluation of Agency support activities in the area of nuclear power in 2009, France noted the view expressed by a number of countries that a flexible approach was needed that took account of different national conditions and environments. That was an argument in favour of bilateral cooperation and multilateral assistance being harmonized as far as possible.

45. With regard to the interest shown by Member States in the application of nuclear technology to resolve development problems, France would continue its support for the Agency's technical cooperation programme and would be considering the possibility of making a supplementary contribution for footnote-a/ projects.

46. Mr MINTY (South Africa) stressed that funding of the Agency's technical cooperation programme needed to be sufficient, assured and predictable and, with the increasing number of requests for technical assistance from Member States, there was a need for joint efforts by all to find a viable solution to support the Agency in meeting those expectations. South Africa welcomed the dedicated efforts of all those Member States that contributed to the important task of implementing the Agency's approved technical cooperation projects through the full and timely payment of their voluntary contributions.

47. Mr AZOULAY (Israel)\* rejected the comments made by the representative of the Libyan Arab Jamahiriya on behalf of the Arab Group. Israel's NPT status had nothing to do with the technical cooperation programme and his country was not the only non-signatory State to receive technical

assistance. The assistance it received related to medical, agricultural and safety issues and the fruits of that assistance would thus profit the entire international community. Israel had a great deal of expertise on those issues which could be of use to all Member States.

### **3. Request by the Russian Federation regarding its Initiative to Establish a Reserve of Low Enriched Uranium (LEU) for the Supply of LEU to the IAEA for its Member States** (GOV/2009/73/Add.2; GOV/2009/76 and 80)

48. The CHAIRPERSON noted that the item had been included in the agenda pursuant to a request by the Russian Federation circulated in document GOV/2009/73/Add.2. Document GOV/2009/76 contained a draft agreement between the Russian Federation and the Agency, together with a draft model agreement to be concluded between the Agency and a Member State requesting the supply of LEU. Document GOV/2009/80 contained a draft resolution on the issue, which had been submitted by a number of Board members.

49. Mr BERDENNIKOV (Russian Federation), introducing document GOV/2009/76 and draft resolution contained in document GOV/2009/80, said that Attachment 1 to document GOV/2009/76 contained a draft agreement regarding the establishment on the territory of the Russian Federation of a physical reserve of LEU and the supply of LEU therefrom to the Agency for its Member States, which had been developed through lengthy negotiations between the Russian Federation and the Agency. Attachment 2 thereto contained a draft model agreement between the Agency and a Member State submitting a request to the IAEA for the supply of LEU, which had been developed by the Agency Secretariat.

50. In developing the aforementioned draft agreement with the Agency, his country had proceeded on the assumption that, in a situation where there was a growing interest in the world in nuclear power, the issue of assurances of supply of nuclear fuel was acquiring ever greater significance.

51. Ideas regarding multilateral approaches to the nuclear fuel cycle had been under discussion within the framework of the Agency since its establishment, and had been a subject of discussion even before the Agency's Statute was adopted. The current Director General of the Agency had made a significant contribution to furthering these ideas.

52. One way of providing assurances of supply of nuclear fuel was to establish physical reserves of LEU. That had been addressed, inter alia, in the report issued at the beginning of 2005 of the expert group on multilateral approaches to the nuclear fuel cycle established by the Director General (INFCIRC/640), and in the report by the Director General entitled Possible New Framework for the Utilization of Nuclear Energy: Options for Assurance of Supply of Nuclear Fuel (GOV/INF/2007/11, issued June 2007).

53. In response to those ideas, Russia had launched an initiative for the establishment on its territory of a guaranteed reserve of low enriched uranium.

54. His country's proposal was not unpremeditated. Work on the agreements had been in progress for around three years and efforts had been made to take greatest possible account of the different approaches and positions of Agency Member States. Issues relating to multilateral approaches to the

fuel cycle had been discussed on more than one occasion within the Board of Governors and in various forums both in Vienna and elsewhere.

55. In view of the comments made regarding the need to include all members of the Agency in any consideration of the issue, the head of the Russian delegation, in his statement at the 52nd session of the Agency's General Conference, had presented proposals on the principles for establishing guaranteed reserves of LEU; at the 53rd session of the General Conference, the Russian delegation had developed that proposal and reported on work on the initiative to establish a guaranteed reserve in Russia.

56. In February of the current year, the Russian Federation had submitted the paper attached to document GOV/INF/2009/1 reflecting the main points of the agreement with the Agency then under development. At the March meetings of the Board in 2009, the Russian delegation had again explained his country's approach in detail. That explanation had subsequently been circulated in the Attachment to document INFCIRC/748. During the June meetings of the Board the issue had been raised again.

57. The agreement was now ready and provided for the establishment in Russia of a physical reserve of LEU sufficient for the manufacture of fuel for two full loads for the most common type of pressurized water reactor in the world (PWR, WWER) with a capacity of 1000 MW — 120 tonnes of uranium hexafluoride enriched to 2–5% in uranium-235.

58. He stressed that the Russian Federation's proposal was based in its entirety on Article IX of the Agency's Statute, which provided for the possibility of members making available fissionable material to the Agency. After half a century of delays and postponements, the time had finally come to put into practice the provisions of that article of the Statute. What had been impossible during the Cold War was now possible. A historic opportunity should not be missed.

59. The agreement did not envisage any additional limitations on the rights of Agency Member States to develop their own nuclear fuel cycle technologies.

60. The decision whether or not to take advantage of the proposal would be voluntary for any Agency Member State.

61. The agreement did not undermine in any way the stability of the existing LEU market owing to the small size of the reserve which was being established, and it aimed at dispelling the concerns of those who were worried about the regularity of nuclear fuel supplies.

62. The establishment and maintenance of the guaranteed reserve under the agreement would involve no expenditure from the Agency's budget. The Russian Federation was covering all costs for the production, storage and maintenance of the reserve, and for the application of Agency safeguards to it.

63. The guaranteed reserve which was being established by Russia did not conflict with other initiatives in the field of assurances of supply, be they already existing or potential future initiatives. Russia's proposal was not in competition with those initiatives but rather paved the way for them.

64. Under the draft agreement, any decision regarding the supply of LEU to Member States would be taken by the Director General of the Agency. Nobody would be authorized to interfere in the taking of such decisions by the Director General. That ensured the independent and open nature, free of political considerations, of decisions regarding the use of the guaranteed reserve in Angarsk.

65. What Russia was proposing in the draft agreement might be compared with a free insurance policy for the supply of LEU for nuclear power throughout the world. He encouraged Member States to try it out, as it cost nothing, infringed nobody's rights and did not replace the market.

66. Turning to the draft resolution contained in document GOV/2009/80, he noted that the resolution authorized the Director General to conclude the agreement on the establishment of the guaranteed reserve, and approved the model agreement, both of which were attached to document GOV/2009/76; it authorized him to conclude and implement the corresponding agreements with Member States for the supply of LEU without case-by-case approval by the Board of Governors; and it also contained a recommendation to continue considering, with a view to their adoption, other proposals on assurance of supply of nuclear fuel.

67. The resolution particularly emphasized the inalienable right of all NPT State Parties to develop, research and produce nuclear energy for peaceful purposes without discrimination, and the fact that the guaranteed reserve should not have a negative impact on the existing nuclear fuel market. Another important aspect of the draft was that it pointed to the future, supporting the development and introduction of new proposals on multilateral approaches to the nuclear fuel cycle and new ideas on guaranteed reserves.

68. On behalf of the 14 sponsors, he urged the Board to approve the resolution without a vote.

69. Mr CURIA (Argentina), speaking on behalf of the Group of 77 and China, reiterated the views and concerns the Group had expressed in its statement to the Board in June 2009, namely that there was a need for caution while addressing thoroughly the associated technical, legal and economic aspects of the Russian Federation's proposal, as well as the underlying political dimensions of the issue, so that any proposal that eventually emerged was in full accordance with the Agency's Statute and took into account the respective legal obligations of Member States and the principle of non-discrimination. Any further consideration of the issue of nuclear fuel supply assurances should be based on a coherent and comprehensive conceptual framework that adequately addressed the views and concerns of all Member States, as had been reflected in the Chairperson's summing-up of the discussion of the issue in June 2009.

70. The Group was convinced that consideration of individual proposals must be preceded by consensual agreement on the conceptual framework, outlining the specific political, technical, economic and legal parameters. If the Agency was to establish a mechanism for assurance of nuclear fuel supply, it must first agree on generic common principles and objectives that should then apply automatically to all the different proposals. The Group recommended once again that, subject to the provisions of the Statute, any decision on such proposals be taken by consensus in the General Conference, to take into account the views and concerns of all Member States. Since there had been no development in addressing the concerns of the Group on the matter, it remained of the view that no decision or recommendation could be made at the current stage. The Group looked forward to an open and constructive dialogue which addressed all its concerns prior to further consideration of the matter.

71. Mr LUNDBORG (Sweden)\*, speaking on behalf of the European Union, the candidate countries Croatia and the Former Yugoslav Republic of Macedonia, 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, and Armenia, the Republic of Moldova and Ukraine, thanked the Russian Federation for presenting the two draft agreements pertaining to its initiative and welcomed the related efforts by the parties concerned, as well as the fact that the initiative included coverage of all costs for keeping the reserve. The European Union understood that the proposal was a first step towards consultations and debate on further initiatives that were complementary to each other, and it believed that it was very important to ensure that such initiatives had the widest possible acceptance. In that context, it was prepared to support the proposal on the understanding that the draft agreements would be implemented in conformity with all relevant international agreements and conventions.

72. The European Union also wished to recall other proposals that were on the table, notably the Agency LEU bank, to which project the European Union was planning to contribute up to €25 million once the conditions and modalities had been defined and approved by the Board. Several other European Union member States had also put forward their own proposals, such as the United Kingdom proposal on nuclear fuel assurances and the multilateral enrichment sanctuary project proposed by Germany.

73. Multilateral nuclear fuel supply mechanisms, which aimed at creating an attractive, robust and viable international framework, would provide States with increased energy security and might also offer a credible alternative to the development of national enrichment and reprocessing capabilities, without distorting the existing market. They should be addressed in a way that met the interests of all States and under the best safety, security and non-proliferation conditions. The European Union remained firmly convinced of the potential benefits of multilateral approaches to the nuclear fuel cycle both with respect to increased energy security and non-proliferation, and it had established a set of criteria against which it believed proposals could be assessed, namely proliferation resistance, assurance of supply, consistency with equal rights and obligations, and market neutrality. The European Union also supported United Nations Security Council resolution 1887 (2009) which addressed all aspects of nuclear disarmament and nuclear non-proliferation.

74. Aware as it was of the differences of view on assurance of supply, the European Union believed that it was possible and desirable to find constructive answers to the questions and doubts expressed. It commended the Director General and the Secretariat for their important contributions to the debate and for their efforts to clarify outstanding issues, and it was looking forward to receiving written answers to the remaining questions in the near future. The European Union invited all parties to engage in consultations and discussions, as had been proposed by the Chairperson of the Board in June 2009, and stood ready to engage in any such consultations or discussions that might be convened.

75. Mr FAWZY (Egypt), speaking on behalf of NAM, said that, if the Agency was to establish any mechanism for assurance of fuel supply, it must first agree on a conceptual framework outlining the terms and conditions that would apply to all individual proposals. NAM stressed the political and security implications of the proposals put forward and the need for caution and adequate consultations before any decision was taken, which should be by consensus.

76. Mr YEL'CHENCKO (Ukraine) welcomed the Russian Federation's offer of a voluntary fuel reserve. It was important to ensure that such initiatives had the widest possible acceptance. Ukraine was convinced of the potential benefits of multilateral approaches to the nuclear fuel cycle for increased energy security and non-proliferation. It endorsed the proposed draft agreement between the Russian Federation and Agency.

77. Mr SCHELAND (United States of America) said that, from the outset, the United States had strongly supported the Agency's efforts to establish a mechanism to provide reliable access to nuclear fuel.

78. Speaking in Prague in April, President Obama had called on the international community to work together to build a new framework for civil nuclear cooperation, including an international fuel bank, so that countries could have access to peaceful uses of nuclear energy without increasing the risks of proliferation.

79. That the Angarsk reserve was the first proposed mechanism to emerge was a testament to its merits, which had been carefully devised to benefit all. The reserve would create a security net in the unlikely event of a supply disruption, thus providing greater assurance than the market offered. It would give access to the benefits of nuclear energy without the expense of fuel cycle facilities, allowing States to concentrate resources on the infrastructure needed to operate new plants safely and

securely. It would offer a viable alternative to the expanded use of enrichment and reprocessing technologies, thus affording an added layer of security against the potential proliferation of nuclear weapons. Access to the reserve would not require any State to give up the right to establish or develop further a national fuel cycle for peaceful purposes. The reserve would be financed and operated entirely by the Russian Federation, with all delivery costs assumed by the recipient. Hence, it would impose no burden on Agency resources. It would alleviate safety and security concerns, since the storage, handling and transport of nuclear material would have to be conducted in accordance with Agency nuclear fuel supply standards. It also dealt with liability concerns. The proposal addressed safeguards, since material would only be supplied to non-nuclear-weapon States that had brought into force an agreement with the Agency requiring the application of safeguards on all peaceful nuclear activities, and the supplied material would be subject to that agreement. Finally, LEU would be supplied at prevailing market rates and the reserve would therefore not interfere with the commercial fuel market.

80. Thus, the Angarsk reserve would become a beneficial asset that the Agency could use in a manner consistent with the provisions of its Statute and the domestic law of supplier States.

81. His country recognized that access to fuel fabrication services was a concern among some Board members. It noted that the GNEP Reliable Nuclear Fuel Services Working Group, which had recently held a workshop on that topic, had concluded that the current market provided for qualified alternative vendors for the great majority of power reactors. The Agency should continue to explore ways to ensure access to fuel fabrication services. However, the need to resolve that issue should not prevent the creation of an LEU reserve, which would constitute genuine progress towards greater assurance of fuel supply.

82. In all, a dozen diverse fuel assurance proposals had been made by Member States and NGOs. In the end, a collection of complementary mechanisms could provide a robust and coherent security framework to guard against the possibility of supply disruption. Approval of the Angarsk reserve would constitute an initial, positive step towards such a broader fuel assurance framework. The realization of such an initiative would be a clear testament to the Director General's inspiration and perseverance, and a tribute as his era of leadership drew to a close. He urged Member States to endorse the proposal.

83. Mr CURIA (Argentina) said that it was important that the proposal before the Board recognize explicitly the right to the peaceful development of nuclear technology and that it was not meant to affect international cooperation or trade. However, as had been pointed out by his delegation at the June meetings of the Board, part of the justification for such proposals seemed to be based on the idea that development of the nuclear fuel cycle was inherently proliferative. That idea should be clearly dissociated from any multilateral initiative. In addition, it should be made clear that countries could be suppliers and purchasers simultaneously and without distinction.

84. Argentina was also of the view that the same agreements, standards and objectives with respect to safeguards and safety and security should be envisaged for countries interested in participating in multilateral agreements, and those elements should be incorporated in the agreements in the interests of promoting a coordinated and uniform Agency approach.

85. With regard to transport of the material and the need to make arrangements for transit with neighbouring countries of the State where the LEU reserve was kept, greater detail was needed on implementation in terms of reliability of supply, cost and safety standards.

86. Argentina still had reservations regarding the issue of assurances of supply of nuclear fuel, as it had indicated at the June meetings of the Board. More time was needed to analyse the document and assess the effects of such a system before any decision was taken.



87. His country expected the Secretariat to continue studying in depth the various problems involved in such multilateral projects and would continue to participate in a constructive manner in discussions of the issue. It would be useful to analyse the aforementioned problems with a view to reaching consensus before any premature decisions were taken.

88. Mr BARRETT (Canada) said that, although the international commercial market for nuclear fuel supply had worked well to date and would continue to do so, his country welcomed efforts to devise new mechanisms to help ensure reliable access to nuclear fuel, given the increased confidence such mechanisms could give to countries seeking to develop or expand nuclear power capabilities. Any such mechanisms should be non-discriminatory and available to all States in compliance with their safeguards obligations. Release of the material should be based on objective criteria established in advance. Furthermore, such mechanisms should not require any recipient to give up rights under the NPT, and existing commercial markets should not be disrupted.

89. Canada believed that a variety of complementary proposals and concepts for fuel assurances should be considered and it looked forward to further discussion of the issues in the future. Each proposal must be carefully scrutinized on its own merits.

90. His country welcomed the further elaboration of the Russian Federation's initiative and it endorsed in general terms the role proposed for the Agency in the arrangement. The proposal did not have significant resource implications for the Agency, nor did it impact on the existing rights of Member States. It constituted a practical step forward in addressing fuel assurance issues and Canada supported its approval by the Board. For those reasons, his country had agreed to sponsor the resolution presented by the Russian Federation and encouraged its adoption by consensus.

91. Mr HUANG Wei (China) said that his country had participated actively in recent discussions on initiatives related to the establishment of a multilateral mechanism for assurance of supply of nuclear fuel and it supported the proposal put forward by the Russian Federation. It had taken note that some countries had differing views on the initiative, and it encouraged all parties to seek widely acceptable solutions through consultations with a view to promoting the peaceful use of nuclear energy and preventing the proliferation of nuclear weapons.

92. Mr UZCÁTEGUI DUQUE (Bolivarian Republic of Venezuela) said that the doubts of a large majority of developing countries about the scope of any mechanism related to the nuclear fuel cycle made it necessary to continue debating the issue and avoid the imposition of deadlines which might impact on the reaching of agreements based on consensus. A broad and open discussion would allow the strengths, shortcomings and areas of overlap of each of the proposals to be identified. The need to encourage an exchange of opinions was without prejudice to the content of the initiatives, including the one put forward by the Russian Federation. His country was thus in favour of extensive, comprehensive and transparent consultations.

93. His Government was concerned at the implications of proposals which ran counter to the spirit and purpose of Article IV of the NPT. It therefore rejected any attempt to politicize the issue which sought to establish a cause-and-effect relationship between the capacity to develop the nuclear fuel cycle and horizontal proliferation. The difficulties in the area of nuclear non-proliferation were linked to the lack of political will on the part of the nuclear-weapon States to conduct negotiations in good faith with a view to the reduction and elimination of their arsenals in conformity with article VI of the NPT.

94. Given the complexity and political sensitivity of the issue, the Board should continue its discussions with a view to arriving at a consensus which reflected the aspirations and interests of all Member States.

95. Mr SHIM Yoon-Joe (Republic of Korea) thanked the Russian Federation for the pioneering role it had played in developing a multilateral assurance mechanism.

96. Stable, sustainable and economic access to nuclear fuel was of crucial importance to his country, which was heavily dependent on nuclear energy and maintained a sizeable civil nuclear programme of its own. For that reason, the Republic of Korea supported international efforts to realize the goal of a multilateral approach to the nuclear fuel cycle and it had participated constructively in relevant discussions on the subject. In that regard, he drew attention to the document on the issue which had been submitted by his country and circulated in the Attachment to document INFCIRC/760, which explained five basic criteria for consideration of fuel assurance mechanisms and the unique situation his country faced in developing peaceful nuclear energy.

97. Against that backdrop, his country was of the view that the Russian Federation's initiative deserved further attention. It supported it for the following reasons: it neither infringed any rights of Member States regarding peaceful uses of nuclear energy nor did it exclude other ideas for multilateral nuclear fuel cycle mechanisms; it did not disrupt the market and participation was voluntary; it granted the Agency an important role as an intermediary and guarantor of nuclear fuel supply; it included reasonable eligibility criteria with respect to non-proliferation, safety and security for the consumer State; and it did not place additional financial burdens on Member States, since expenses relating to the storage and maintenance of the LEU were to be borne by the Russian Federation.

98. However, a number of elements required further elaboration, such as the nature of a disruption in the supply of LEU that was not related to technical or commercial considerations, and the relationship between the Russian Federation's LEU reserve and Agency's LEU bank, which were similar proposals.

99. As a sponsor of the draft resolution, his country hoped that it would be implemented in due course in cooperation and consultation with the Agency and Member States. The Republic of Korea would continue to play a constructive role in that international endeavour to promote the peaceful use of nuclear energy through innovative approaches to the nuclear fuel cycle.

100. Mr ANWAR (Pakistan) said that the initiative of the Russian Federation had far-reaching legal, political, economic and technical implications which must be studied closely and dealt with carefully. In its final shape and form, the proposal must be in complete conformity with the Statute, it must be non-discriminatory, and it must take full account of the legal obligations of Member States. That called for open and extensive consultations and a coherent conceptual framework. A set of common generic principles needed to be agreed upon to guide and govern assured supply of nuclear fuel. Those principles must apply to all proposals, of which there were already about a dozen, and they must include the following elements: assurance of nuclear fuel supply should be available to all Member States, both suppliers and recipients, without discrimination; all proposals must be in conformity with the Statute and must not include provisions that went beyond the legal obligations of Member States; there should be no restriction on the inalienable right of Member States to develop nuclear science or technology for peaceful purposes, including the nuclear fuel cycle; in addition to LEU, it should include natural uranium, which was used to fuel a large number of reactors; the mechanism, individual proposals and the common generic principles must be adopted by consensus. As it stood, the proposal under discussion was not in conformity with the aforementioned principles and his country therefore could not support it.

101. Mr SHOOGUFAN (Afghanistan) emphasized the importance of a reserve of LEU to avoid any disruption in the supply of LEU that was not related to technical or commercial considerations, thereby securing stable energy levels and economic development. The issue was of great relevance for many Member States and, since certain countries had shown interest in discussing the matter in the

Board, and all members of the Agency had the right to peaceful uses of nuclear energy, it seemed reasonable to expect that any decision on the issue should be based on a broad consensus, though his country did not have any serious reservations about the proposal of the Russian Federation.

102. Mr VALLIM GUERREIRO (Brazil) said that the comments which his delegation had made when the concept embodied in the proposal put forward by the Russian Federation had been discussed by the Board for the first time in June remained valid.

103. It was still necessary to have a shared understanding about objectives. The first question which needed to be addressed was who would be entitled to access the LEU bank and under what circumstances. The proposed agreement did make it clear that a State would not qualify for access to the LEU reserve if it was experiencing a disruption of supply due to technical or commercial reasons. However, if that was the case, under what circumstances would the LEU be released?

104. If factors such as bankruptcy of the supplier or a serious accident at its enrichment facility were not considered valid reasons for a State to be granted access to the LEU reserve, the only possible scenario his country could envisage was that of a country behaving so recklessly as to trigger the imposition of sanctions against it by all suppliers operating in the global market for enrichment services.

105. There was also the problem of practicality. Before it could be used in nuclear power reactors, LEU had to be transformed into fuel assemblies through processes that were normally under the control of the fuel supplier and based on its proprietary technology. Thus, was it not so that the same reasons that had resulted in a country being denied access to LEU would also prevent it from obtaining fuel assemblies? Even if a given country should qualify for access to the reserve, any LEU which that country could receive under that scheme would be useless unless it already possessed the capability to manufacture fuel assemblies for its own nuclear power reactor.

106. It had been argued that the establishment of an LEU reserve would help promote the peaceful uses of nuclear energy while reducing proliferation risks. However, given the unlikely scenario in which the LEU reserve could actually be used, it was hard to see how the establishment of the reserve would have any tangible impact on fuel supply security.

107. The challenge was to devise an assurance of supply mechanism that was credible, that peace-loving, law-abiding countries could rely on, and that would not interfere with the market. Brazil stood ready to contribute in a constructive manner to future discussions of the issue.

108. Mr ENKHSAIKHAN (Mongolia), noting that his country was a sponsor of the draft resolution, said that the Russian initiative would help assure nuclear fuel supplies for countries with nuclear power programmes that might suffer from a disruption in the supply of LEU for reasons that were neither technical nor commercial. Mongolia believed that the initiative was not only timely but also long overdue. Its support for the initiative was founded on three reasons: firstly, it was based on Article IX of the Agency's Statute; secondly, it did not entail additional costs for the Agency; and thirdly, it was in line with the Director General's proposal to establish an Agency LEU bank.

109. The issue of assured nuclear fuel supplies was acquiring growing importance as more and more countries, including Mongolia, considered introducing nuclear energy. Under the Russian proposal, a recipient Member State would not be required to give up either its right to establish or further develop its own national fuel cycle, or the right to own nuclear fuel cycle capabilities or production capacity in the nuclear fuel cycle. The proposal deserved fair consideration on its own merits. However, it and similar proposals in the field of assurance of nuclear fuel supply must not be used as a means of discouraging the exercise of, or restricting in any way the inalienable rights of Agency Member States under the NPT. Specifically, the right under Article IV to develop research, production and use of

nuclear energy for peaceful purposes without discrimination and in conformity with Articles I and II of the NPT must remain intact.

110. Besides those general considerations, his country's position on the draft resolution had been formulated in the light of Mongolia's evolving cooperation with Russia on uranium exploitation and other peaceful nuclear applications, on which it had already concluded two intergovernmental agreements. Mongolia was also working with other countries on peaceful uses of nuclear energy.

111. Finally, the Russian proposal could have gained much wider support if there had been more consultations and confidence building among Member States since its original submission two years earlier.

112. Mr NAKANE (Japan) said that the Russian initiative was one of the most mature proposals currently on the table. Japan appreciated some of its key elements, in particular that the LEU reserve and its storage facility in the Russian Federation would be placed under Agency safeguards, and that all associated costs would be borne by the Russian Federation. It was beneficial for all to establish a back-up mechanism that gave the Agency additional ways of helping potential recipient States that required fuel supplies. For those reasons, Japan supported the Russian proposal and had decided to sponsor the draft resolution.

113. With respect to other, perhaps more ambitious proposals on nuclear fuel supply assurances, various issues still remained to be clarified from a practical point of view. It was to be hoped that those other proposals, including the one submitted by Japan, would be discussed and considered by the Board and other Agency forums in a transparent manner.

114. Mr SMITH (United Kingdom) said that his country had consistently supported the development of multinational approaches to the nuclear fuel cycle, especially after the idea had gained momentum in 2005 at the initiative of the Director General. It commended the work of the Secretariat to clarify the principles and scope of individual proposals and help bring them forward. It was grateful for the support and constructive inputs it had received on its own nuclear fuel assurance proposal from both Member States and the Secretariat following the recent update it had provided at the September 2009 Board meetings, and it looked forward to bringing a model agreement before the Board in due course.

115. The draft agreements put forward by the Russian Federation marked an important step in turning the fuel supply assurance concept into an effective and workable measure. Attention to the details of how a fuel bank would operate, with clear and transparent arrangements, was essential in order to provide the necessary level of confidence, ensure that the fuel bank properly fulfilled its role and minimize the bureaucratic burden on potential users. The legal agreements were of fundamental importance in ensuring the successful functioning of the International Uranium Enrichment Centre in Angarsk.

116. When dealing with issues related to fuel assurances, discussions both within the Board and in other forums had emphasized the complementarity of different proposals. That was important. There was no one fuel assurance model that could address fully the range of requirements for States about to embark on a new or expanded nuclear programme, and similar models could be replicated in different geographical regions. The United Kingdom accordingly looked forward to the consideration of other proposals by the Board in the near future. Recalling that the Secretariat had agreed to reply in writing to a number of questions raised by Member States, he invited it to confirm that it was ready to do so.

117. The timing was now right to take concrete steps towards fuel supply assurance. The principles had been established, detailed discussions had been held and funds had been committed. The request by the Russian Federation led the way in turning one concept into a reality, and the United Kingdom fully supported its development.

**Mr Feruță (Romania), Vice-Chairman, took the Chair.**

118. Mr GARCÍA REVILLA (Peru) said that the creation of a nuclear fuel bank could give the Agency an additional tool for facilitating and broadening access to peaceful uses of nuclear energy. His country welcomed the various proposals submitted and felt it was important to continue working on a general conceptual framework that took due account of the expectations and concerns of all countries. Peru was particularly interested in the proposal before the Board and thought that it deserved to be discussed openly and calmly. His country was prepared to continue the dialogue on a general conceptual framework and on other valid proposals. Given the importance of the topic, any decision on such proposals should be by consensus.

119. Mr FIDAN (Turkey) said that, in stating its principled position regarding proposals on multinational mechanisms for assurance of nuclear fuel supply, his country had emphasized the conditions which should form the basis for such mechanisms and had indicated its readiness to discuss modalities for possible mechanisms that met those conditions. It kept an open mind towards all specific proposals on the table.

120. With regard to the Russian proposal, his country's technical experts had made an initial examination of both draft agreements and had identified areas requiring further clarification with respect to their practical implementation and political, economic, legal and technical implications. Turkey would have preferred to adopt a decision on the proposal after fuller discussions.

121. Any multilateral fuel assurance mechanisms to be established under Agency auspices should give Member States full confidence that they would be able to obtain nuclear fuel in a predictable, stable and cost-effective manner over a long time period without undue interference. Ownership of those mechanisms by the wider membership of the Agency would provide a broader basis for their implementation. It was therefore essential that any decision be taken by consensus following discussions involving all interested Member States.

122. Mr PATNAIK (India) said that, in his introductory remarks at the Board's June 2009 meetings, the Director General had said that the fuel bank and other facilities would be available to countries on the basis of predetermined non-political and non-discriminatory criteria, that they would be accessible to all States that were in compliance with their safeguards obligations and would be subject to Agency safeguards, and that no State would be required to give up any rights, including the right to develop its own fuel cycle.

123. India had therefore hoped that an effort would be made to strive for consensus on those basic principles and norms before specific proposals regarding assurance of supply were taken up by the Board. That might take the form of an understanding that all proposals submitted would recognize that all Agency Member States should have access to fuel bank arrangements set up under the aegis of the organization. Member States wishing to benefit from such arrangements would naturally be expected to be in compliance with their respective safeguard obligations. It was important that any decision regarding the implementation of any proposal on assurance of supply should take account of the views and concerns of all Member States.

124. Mr MONDOLONI (France) said his country was in favour of the development of mechanisms for assurance of fuel supply that could allay the concerns of countries that feared disruptions in supply. A framework was needed to ensure a variety of different and complementary options was available. Any proposals should also take account of existing market mechanisms, which provided a satisfactory basis for supply of fuel and must not be impinged upon. His country supported the Russian proposal, and it had sponsored the draft resolution and encouraged the Board to adopt it. France also favoured continued discussion of other proposals, in particular that for an Agency LEU bank.

125. Mr STEINMANN (Switzerland) said the importance of the issue before the Board was demonstrated by the fact that, as the Governor from the Russian Federation had pointed out, it had been under discussion for over 50 years. It was an issue that had to be addressed in the context of nuclear non-proliferation and disarmament. His country endorsed the principle of setting up an LEU reserve to be made available to the Agency and thanked the Russian Federation for its generous proposal. At its June 2009 meetings, the Board had carefully studied three proposals which aimed at providing assurances of supply to Member States in the event that fuel deliveries were disrupted. It had identified a number of matters that needed to be clarified. Unfortunately, there had been no time to discuss those matters before the Board's current series of meetings. His delegation remained ready to participate in any discussion of proposals on assurances of supply and on the conceptual framework for such proposals. In the meantime, Switzerland endorsed the draft agreement to be concluded between the Russian Federation and the Agency contained in Attachment 1 to document GOV/2009/76 and the draft model agreement to be concluded between Member States and the Agency contained in Attachment 2 thereto.

126. Mr FAWZY (Egypt) said that that the issue of multilateral assurances of nuclear fuel supply remained a divisive one on which Member States held a wide spectrum of differing and sometimes contradictory views.

127. The existing fuel markets were functioning efficiently, yet fuel supply initiatives had suddenly proliferated, prompting legitimate questions and concerns from a large number of States, including some that, in theory, stood to benefit from such assurances. It was noteworthy that potential beneficiaries had neither requested fuel assurances nor initiated any of the proposals on the table. The many questions raised had yet to be answered to the satisfaction of those who had posed them, and the repeated calls for agreement on a conceptual framework before action on any specific proposal was taken should have been heeded.

128. Thus, Egypt maintained that it was premature for a decision to be taken on any of the fuel supply assurance proposals put forward so far. In reality, the fundamental objective of fuel supply assurances was to discourage States from producing their own fuel and, by extension, to discourage those that had voluntarily acceded to the NPT from exercising their NPT-based right to develop their peaceful nuclear capabilities as they saw fit.

129. That issue could neither be taken lightly nor viewed in isolation from the broader context of nuclear disarmament and non-proliferation. Care should be taken not to cement the misguided idea that certain technologies could be labelled as sensitive or not sensitive depending on which hands they happened to be in. If fuel supply assurance initiatives were to have a future, it was necessary to focus on answering the questions that had been raised and on building a consensus that had so far remained elusive. It was by acting on the basis of consensus that the Agency could act effectively.

130. Mr KAZYKHANOV (Kazakhstan)\* said that, earlier that year, Kazakhstan had welcomed the start of deliberations on multilateral approaches to the nuclear fuel cycle and had extended its full support to the proposal by the Director General for the establishment of an Agency LEU bank. It attached great importance to stable and sustainable access to nuclear fuel. Kazakhstan also gave its full support to the Russian Federation's initiative for an LEU reserve at the International Uranium Enrichment Centre in Angarsk. That proposal was based on Article IX of the Statute and fully complied with the principles for an assurance of supply scheme suggested by the Director General, i.e. it did not depend on political considerations, was non-discriminatory and was available to all States in compliance with their safeguards obligations. The Russian proposal also did not clash with other related initiatives and would not be in competition with them.

131. As a co-founder of the International Uranium Enrichment Centre in Angarsk, Kazakhstan considered the Russian initiative to be one of the most mature proposals that had been made in support of the multinational fuel assurance concept. The establishment of a multinational uranium enrichment centre in Angarsk would create a new framework for civil nuclear cooperation. Furthermore, in defining and approving the conditions and modalities for the nuclear fuel reserve, the international community would acquire another effective non-proliferation mechanism.

132. Mr STURM (Austria)\* said that, in the light of its vision of multilateralization of the nuclear fuel cycle circulated in documents INFCIRC/706 and INFCIRC/755, Austria welcomed the discussions on the Russian initiative. Such initiatives were central to the Austrian vision of a world in which countries wishing to use nuclear power could do so in a responsible manner under a multilateral system that ensured the highest verification, safety and security conditions. Such a system would assure security of supply in a world without division into nuclear haves and have-nots. The Austrian vision encompassed an end to nuclear weapons and, as such, it was the ultimate confidence-building measure: it would promote confidence in an assured supply of energy and provide assurances of the peaceful nature of nuclear programmes.

133. That vision was probably shared by all Member States, but it could not be implemented overnight. The Russian initiative was the first concrete step to be elaborated in detail. A number of delegations had said they would have welcomed more time to discuss the implications of the proposed draft agreements before the Board took a decision. As he understood it, the agreements would be implemented in conformity with the safety, security and verification standards in force at the time they were adopted. Embedded in the NPT, which constituted the cornerstone of the nuclear non-proliferation regime, the agreements would provide a mechanism to ensure that the rights enshrined in Article IV of the NPT were upheld without lowering current standards of verification.

**The meeting rose at 1 p.m.**