IAEA Board of Governors Record of the 1072nd Meeting GOV/OR.1072

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Nuclear verification (b) Implementation of the NPT safeguards agreement in the Islamic Republic of Iran: Report by the Director General



Board of Governors

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Record of the 1072nd Meeting

Held at Headquarters, Vienna, on Thursday, 19 June 2003, at 10.45 a.m.

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Attendance

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

Ms. AL-MULLA	Chairperson (Kuwait)
Ms. KELLY	Argentina
Ms. STOKES	Australia
Mr. ABDENUR	Brazil
Mr. VAPIREV	Bulgaria
Mi. VALIKEV Ms. HALL	Canada
MS. HALL Mr. GONZÁLEZ ANINAT	Chile
Mr. ZHANG Yan	China
Mr. SERRANO CADENA	
	Colombia
Mr. CARRERA DORAL	Cuba
Ms. DRÁBOVÁ	Czech Republic
Mr. CHRISTENSEN	Denmark
Mr. SHOUKRY SELIM	Egypt
Mr. THIEBAUD	France
Mr. HONSOWITZ	Germany
Mr. SREENIVASAN	India
Mr. SALEHI	Iran, Islamic Republic of
Mr. TAKASU	Japan
Mr. AL-DAWOUD	Kuwait
Mr. GULAM HANIFF	Malaysia
Mr. ELOUMNI	Morocco
Mr. RAMAKER	Netherlands
Mr. KOP	
Ms. BRIDGE	New Zealand
Mr. HALPHEN PÉREZ	Panama
Mr. GARCIA	Philippines
Mr. TANASESCU	Romania
Mr. BERDENNIKOV	Russian Federation
Mr. AL-ATHEL	Saudi Arabia
Mr. MINTY	South Africa
Mr. RUÍZ	Spain
Mr. TAHA	Sudan
Mr. MAYOR	Switzerland
Mr. ŞAHİNBAŞ	Turkey
Mr. O'SHEA	United Kingdom of Great Britain
	and Northern Ireland
Mr. BRILL	United States of America
MI. DAILL	United States of America
Mr. ELBARADEI	Director General
Mr. GOLDSCHMIDT	Deputy Director General, Department
	of Safeguards
Mr. DE KLERK	Director, Division of External Relations
	and Policy Co-ordination
Mr. ANING	Secretary of the Board
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Representatives of the following Member States attended the meeting:

Afghanistan, Albania, Algeria, Armenia, Austria, Belarus, Belgium, Bolivia, Costa Rica, Côte d'Ivoire, Croatia, Ecuador, Estonia, Finland, Greece, Holy See, Hungary, Iceland, Indonesia, Ireland, Israel, Italy, Jordan, Kenya, Republic of Korea, Libyan Arab Jamahiriya, Lithuania, Mexico, Namibia, Nigeria, Norway, Pakistan, Paraguay, Peru, Poland, Portugal, Serbia and Montenegro, Slovakia, Slovenia, Sweden, Syrian Arab Republic, Thailand, Tunisia, Ukraine, Venezuela, Viet Nam, Yemen, Zimbabwe.

abbi cylations used in this i ceord.	Abbreviations	used i	in	this	record:
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Agreed Framework	Agreed Framework between the United States of America and the Democratic People's Republic of Korea
ASEAN	Association of Southeast Asian Nations
DPRK	Democratic People's Republic of Korea
G-8	Group of Eight [= G-7+1]
NPT	Treaty on the Non-Proliferation of Nuclear Weapons
NPT Review	Review Conference of the Parties to the Treaty on the Non-Proliferation of Nuclear Weapons

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

6. Nuclear verification

(d) Report by the Director General on the implementation of the NPT safeguards agreement between the Agency and the Democratic People's Republic of Korea

Mr. ALEXANDRIS (Greece)*, speaking on behalf of the European Union, the acceding 1. countries Cyprus, the Czech Republic, Estonia, Hungary, Lithuania, Malta, Poland, the Slovak Republic and Slovenia, the associated countries Bulgaria, Romania and Turkey, and Norway, urged the DPRK, which, according to the Safeguards Implementation Report for 2002, was the only country where the Secretariat had been unable to verify that no nuclear material placed under safeguards had been diverted, to comply with all its treaty obligations, to retract its announced withdrawal from the NPT, and to readmit Agency inspectors. At the recent second meeting of the Preparatory Committee for the forthcoming NPT Review Conference, the parties to the Treaty had agreed to strengthen their political commitment to it and build effective barriers against any country seeking to violate its provisions. The European Union would not tolerate challenges that risked undermining the NPT which had achieved almost universal acceptance. The official statements by the DPRK that fuel rods were being reprocessed in Nyongbyon was cause for great concern. He called on the DPRK to dismantle immediately any nuclear weapons programme in a verifiable and irreversible manner. Only strict observance of the NPT could provide the necessary assurances about the nature of that country's nuclear programme and help demonstrate its desire to establish positive international and economic relations. Finally, he welcomed the Director General's efforts to re-establish dialogue and noted the diplomatic efforts under way to address the problem.

2. <u>Mr. TAKASU</u> (Japan) said that the issue of nuclear weapons development in the DPRK, and in particular the Agency's inability to implement safeguards at nuclear facilities in that country, including a reprocessing facility, posed a serious problem to peace and security in the region and for the international community as a whole. Japan was deeply concerned about the recent action taken by the DPRK, which constituted further non-compliance with its NPT safeguards agreement. It could not accept the development, transfer, acquisition or possession of nuclear weapons by that country, and strongly urged it to comply with all its obligations under the NPT and, consequently, under its safeguards agreement with the Agency, to refreeze its nuclear facilities, and to take prompt action to dismantle its whole nuclear weapons programme in a verifiable and irreversible manner.

3. Japan welcomed the efforts made by all countries concerned, including the pivotal role played by China. The issue should continue to be dealt with multilaterally and peacefully, with the early participation of the countries concerned, including Japan and the Republic of Korea. His country also attached great importance to the constructive role of the Agency and urged the Director General to continue his efforts to implement safeguards in the DPRK, and to report any developments to the Board. He also urged the DPRK to co-operate with the Agency without delay and to respond immediately and positively to the calls of the international community embodied in the relevant resolutions.

4. <u>Mr. ZHANG Yan</u> (China) stressed the importance of achieving a peaceful solution to the DPRK issue though dialogue and consultation. His country would continue to promote such dialogue. In April 2003, representatives from China, the United States and the DPRK had met in Beijing to discuss the crisis. He expressed hope that all the parties involved would exercise restraint, show flexibility and focus on the substance of the problem.

5. <u>Mr. GARCIA</u> (Philippines), speaking on behalf of the members of ASEAN represented in Vienna, said that, in a joint communiqué issued on 17 June 2003, ASEAN foreign ministers had expressed their concern over the situation in the DPRK and their conviction that a nuclear-weapon-free Korea and a peaceful resolution of the current tensions would be a valuable contribution to peace and stability in the region. They had reaffirmed their support for dialogue and consultation among the parties concerned and had welcomed the talks between China, the United States and the DPRK, and the Cabinet-level meeting between the DPRK and the Republic of Korea which had taken place in April 2003.

6. The issue would be further discussed at the 10th ASEAN Regional Forum which had commenced on 18 June 2003 and which could be a useful venue for facilitating dialogue.

7. <u>Mr. BRILL</u> (United States) said that the actions and nuclear weapons programme of the DPRK continued to pose a grave threat to regional and international security. Despite the initiation of multilateral dialogue in Beijing in April 2003, that country continued to pursue a policy of provocation and escalation. On 12 May 2003, it had announced that the North-South Declaration on the Denuclearization of the Korean Peninsula had been reduced to a "dead document" and that it had nearly completed reprocessing approximately 8000 spent fuel rods which had been canned under the 1994 Agreed Framework and stored at Nyongbyon. If reprocessed, the DPRK's spent fuel could yield enough additional plutonium for as many as six nuclear weapons in several months. The DPRK had restarted its 5-megawatt reactor at Nyongbyon without Agency safeguards. That reactor produced plutonium for the country's nuclear weapons programme. The claims that the reactor was being used for electricity generation.

8. At the talks held in Beijing in April 2003, the DPRK had simply restated its previous demands. In addition to statements about reprocessing, DPRK officials had declared that the country had nuclear weapons and had threatened to "demonstrate" or "transfer" those weapons. At the end of May 2003, the DPRK had repeated its claims to possess nuclear weapons and to have completed reprocessing of 8 000 spent fuel rods. On 9 June 2003, it had declared its intention to build up a nuclear deterrent force. That was unacceptable.

9. The prospect that the DPRK could sell plutonium, enriched uranium, or even nuclear weapons, to rogue States or terrorist organizations was a danger that could not be ignored. He called on the DPRK to refrain from further escalatory action, especially reprocessing, which would dramatically increase its stockpile of fissile material intended for nuclear weapons production. The international community would not be intimidated by bellicose statements or threats. If the DPRK honoured its international commitments and eliminated its nuclear weapons programme verifiably and irreversibly, the international community would be prepared to take steps which would benefit its people. His country was seeking a durable, multilateral, diplomatic solution to the problem.

10. He commended the IAEA on its handling of the matter and called on the DPRK to retract its decision to withdraw from the NPT, to take the necessary steps to come into full compliance with the Treaty, to abandon its uranium enrichment programme, to halt operations of the 5-megawatt reactor, to cease all reprocessing activities, to allow Agency safeguards to be applied to all nuclear material in the country or under its jurisdiction or control, and to dismantle its nuclear weapons and related facilities visibly, verifiably and irreversibly. The DPRK's uranium enrichment and plutonium production programmes represented a grave challenge to the non-proliferation regime and were in clear breach of that country's international obligations.

11. <u>Mr. MINTY</u> (South Africa) appealed to the DPRK to fulfil its safeguards obligations and to reconsider its decision to withdraw from the NPT, the cornerstone of the disarmament and non-

proliferation regime. The international community should redouble its efforts to achieve universal adherence to the NPT and should guard vigilantly against any steps that would undermine the determination of the international community to prevent the proliferation of nuclear weapons. His country remained committed to bilateral and multilateral actions aimed at finding a peaceful solution to the situation and fully supported the efforts of the Director General and his staff.

12. <u>Ms. HALL</u> (Canada) expressed deep concern over the reports on the nuclear activities of the DPRK and said that the justifications offered by the DPRK in that regard were neither credible nor acceptable. The rhetoric and actions of the DPRK constituted a grave threat to regional stability and to the integrity of the NPT and the safeguards system. She welcomed the recent trilateral talks hosted by China as a useful first step in resolving the crisis. At the same time, it was worrying that the true nature of the country's nuclear activities could not be verified by the Agency's inspectors. The Director General should renew his efforts to convince the DPRK to allow full and complete Agency access to its nuclear facilities and material as soon as possible.

13. <u>Mr. ABDENUR</u> (Brazil) said that the withdrawal of the DPRK from the NPT in total disregard for its obligations was an unprecedented event. His Government was deeply concerned by the recent announcements of the DPRK regarding the resumption of activities which were in violation of its safeguards agreement and its obligations under the NPT. Those actions posed a serious threat to stability in the region and further undermined the NPT. Brazil supported the diplomatic efforts to achieve a peaceful solution to the situation through open dialogue. He called on the DPRK to reconsider its decision to withdraw from the NPT, thereby contributing to the establishment of a nuclear-weapon-free zone on the Korean Peninsula.

14. <u>Ms. KELLY</u> (Argentina) said that the DPRK's actions constituted a serious threat to the nonproliferation regime and global security, and a step backwards for the international community in its efforts to achieve a world free of nuclear weapons. She urged that country to re-establish links with the Agency and to allow the inspectors to return, and fulfil immediately all its obligations under the NPT and its safeguards agreement.

15. <u>Mr. BERDENNIKOV</u> (Russian Federation) said that his country remained firmly in favour of a non-nuclear Korean Peninsula free of weapons of mass destruction and he called on the DPRK to abandon all its nuclear-weapon-related programmes in a verifiable and irreversible manner. There was no alternative to a peaceful negotiated settlement of the crisis, and every effort should be made to find a long-term, comprehensive political and diplomatic solution which ensured that the NPT was brought back into force on the Korean Peninsula. Russia was willing to do its utmost in that regard, and he called on other members of the Board to do likewise.

16. <u>Ms. BRIDGE</u> (New Zealand) said that her country remained extremely concerned at the situation that had evolved in the DPRK whose announcement of its withdrawal from the NPT flew in the face of its obligations to all other Treaty members and endangered the non-proliferation regime and the safety of the Asia-Pacific region. New Zealand totally rejected the proposition that any country had the right to possess nuclear weapons, but it still hoped that a peaceful solution could be found through dialogue. It would do its utmost to promote that dialogue and supported current diplomatic efforts towards that end.

17. <u>Ms. STOKES</u> (Australia) said that her country was entirely opposed to the DPRK's nuclear weapons programme. The DPRK had to understand that its continued pursuit of nuclear weapons in the face of concerted opposition served only to isolate it further from the international community and from the economic and other benefits it so desperately needed. It was cutting itself off from peaceful nuclear co-operation. All countries had to be vigilant in ensuring that they did not supply the DPRK with, or assist in the delivery to that country of, equipment and technology that could advance its

nuclear programme. Australia supported a peaceful diplomatic solution to the DPRK issue and looked forward to a further round of multi-party talks soon.

18. <u>Mr. Chung-ha SUH</u> (Republic of Korea)* said that the safeguards system was currently facing manifold challenges, one of the most formidable being the DPRK's nuclear weapons programme. At the second session of the Preparatory Committee for the 2005 NPT Review Conference and at the recent G-8 summit, it had again been emphasized that the DPRK's nuclear weapons programme and that country's failure to comply with its Agency safeguards agreement endangered peace and security on the Korean Peninsula and beyond. Participants at both meetings had called on the DPRK to dismantle its nuclear weapons promptly, verifiably and irreversibly. The international community would not tolerate its ambitions and it should take a significant and visible first step to dispel global concerns about its nuclear programme.

19. The Republic of Korea desired a peaceful resolution brought about by diplomatic means based on international co-operation. To achieve that, the DPRK would have to abstain from further provocative action. His country welcomed the trilateral talks held in Beijing in April 2003 and hoped they would prove the beginning of a fruitful diplomatic process aimed at achieving a lasting and stable peace on the Korean Peninsula and in the East Asia region.

20. The Agency was the only body capable of making an independent technical judgment on the nuclear development programmes of individual States and preventing proliferation of nuclear weapons and technology, and he trusted that it would maintain its efforts to address the crucial issue of the DPRK's nuclear programme. His country was ready to extend its full co-operation in support of those efforts.

21. <u>The CHAIRPERSON</u>, summing up the discussions, said that the Board had noted with regret that the DPRK was not co-operating with the Agency, that it had yet to take any of the steps called for in Board resolution GOV/2003/3 adopted on 6 January 2003, and that the Agency was not in a position to offer assurances regarding the DPRK's nuclear material and activities. Some members had stressed the importance of continued dialogue with a view to accomplishing a peaceful resolution of the issue. The Board had also expressed its full support for the Director General in his continued tireless and impartial efforts to bring the DPRK back to the non-proliferation regime, and had requested him to keep it informed of developments.

22. The Chairperson's summing-up was accepted.

7. Designation of members to serve on the Board in 2003-2004 (GOV/2003/37)

23. <u>The CHAIRPERSON</u> said she had prepared a list of members proposed for designation to serve on the Board in 2003-2004. The list was the same as the list approved in 2002 with one exception: Spain was proposed instead of Switzerland, in accordance with an agreement reached in the Western Europe group. The members on the list were Argentina, Australia, Canada, China, France, Germany, India, Japan, the Russian Federation, South Africa, Spain, the United Kingdom and the United States of America.

24. She took it that the Board wished to designate the members on the list to serve on the Board in 2003-2004.

25. It was so decided.

26. <u>The CHAIRPERSON</u> took it that the Board wished to communicate its decision to the General Conference in the usual manner.

27. It was so agreed.

8. Restoration of voting rights (GOV/INF/2003/14 and Add.1)

28. <u>The CHAIRPERSON</u> drew the Board's attention to documents GOV/INF/2003/14 and Add.1 which described the action taken by the Secretariat since the 46th regular session of the General Conference.

29. <u>Mr. ABDENUR</u> (Brazil), speaking on behalf of the Group of 77 and China, expressed concern at the loss of voting rights by 29 developing Member States and the accumulation of arrears currently affecting 50 Member States. Not only was that situation not conducive to a fully participatory, egalitarian and strengthened Agency, it also constituted a warning that the level of the Agency's Regular Budget was already beyond the payment capacity of certain Member States. The Group of 77 and China would therefore like to see an extension of the period of payment plans from 5 to 10 years, as in other United Nations organizations. Thought should also be given to the flexibility of the requirements for such plans. A proposal to that effect had been discussed in the Committee of the Whole during the 46th regular session of the General Conference.

30. Through GC(46)/DEC/8, the General Conference had requested the Board to address that issue during the current series of meetings. The failure to reach consensus in the preceding year had already led to one State leaving the Agency. He therefore urged the Board to take a timely decision so that the Secretariat could prepare the necessary documents, and so that Member States could take steps to recover their voting rights in time for full participation in the forthcoming General Conference.

31. <u>Mr. KANGAI</u> (Zimbabwe)*, speaking on behalf of the African Group, noted with concern that 29 Member States, including 12 African countries, had lost their voting rights. He urged the Secretariat to adopt a flexible approach which would include the possibility of payment in national currencies, and called for the maximum period of the payment plan to be increased from 5 to 10 years as proposed by the Argentine delegation at the 46th regular session of the General Conference.

32. <u>Ms. KELLY</u> (Argentina) said that, according to the Secretariat's report, only two States were currently taking advantage of the payment plan mechanism, while 29 had lost their voting rights, thus jeopardizing their participation in the Agency's work. Moreover, a large number of countries were in arrears. Other organizations offered longer-term payment plans which were consequently more widely used. The Agency's policy of adding the current year to the existing arrears made the maximum payment period of five years far too short. The Board should therefore extend the period to 10 years, which would encourage wider use of the payment plan mechanism and greater participation by all Member States in the Agency's decision-making process. Many countries were having problems paying their contributions to international organizations, a point her country had made in the discussions on the programme and budget.

33. <u>Mr. TAKASU</u> (Japan), stressing the need for maximum financial discipline and responsibility, said that the fact that other organizations had more lenient payment plans did not affect the right of each organization's governing body to take its own decisions. It was also uncertain whether organizations with longer payment plans were in a better position. Furthermore, the matter was being

studied in the working group on the programme and budget and it would therefore be procedurally inappropriate for the Board to take a decision at the current stage.

34. <u>Mr. KOP</u> (Netherlands) welcomed the fact that three States had embarked on payment plans and said that his country would be willing to consider extending the period of such plans. However, there was no automatic link between payment plans and the restoration of voting rights and, if an extension of the repayment period to 10 years were approved, the Member States concerned might recover their voting rights only after they had honoured their commitment to the new schedule for a five-year period.

35. <u>Ms. HALL</u> (Canada), supported by <u>Mr. BRILL</u> (United States of America), agreed with the representative of Japan that, since the matter in question was being considered by the informal working group on the programme and budget, it would be procedurally inappropriate for the Board to take a decision at that time.

36. <u>Mr. ABDENUR</u> (Brazil), supported by <u>Ms. KELLY</u> (Argentina), noted that the attachments to document GOV/INF/2003/14 showed that the Director of the Division of Budget and Finance had himself pointed out the possible advantages for the Agency of extending the period for payment of arrears. The extensive and growing arrears in contributions throughout the United Nations system stemmed not from any lack of commitment but from the unavoidable economic and financial difficulties facing the developing countries. In response to the Secretariat's letters to Member States that had lost their voting rights, only two or three had come forward seeking payment plans. Yet both the Agency and the Member States deprived of full participation stood to benefit from such arrangements. Moreover, the repayment issue was necessarily tied to early recovery of voting rights. It was unacceptable to ask developing countries to endure a waiting period before their voting rights were restored. The issue was of importance to all Member States and the Agency and should be tackled immediately.

37. <u>Mr. WALLER</u> (Deputy Director General for Management), responding to the comments of the representative of Brazil on the attachments to document GOV/INF/2003/14, pointed out that the Director of the Division of Budget and Finance had actually said that an extension in the period of payment plans from 5 to 10 years would be advantageous to the Agency if it resulted in an increased cash inflow. Other international organizations that had taken such a step had enjoyed mixed success so far. The customary practice in the Agency was for the General Committee to recommend to the General Conference that a country's voting rights be restored if that country had entered into a payment plan and paid its assessment for the current year as well as the first instalment of its payment plan.

38. <u>Mr. ABDENUR</u> (Brazil) said that, in his view, an extension of the payment period would certainly result in a greater cash inflow, making the flow of resources more predictable. However, the issue had a political as well as a financial dimension. It was in the Agency's interest to ensure that as many members as possible were fully active and engaged in its work. Although the matter was being discussed within the broader framework of the programme and budget, there was a strong case for making an early decision in the Board.

39. <u>The CHAIRPERSON</u>, summing up the discussion, said that the Board had taken note of the actions taken on the issue of restoration of voting rights since the 46th regular session of the General Conference. Several members had expressed concern at the number of Member States which had lost their voting rights and had indicated that remedying that situation was of importance for both the Agency and its Member States. They had called for an extension of the duration of payment plans from 5 to 10 years and had referred to the Secretariat's own comments on that issue during the 46th regular session of the General Conference. They had urged that a decision be taken on the matter by

the Board. Some members had expressed the view that the issue should be addressed in the context of the ongoing negotiations on the programme and budget and had requested the Secretariat to provide further information. One member had expressed the view that, while an extension of the duration of payment plans could be considered, there was no automatic link between such plans and the restoration of voting rights. The Board had noted the Secretariat's response that the restoration of voting rights was a matter to be decided by the General Conference.

40. The Chairperson's summing up was accepted.

9. Provisional agenda for the forty-seventh (2003) regular session of the General Conference (GOV/2003/33 and Add.1)

41. <u>The CHAIRPERSON</u> said that, under Rule 11 of the Rules of Procedure of the General Conference, the provisional agendas for regular sessions were drawn up by the Director General in consultation with the Board. The adoption of the agenda was ultimately a matter for the General Conference itself, which usually acted on the recommendations of the General Committee.

42. In accordance with the Rules of Procedure of the General Conference, the provisional agenda should be circulated not later than 90 days in advance of the session. However, the item had come up for discussion in the Board only after that deadline and she trusted that members would understand if the provisional agenda was issued a couple of days late.

43. She took it that the Board wished to take note of the draft provisional agenda for the forthcoming session of the General Conference contained in document GOV/2003/33 and Add.1, on the understanding that any updating required would be done before it was finally issued.

44. It was so decided.

10. Representation of other organizations at the forty-seventh (2003) regular session of the General Conference (GOV/2003/39)

45. <u>The CHAIRPERSON</u> said that she assumed that the Board wished to invite the intergovernmental organizations listed in paragraph 2 of document GOV/2003/39 and the non-governmental organizations listed in paragraph 4 to be represented at the forty-seventh regular session of the General Conference, and to invite the four non-governmental organizations which had applied for observer status since the preceding year and which were listed in paragraph 5 of the document to be represented at the Conference in an observer capacity.

46. It was so decided.

11. Any other business

47. <u>Mr. TAKASU</u> (Japan) said that his Government was very concerned about the underrepresentation of Japan in the staffing of international organizations, including the Agency, and attached high priority to rectifying that situation. Unless significant improvements were made, it would have increasing difficulty in assuring its financial commitments to international organizations. He looked forward to discussions of ways of improving the geographical distribution of the Agency's staff, including senior officials, during the September meetings of the Board and at the General Conference.

6. Nuclear verification

(b) Implementation of the NPT safeguards agreement in the Islamic Republic of Iran: Report by the Director General (resumed) (GOV/2003/40)

48. <u>The CHAIRPERSON</u> said that she took it that the Board agreed to make public the report of the Director General contained in document GOV/2003/40 and the initial statement by the representative of the Islamic Republic of Iran.

49. It was so decided.

50. <u>Mr. GULAM HANIFF</u> (Malaysia), speaking on behalf of the Non-Aligned Movement, requested a suspension of the meeting to allow for consultations.

51. The meeting was suspended at 12.15 p.m. and resumed at 12.50 p.m.

52. <u>The CHAIRPERSON</u>, summing up the discussions on the issue, said that the Board had expressed its appreciation for the Director General's report of 6 June, which provided a factual and objective description of developments since March in relation to safeguards issues in the Islamic Republic of Iran which needed to be clarified, and actions that needed to be taken.

53. The Board had commended the Secretariat for the extensive verification activities it had undertaken and had expressed full support for its ongoing efforts to resolve outstanding questions. It had shared the concern expressed by the Director General in his report at the number of Iran's past failures to report material, facilities and activities, as required by its safeguards obligations. Noting the Iranian action taken so far to correct those failures, the Board had urged Iran promptly to rectify all safeguards problems identified in the report and to resolve questions that remained open.

54. The Board had welcomed Iran's reaffirmed commitment to full transparency and had expressed the expectation that Iran would grant the Agency all access deemed necessary by it, in order to create the necessary confidence in the international community. Noting that the enrichment plant was under IAEA safeguards, the Board had encouraged Iran, pending the resolution of related outstanding issues, not to introduce nuclear material at the pilot enrichment plant as a confidence-building measure.

55. The Board had called on Iran to co-operate fully with the Agency in its ongoing work. Specifically, the Board had taken note of the Director General's introductory statement on 16 June in

which he had called on Iran to permit the Agency to take environmental samples at the particular location regarding which allegations about enrichment activities had been made.

56. The Board had welcomed Iran's readiness to look positively at signing and ratifying an additional protocol, and had urged Iran promptly and unconditionally to conclude and implement an additional protocol to its safeguards agreement, in order to enhance the Agency's ability to provide credible assurances regarding the peaceful nature of Iran's nuclear activities, particularly the absence of undeclared material and activities.

57. Finally, the Board had requested the Director General to make a further report on the situation whenever appropriate.

58. The Chairperson's summing-up was accepted.

59. <u>Mr. GULAM HANIFF</u> (Malaysia), speaking on behalf of the Non-Aligned Movement, expressed dissatisfaction with the consultation process in which countries on whose behalf he was speaking had been unable to consider the Board's conclusions until a very late stage.

60. <u>Mr. SALEHI</u> (Islamic Republic of Iran) objected to the unusual manner in which the summingup had been crafted and brought before the Board. His country found the summing-up neither fair nor balanced. It had already indicated that its pilot enrichment plant was under safeguards and the Board, in encouraging Iran to delay the introduction of nuclear material, implicitly cast doubt on the Agency's ability to safeguard that facility. The summing-up should reflect the statements delivered in a balanced manner, yet only four countries had referred in their statements to the notion of not introducing nuclear material at the plant. The summing-up implicitly and explicitly denied and undermined the well-established principle of the inalienable right of all countries to the peaceful use of nuclear technology. Several statements had been made on behalf of the Non-Aligned Movement pointing out the readiness of the Islamic Republic of Iran to co-operate with the Agency. However, few if any of the points made had been reflected in the summing-up. He requested that the Director General's final words on the subject be published either as an attachment to the summing-up or separately.

61. The Islamic Republic of Iran would not associate itself with the Board's statement. It hoped that eventually the issue would be resolved and that the underlying political motivations would be dispelled.

62. <u>The CHAIRPERSON</u> said she took it that the Board wished her summing-up to be made public.

63. It was so decided.

64. <u>Mr. ALEXANDRIS</u> (Greece)*, speaking on behalf of the European Union, said that, in view of the importance the European Union attached to the matter, the Presidency of the European Union would communicate the Chairperson's summing-up to the European Union Summit in Thessaloniki, Greece.

65. The meeting rose at 1.10 p.m.