



STATEMENT
OF
THE DEPUTY FOREIGN MINISTER OF ITALY
H.E. ROBERTO ANTONIONE
ON BEHALF OF
THE EUROPEAN UNION

INTERNATIONAL ATOMIC ENERGY AGENCY (IAEA)
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Mr. President,

1. I have the honour to speak on behalf of the European Union. The Acceding Countries Cyprus, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia and Slovenia and the Associated Countries Bulgaria, Romania, and Turkey associate themselves with this statement.

Mr. President,

2. Allow me at the outset, to congratulate you on your election as President of this Forty Seventh General Conference of the IAEA, and assure you, the members of the Bureau and the Secretariat, of the full support of the European Union as well as of the Countries that have associated themselves with this statement, for the success of this conference.

Mr. President,

3. In June this year the Head of States and Governments of the EU reiterated, at the European Council in Thessaloniki, their commitment against the proliferation of weapons of mass destruction, stating the objective of deterring, halting and where possible, reversing the expansion of proliferation programmes worldwide.
4. The EU considers a nuclear non-proliferation regime of universal character, supported by a strong system of international safeguards an essential prerequisite for collective security. The Non Proliferation Treaty (NPT) is the cornerstone of this global non-proliferation regime and the IAEA's safeguards system represents its essential international instrument. Recent challenges to the Treaty and to the non-proliferation regime have once more emphasised the necessity of its full compliance and the need to actively work towards universal adherence. The EU is fully committed to the NPT and will continue its efforts to maintain the authority and the integrity of the Treaty.
5. At the second session of the Preparatory Committee of the 2005 NPT Review Conference in April this year, the responsibility of the IAEA in further strengthening the safeguards regime was strongly underlined. A position fully shared by the EU and specifically included by the European Council in the above-mentioned Thessaloniki declaration.
6. Moreover, the EU Member Countries, recognising the need for a properly funded safeguards system that is both effective and cost efficient, supported the important budget increases proposed by the Working Group on the Programme and Budget for 2004-2005 at the Board of Governors in July.

Mr. President,

7. The IAEA's international safeguards system is an essential part of the global nuclear non-proliferation regime, a technical tool in support of the political goal of sustaining an environment in which there can be peaceful use of nuclear energy without the diversion of nuclear material nor the dissimulation of nuclear material and nuclear activities directed to nuclear weapons.

8. The universal adoption and implementation of safeguards agreements, and Additional Protocols to them, is undoubtedly a key to an effective and credible safeguards system. In particular, the measures contained in the Additional Protocol are crucial to strengthening IAEA's ability to detect possible undeclared nuclear material and activities and provide assurance about the absence of such activities.
9. The EU strongly supports the necessity of strengthening the safeguards system of the IAEA. The EU would like to emphasise that the IAEA comprehensive safeguards system now consists of the agreements under the model INFCIRC/153 and the strengthening measures contained in the Additional Protocol according to the model INFCIRC/540. We consider that additional protocols are an integral part of the IAEA comprehensive safeguards system and adherence to them should be considered an essential means of demonstrating fulfilment of States Parties obligations under Article III of the NPT. The EU considers that IAEA comprehensive safeguards, including the Additional Protocol, constitute the verification standard.
10. The EU regrets that the number of Safeguards Agreements and Additional Protocols actually in force continues to be well below expectations. [47] States have yet to fulfil their obligations under the NPT to bring comprehensive Safeguards Agreements with the Agency into force, and Additional Protocols have entered into force for only [35] States. All EU Member States have signed Additional Protocols and have either ratified them or are in the process of doing so – and we are determined to bring them into force by the end of the year. The EU therefore joins with others in urging States that have not yet done so, to sign and bring into force their respective Safeguards Agreements and Additional Protocols to them.
11. The adoption by the IAEA of the “Conceptual Framework for Integrated Safeguards” is a major development in the field of verification. The new approach requires, in our view, the evaluation of a vast range of more diverse information. In implementing the new measures, the IAEA should avoid a mechanistic approach and pay more attention to the qualitative aspects. The Conceptual Framework should be further developed on the basis of evaluations, technical developments, implementation experience and continuing dialogue with the Member States. The process of defining the optimum combination of these measures must be developed on a non-discriminatory basis for States that have both Safeguards and an Additional Protocol in force. While nuclear material accountancy, including containment and surveillance, will continue to be essential in providing credible assurance of the non-diversion of declared nuclear material from peaceful activities, only the implementation of the Additional Protocol provides the full potential of detecting undeclared nuclear material and activities.
12. Finally, the EU commends the Secretariat for stepping up its efforts to encourage and facilitate the conclusion of Safeguards Agreements and Additional Protocols on the basis of its Plan of Action and the presentation made at the Preparatory Committee for the 2005 NPT Review Conference during the 2nd session in Geneva.

Mr. President,

13. The EU invites the Secretariat to further develop its co-operation with EURATOM especially with the view of enhancing the implementation of the integrated safeguards system of the IAEA in the EU. We hope that other States and Regional Systems will also increase their co-operation with the IAEA and thereby contribute to the strengthening of the Safeguards System.

Mr. President,

14. The fight against terrorism and the proliferation of weapons of mass destruction represents a challenge of paramount importance for the International Community. The EU Members States strongly support all measures aimed at preventing terrorists from acquiring nuclear weapons. While the primary responsibility for the necessary nuclear security rests with Member States, the Agency clearly has an essential role to play in combating nuclear terror. After September 11th 2001 the IAEA moved rapidly to reorient and reinforce its activities relevant to the protection against nuclear terrorism. We support the work of the IAEA in this field and we welcome the contributions provided by Member Countries to the Nuclear Security Fund.
15. The EU commends the Director General and the Secretariat for helping Member States to establish and maintain a stringent nuclear security framework for nuclear installations and materials. We supported the decision taken by the Board of Governors in March 2002, which paved the way for much greater international co-operation under IAEA co-ordination and we welcome the progress in implementing activities relevant to protection against nuclear terrorism as reported by the Secretariat. The activities of the Agency to prevent nuclear terrorism are expanding and are mainly in support of national measures. Technical Co-operation programmes are also playing an important role in up-grading safety and security and also in this context will be a valuable instrument.
16. Effective physical protection of nuclear material remains of crucial importance. The EU welcomes the fact that the number of States parties to the Convention on the Physical Protection of Nuclear Material has increased to 87. The EU calls upon States that have not yet done so to accede to the convention.
17. With regard to the amendment of the Convention on the Physical Protection of Nuclear Material, the EU welcomes the final report of the open-ended group of legal and technical experts. An amendment of the nature proposed could strengthen the physical protection of nuclear material and nuclear facilities worldwide, including against acts of sabotage, and might foster increased international co-operation, contributing to nuclear non-proliferation. The EU reiterates its position that, as a result of an increased threat of nuclear terrorism, it wishes to see the amendment of the CPPNM to be finalised as soon as possible.
18. The EU also welcomes the results of the International Conference on Security of Radioactive Sources, that took place in Vienna this year, recognising the need to strengthen the safety and security of radioactive sources with proposals for identifying, searching for, recovering and securing high-risk radioactive sources and improving the planning of the response to radiological emergencies.

19. Last, but not least, the EU welcomes the IAEA's work in support of States efforts to combat illicit trafficking in nuclear and other radioactive material and calls upon States to introduce and enforce appropriate measures to that effect.

Mr. President,

20. The Board of Governors approved in July the conclusion of the Working Group on Programme and Budget. The compromise reflects the various needs of Member States which fall within the statutory activities of the Agency. The EU appreciates the extent of the consultations that have taken place in the Working Group and is grateful to the Co-Chairmen of the Working Group for their skill and dedication. The EU was well aware of the difficult context in which the Agency has to finance its statutory obligations under the Regular Budget. It was in fact mainly due to the unavoidable and exceptional future needs of the IAEA's verification activities that the EU Member Countries were able to accept the compromise package that led to the substantial increases of the Budget for 2004-2005.
21. The EU fully supports the Director General in his efforts to improve the efficiency and effectiveness of the Agency and encourage the Secretariat to continue to develop a strong management and a clear definition of cross-cutting activities. On the other hand, the EU is concerned that a number of Member States do not live up to their financial obligations to the Agency and strongly urges all Member States to pay their contribution to the regular budget in full and on time.
22. The EU requests to introduce in the Agency a single currency system based on the Euro to take effect from 2006. The Agency being located in Vienna and the fact that the overwhelming majority of IAEA's expenditures occur in Euro, underlines the advantages of a Euro based financial system that will contribute to improve transparency, effectiveness and efficiency in the Agency's management. The EU appreciates the work done so far by the Secretariat and is looking forward to have a full conversion of the functional currency of the IAEA to Euro, as the legally valid currency, for the Regular Budget and the Working Capital Fund, including the Audited Accounts and Financial Statements.

Mr. President,

23. The EU commends the work by the IAEA in Iraq since last year's General Conference. The EU supports all efforts made by the IAEA to continue to verify the nuclear material in IRAQ and welcomes the IAEA's mission which focused on verification of the material subject to safeguards in Tuwaitha, where looting had reportedly taken place.
24. Although the Agency's mandate in Iraq under various Security Council resolutions still stands, the Council has stated in resolution 1483 that it will revisit that mandate. The EU looks forward to such a review. Nonetheless, the EU wishes to recall, irrespective of the mandate under Security Council resolutions, there is for the Agency the continuing obligation under Iraq's NPT safeguards agreement, to control that Iraq does not have any prescribed nuclear material.

Mr. President,

25. In line with the conclusion of the European Council of Thessaloniki the EU Ministers expressed on the 17th of July their increasing concern over the development of the Iranian Nuclear Programme and for the proliferation risks implied. The Council reiterated its expectation for Iran to co-operate fully with IAEA and meet all the requests formulated by the IAEA Board of Governors. A prompt and unconditional signature, ratification, and implementation of IAEA Additional Protocol is of the utmost importance as it will be considered a sign of the Iranian commitment in the field of non proliferation.
26. We take note of the most recent report of the Director General on Iran. The EU regrets that the scope and extent of Iran's nuclear programme was not disclosed earlier to the IAEA and to the international community and considers with growing concern its proliferation implications.
27. The two reports presented this year by the Director General to the Board of Governors noted that Iran had failed to meet many obligations under its Safeguards Agreement with the Agency. The delay in notifying the full scope and extent of Iran's nuclear programme, the undeclared receipt of nuclear material, the missed declaration of the facilities where it was stored and processed, the introduction, despite the Board of Governors call, of nuclear material in the Pilot Facilities in Natanz and the presence of undeclared high enriched uranium, are all reasons of grave concern. For these reasons the EU calls on the Iranian Authorities, as a confidence building measure, to cease any activities related to the enrichment process until the high enriched uranium questions have been resolved by the Agency and to interrupt any reprocessing activities. In particular the EU looks forward to further clarification on the import of sophisticated material during the nineteen eighties, on the Heavy Water projects and on the production of uranium metal.
28. The EU fully supports the Director General in his efforts to rapidly resolve outstanding issues with Iran. The EU urges Iran to address in full co-operation with IAEA, in a detailed and substantiated manner, the questions, which have been raised on its nuclear programme, and to take all the necessary steps to ensure full transparency of this nuclear programme and restore the confidence of the International Community. EU Member States consider that at this point the unconditional and immediate adherence to an Additional Protocol to the Safeguards Agreement and its entry into force would be a significant step in this respect. The EU calls upon Iran to fully co-operate with the IAEA, as a way to implement its official transparency policy.
29. The EU attributes capital importance to compliance with international non-proliferation regimes. Indeed weapons of mass destruction constitute one of the issues of concern in the political dialogue between Iran and the EU, the progress of which will have implications on the development of the economic relations between the two parties. The EU wishes to convey a clear message to Iran that it is in its interest to follow the internationally applied norms on peace and security both at the international and regional levels.

Mr. President,

30. Many times over the last years the EU has expressed its grave concern over DPRK's continued failure to implement fully its Comprehensive Safeguards Agreement with the IAEA. The EU deplores the DPRK declaration to withdraw from the NPT. The EU calls upon the DPRK to dismantle its nuclear weapons programme in a complete, verifiable and irreversible manner and meet the requirements of the Non-Proliferation Treaty which still stand. Only strict observance of the NPT, including full implementation of comprehensive IAEA safeguards, can provide the necessary assurances about the nature of the DPRK's desire for positive international relations.
31. The EU is alarmed that it has still not been possible for the IAEA to verify the completeness and correctness of the initial DPRK report of its nuclear materials. The EU commends the Agency for its efforts since last September and supports efforts by the Director General to seek dialogue with the DPRK in order to find a solution for the implementation of safeguards. Furthermore, since December 2002, the IAEA has been unable to confirm the non-diversion of nuclear material to non-peaceful uses. The EU notes that the IAEA Board of Governors has reported further non-compliance by the DPRK with its Safeguards Agreement to the UN Security Council.
32. The EU, supports the continuation of the dialogue among all interested parties, for this reason welcomes the two meetings held recently in Beijing with the view of finding a possible negotiated solution to the question and encourages all the parties involved in those meetings to pursue negotiations actively and in good faith. We strongly urge the DPRK to come unconditionally into full compliance with all its relevant international commitments, in particular its IAEA Safeguards Agreement under NPT, as a first step by, inter alia, allowing the re-establishment of the required containment and surveillance measures at its nuclear facilities and the full implementation of all the required safeguards measures at all times including the return of IAEA inspectors.

Mr. President,

33. Nuclear safety is a permanent concern of the International Community and its continuous improvement is the goal of all IAEA member States. The responsibilities of the States engaged in nuclear activity with respect to their own populations, their neighbours and the International Community cannot be over-emphasised. The EU Member States and Acceding Countries closely co-operate to maintain in the Union a high level of nuclear safety including during the decommissioning of nuclear installations and the management of the radioactive wastes.
34. The EU believes that much effort is still needed in some countries for their safety to reach internationally accepted levels. To achieve this goal, co-operation by all is required. The EU therefore recognises the essential role the Agency is playing in this crucial area by giving information and assistance on request to help States enforce their own national regulations and through the development of Safety Standards.

35. With regard to the improvement of the safety and security of radioactive sources, the EU welcomes the ongoing activities of the Agency. The safety and security of radioactive sources is of paramount importance and efforts to ensure this would pave the way for other forms of Technical Assistance from the Agency. The European Union is also pleased by the endorsement by the last Board of Governors of the revised Code of Conduct on the Safety and Security of Radioactive Sources, as recently proposed by the experts group, which appears to be an appropriate solution to deal with the deficiencies identified in this particular area. The EU encourages all countries to strengthen regulatory controls of High Risk Sources within their territories and to observe the principles contained in the IAEA code of conduct on the safety and security of radioactive sources. The IAEA Secretariat is assisting Member States to develop national strategies for the safe and secure management of radioactive sources as recently highlighted at the Rabat Conference. In this regards, the EU reaffirms its full support to the IAEA confirming its readiness to co-operate, when and as appropriate, in order to detect and locate orphan sources and to facilitate their subsequent management.
36. The EU would like to stress the importance of the Nuclear Safety Convention as well as the Joint Convention on the Safety of Spent Fuel Management and the Safety of Radioactive Waste Management, which came into force in June 2001. The majority of EU Member States have already ratified the Joint Convention and urges Member States to become parties to the Convention. The EU Member States look forward to the first review meeting of the national reports by contracting parties that will take place in November 2003.
37. We note with satisfaction the success of the International Conference of the Safety of Transport of Radioactive Material that took place in Vienna in July 2003. There was broad agreement that the IAEA transport regulation provides a sound technical basis for the safe transport of radioactive material. The regulations are already widely applied, but the goal is to reach a situation in which they will be applied consistently by all States to all transports for all types of radioactive material. In this regards the Conference findings noted the value of the IAEA's TranSAS service as a tool for both promoting and demonstrating compliance with the regulation. The EU encourages States to use this tool.
38. We also note with satisfaction the success of the International Conference on National Infrastructures for Radiation Safety that took place in Rabat in early September. This Conference has not only confirmed that importance of an appropriate national infrastructure for ensuring control of radioactive sources from manufacture to disposal, but also the paramount role of adequate training for controlling occupational and medical exposures, as well as the need for a reduction of public exposure, for adequate arrangements concerning emergency preparedness and international co-operation.

Mr. President,

39. The EU continues to follow closely the development of projects related to innovative reactors and fuel cycles in particular with regard to the development of new approaches to safety, non-proliferation and minimisation of nuclear waste. The EU wishes to highlight the many benefits that nuclear technologies can bring to social and economic progress. To cite only a few, nuclear

methods are invaluable to medicine, both in diagnosis and therapeutic applications, isotopic techniques to support the evaluation and management of water resources, and the sterile insect technique is an effective and environment-friendly tool against some of the major diseases affecting health and stock breeding. The EU commends the action of the Agency to promote the transfer and the use of nuclear technologies for the benefit of mankind and the environment.

40. The use of nuclear technology relies heavily on the accumulation of knowledge. The question of ensuring the continuity of nuclear knowledge is becoming a major issue. Effective management of nuclear knowledge involves ensuring the continued availability of both technical information and qualified people. This is critical to ensuring safety and security, encouraging innovations and the future availability of the benefits of nuclear technologies in the field of human health, food and agriculture, water management, industrial applications and electricity generation. International co-operation is of critical importance, and the Agency is requested to use its potential in assisting Member States to ensure the promotion of nuclear education.

Mr. President,

41. Technical Co-operation is one of the pillars of the activities of the Agency and the EU has always played an instrumental role in its development. The level of voluntary contributions provided by EU Member States to the Technical Cooperation Fund in 2003 will amount to well over 35 % of the total contributions. We cannot but note the existence of almost 10 million USD in outstanding assessed programme costs. This amounts nearly to 10 % of the target figure for 2003 for the Technical Co-operation Fund and represents a serious impediment to the Agency's Technical Co-operation Programme. The EU will continue to co-operate fully with its partners, with the aim of reaching the TCF target.
42. The EU supported the decision reached at the Board of Governors on the Technical Co-operation funding for the near future. On this matter however the EU wishes to underline that the funds must be used in the most cost-effective, efficient and transparent way possible. The EU attaches great importance to the monitoring and evaluation of ongoing programmes as it provides important input into the continuous process of formulation and execution of the programmes.
43. In the past few years, strong efforts have been made for rendering technical assistance more fruitful and cost-effective, and we have all witnessed their beneficial effects. It is therefore important to continue along these lines and to keep demanding actual commitments from the recipient countries. Co-operation between countries, especially within the framework of the regional assistance programmes set up by the IAEA, should also be encouraged.
44. The EU is of the view that the technical assistance provided by the Agency should support national development programmes. The EU also believes that the recipient State and the Agency must ensure proper co-ordination between the Agency's own Technical Co-operation

activities and those of other Organisations with the aim of achieving synergies and avoiding duplications.

Mr. President,

45. the IAEA's indispensable role, as the competent authority for the verification of compliance with the Safeguards Agreements covering the non-proliferation of nuclear weapons, has proven to be worthy of the trust of the International Community. At the same time, the Agency plays an essential role in promoting the safe usage of nuclear technology for peaceful applications in those Member States which use that technology. The EU and its Acceding States reiterate their full support to the Agency and their commitment for the realisation of its statutory functions.