IAEA
International Atomic Energy Agency

General Conference

GC(48)/OR.1
Issued: October 2004

General Distribution
Original: English

Forty-Eighth (2004) Regular Session

Plenary

Record of the First Meeting

Held at the Austria Center Vienna on Monday, 20 September 2004, at 10.10 a.m.

Temporary President: Mr. TAKASU (Japan)
President: Mr. RÓNAKY (Hungary)

Contents

The composition of delegations attending the session is given in document GC(48)/INF/16/Rev.1.

[*] GC(48)/1.

Contents (continued)

Abbreviations used in this record:

AFRA	African Regional Cooperative Agreement for Research, Development and Training Related to Nuclear Science and Technology
CPPNM	Convention on the Physical Protection of Nuclear Material
DPRK	Democratic People's Republic of Korea
EU	European Union
G-8	Group of Eight
GTRI	Global Threat Reduction Initiative
HEU	high-enriched uranium
INPRO	International Project on Innovative Nuclear Reactors and Fuel Cycles
ITER	International Thermonuclear Experimental Reactor
Joint Convention	Joint Convention on the Safety of Spent Fuel Management and on the Safety of Radioactive Waste Management
MSSP	Member State Support Programme (for Agency safeguards)
NEPAD	New Partnership for Africa's Development
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
NSF	Nuclear Security Fund
NUSSC	Nuclear Safety Standards Committee
NWFZ	nuclear-weapon-free zone
PACT	Programme of Action for Cancer Radiotherapy
PBMR	Pebble Bed Modular Reactor (South Africa)
R&D	research and development
RASSC	Radiation Safety Standards Committee
SIT	sterile insect technique
TCF	Technical Cooperation Fund
Transport Regulations	Regulations for the Safe Transport of Radioactive Material
TranSAS	Transport Safety Appraisal Service
TRANSSC	Transport Safety Standards Committee
WASSC	Waste Safety Standards Committee
WHO	World Health Organization

– Opening of the session

1. The TEMPORARY PRESIDENT declared open the forty-eighth regular session of the General Conference.

2. In accordance with Rule 48 of the Rules of Procedure of the General Conference, he invited delegates to observe one minute of silence dedicated to prayer or meditation.

All present rose and stood in silence for one minute.

3. The TEMPORARY PRESIDENT said that the Agency had made significant progress in the areas of nuclear technology, safety and security and verification since the forty-seventh regular session of the General Conference, and he commended Member States on their achievements in the peaceful utilization of nuclear energy during the fiftieth anniversary year of Atoms for Peace.

4. Through international efforts there had been steady progress in improving the safety, economics and proliferation resistance of nuclear technologies, which were playing an indispensable and expanding role in promoting sustainable development and enhancing human well-being and security. In that regard, it was essential to ensure compliance with international safety standards with a view to minimizing risks. Commendable progress had been made in the management of spent fuel and radioactive waste, the transport of radioactive materials and the prevention of nuclear terrorism.

5. Through impartial, effective and credible verification activities and the implementation of a safeguards system strengthened — inter alia — through the universalization of the additional protocol, the Agency had enhanced its capacity to meet challenges to the non-proliferation regime. Nonetheless, further efforts were needed in order to enlarge the contribution of nuclear energy to worldwide peace, health and prosperity.

1. Election of officers and appointment of the General Committee

6. The TEMPORARY PRESIDENT invited nominations for the office of President of the Conference.

7. Ms. ŽIAKOVÁ (Slovakia), speaking on behalf of the Eastern Europe Group, proposed Mr. Rónaky (Hungary) for that position.

8. Mr. Rónaky (Hungary) was elected President by acclamation.

9. The TEMPORARY PRESIDENT congratulated Mr. Rónaky on his election and wished him every success in his task.

Mr. Rónaky (Hungary) took the Chair.

10. The PRESIDENT thanked all delegations for supporting his nomination. He expressed gratitude to his predecessor, Mr. Takasu, for his able guidance of the previous session of the General Conference.

11. Since becoming a Member State, in 1957, Hungary had consistently demonstrated its strong and active commitment to the Agency's goals and activities.

12. Recent years had seen a dramatic increase in the Agency's public profile and in the importance accorded to the Agency by the international community. Since the forty-seventh session of the General Conference, nuclear-related developments had increasingly come to the forefront of public attention, and the agenda for the forty-eighth session included issues which — as never before — were recognized as having a direct impact on the lives and well-being of millions of people. The rapid development and dissemination of nuclear technology and knowledge opened up new and promising opportunities for sustainable development, but they also presented new challenges. Since the previous session of the General Conference, the Agency had made great progress in promoting — and providing assurances of — the safe and peaceful utilization of nuclear technology for social and economic development, continuing to serve as a valuable and versatile instrument from which Member States had benefited irrespective of their priorities. In an age when global challenges demanded intensified interaction among States, international organizations had an indispensable role to play in finding global solutions. The key objective at the General Conference's current session should be to make the Agency an increasingly effective tool of multilateral cooperation.

13. Turning to item 1 of the provisional agenda, Election of officers and appointment of the General Committee, he recalled that, pursuant to Rules 34 and 40 of the Rules of Procedure, the Conference normally elected eight Vice-Presidents, the Chairman of the Committee of the Whole and five additional members of the General Committee — resulting in a General Committee of 15 members.

14. He proposed that the delegates of Canada, Chile, Indonesia, the Republic of Korea, the Russian Federation, Spain, Yemen and Zimbabwe be elected as Vice-Presidents; that Mr. Othman (Syrian Arab Republic) be elected as Chairman of the Committee of the Whole; and that the delegates of Burkina Faso, Mexico, Poland, Switzerland and Turkey be elected as additional members of the General Committee.

15. The President's proposals were accepted.

16. The PRESIDENT further proposed that the General Conference deal with items 2, 3, 4 and 6 pending receipt of the General Committee's recommendation on the provisional agenda.

17. The President's proposal was accepted.

2. Applications for membership of the Agency (GC(48)/5, GC(48)/21 and GC(48)/22)

18. The PRESIDENT drew attention to documents GC(48)/5, GC(48)/21 and GC(48)/22 containing applications for membership by the Republic of Chad, the Republic of Togo and the Islamic Republic of Mauritania, respectively. The three applications had been endorsed by the Board, which had also submitted three draft resolutions for adoption by the General Conference.

19. He took it that the Conference wished to adopt the three resolutions.

20. It was so decided.

3. Message from the Secretary-General of the United Nations

21. Mr. ABE (Under-Secretary-General for Disarmament Affairs) read out the following message:

"I am pleased to send my best wishes to the 48th General Conference of the International Atomic Energy Agency. The IAEA's role in helping to maintain international peace and security is as vital today as at any time in its history. The Agency is an important catalyst in the promotion of a culture of safety and security in the peaceful use of nuclear energy. The international community recognizes the Agency's independent, technically competent and impartial verification of global non-proliferation efforts.

"The work of the IAEA is helping to meet many of the biggest challenges facing the world today – from combating climate change to preserving the environment, from feeding and protecting the health of the world's growing population to supplying the water and energy needed for sustainable economic growth and development. I welcome the Agency's efforts in these fields, and I urge it to develop further the use of nuclear techniques for sustainable development.

"I wholeheartedly support the IAEA's work to strengthen nuclear safeguards and to encourage the conclusion of additional protocols to safeguards agreements. In this context, I again call for the early resumption of the Agency's safeguards activities in the Democratic People's Republic of Korea. I also call upon the Islamic Republic of Iran to further cooperate with the Agency in fully resolving outstanding issues regarding its nuclear programme.

"It is also my hope that the forthcoming 2005 Review Conference of the States Parties to the Treaty on the Non-Proliferation of Nuclear Weapons will bring about renewed commitments to all treaty obligations, including progress in achieving adherence to comprehensive safeguards by all States Parties and in further promoting the importance of the additional protocol.

"The ongoing conflict in the Middle East and its potential for escalation is a source of great concern. I therefore commend the recent efforts of the IAEA to work towards the application of full-scope IAEA safeguards in the Middle East, in furtherance of the goal of a nuclear-weapon-free zone in the region.

"I also fully share the deep concern of many over the risk of terrorists acquiring and using nuclear devices or radioactive materials. Keeping nuclear weapons out of such dangerous hands is a *sine qua non* of global security. I therefore urge all Governments to work closely with the IAEA in taking stronger measures to ensure the physical protection, safety and security of nuclear and radioactive materials, as well as relevant equipment and technology.

"This 48th General Conference offers a renewed opportunity to address some issues of core concern to the international community in a forthright manner. I urge all Member States to seize this opportunity, and I wish you a successful outcome."

4. Statement by the Director General

22. The DIRECTOR GENERAL said that every year brought new challenges and opportunities, and for the Agency the previous twelve months had been no exception. The outlook for nuclear power was evolving, with increasing attention being paid to its benefits as an environmentally clean source of electricity, but with concerns remaining with regard to waste disposal, safety and security. Nuclear applications related to human health, agriculture and other areas were increasingly contributing to global sustainable development initiatives, and the Agency had redoubled its efforts to support those initiatives by improving the efficiency and extending the reach of its technical cooperation programme. Global cooperation in matters of safety and security had resulted in good progress, but there was still much to be done. In the area of verification, the Agency's activities were at the centre of efforts to curb nuclear proliferation, and the Agency had continued to prove its ability to conduct objective and credible safeguards — but it still faced a number of difficult and unresolved situations, and the international community had begun to focus on how to strengthen the nuclear non-proliferation regime.

23. The year 2004 marked the 50th anniversary of civilian nuclear power. With 439 power reactors worldwide, nuclear energy continued to account for about 16 per cent of the world's electricity production, keeping pace with the steady growth in the global electricity market.

24. Near-term growth in nuclear capacity continued to be centred in Asia and Eastern Europe, owing to a combination of factors, including the rise in electricity demand, the existence of a well-developed industrial infrastructure, and the lack of indigenous alternatives in some countries.

25. Projections for the longer-term future varied widely, depending on what assumptions were used. Factors shaping the current debate included the growth in electricity demand, the emphasis on combating climate change, and the way in which a given nation balanced the risks associated with a nuclear energy accident against other risks — such as air pollution or energy dependence. Clearly, not every country shared the view that improved economics and safety performance warranted a revival of nuclear power. Those were complex matters of legitimate debate, and it was important for the Agency to provide comprehensible and accurate information to ensure that the benefits and risks of nuclear technology were clearly and fairly understood.

26. A factor key to the future of nuclear power was the degree to which advances in evolutionary and innovative reactor and fuel cycle technologies were implemented, to address safety, waste and proliferation concerns and considerations of economic competitiveness. More than 20 Member States were involved in national and international projects to develop advanced and innovative reactor and fuel cycle designs, ranging from water reactors to liquid-metal-cooled fast reactors to accelerator-driven systems.

27. The Agency's International Project on Innovative Nuclear Reactors and Fuel Cycles (INPRO) had completed 14 case studies in seven countries, to test and provide feedback on the methodology — published in 2003 — for assessing innovative nuclear energy systems. In December 2004, the INPRO Steering Committee would begin to examine potential directions for INPRO Phase II, such as coordinated R&D initiatives that would build on INPRO results to date.

28. Regarding the long-term management of spent fuel and radioactive waste, progress continued to be slow, but steady. At the International Conference on Geological Repositories held in December 2003 in Stockholm, experts had agreed that the majority of technological issues had been satisfactorily addressed, but that social issues — such as public acceptance and political endorsement — were still problematic.

29. The Agency was continuing to assist Member States in developing waste management and disposal strategies, and he welcomed the renewed interest in multinational approaches to spent fuel management and disposal. More than 50 countries now had spent nuclear fuel — including fuel from research reactors — stored at temporary sites, awaiting disposal or reprocessing. It was encouraging that the Russian Federation had expressed interest in an international approach to spent fuel storage and reprocessing and had agreed to work with the Agency in giving consideration to its feasibility. The Agency intended to hold a conference in Russia in 2005 to discuss ways of moving forward with international cooperation on such an initiative.

30. The concept of multilateral control or oversight over proliferation-sensitive parts of the nuclear fuel cycle — specifically, those related to the enrichment of uranium and the separation of plutonium — had been the subject of many studies and initiatives over the years. Recent non-proliferation and security challenges made it important and appropriate to revisit the subject. A few months previously, he had appointed a group of senior experts to look into various options for multilateral control. The group could focus initially on how to guarantee the supply of technology and fuel for nuclear-generated electricity and how to set up one or more international repositories for spent nuclear fuel. The Agency could play an important role in that regard, particularly as a guarantor of supply — a role envisaged under the Statute. The group planned to submit a report in March 2005 on the results of its study.

31. A major part of the Agency's scientific and technical work involved the transfer of peaceful nuclear technology in a variety of fields. Many applications were proving important for social and economic development. Through both its regular programme and its technical cooperation programme, the Agency provided expertise, training and equipment to Member States to build up their technical capabilities and support their national development programmes.

32. An excellent example was the application of nuclear technology to one of the basic elements in human survival: the food supply chain. Over the previous four decades, the use of isotopes and radiation in food and agricultural R&D had yielded rich results: millions of hectares of higher-yielding crops all over the world; disease-resistant plants developed through radiation-induced mutation, providing economic benefits worth billions of dollars every year to the world's farmers; improvements in livestock production and health based on immunoassay technology; the control and eradication of many insect pests using the sterile insect technique (SIT); and huge savings in fertilizer applications by using isotopes to optimize nitrogen fixation from the atmosphere to improve crop production.

33. Cancer was a major health problem all around the world, and the number of cancer cases was rising, especially in developing countries. To increase public awareness of the problem and to increase the capacity of the Agency — together with WHO — to assist States in providing cancer treatment and care, the Agency had launched the Programme of Action for Cancer Therapy (PACT), endorsed by the Board in June 2004. PACT would seek to attract funds and resources from both governmental and non-governmental sources and to extend the limited capacity of the Agency's existing technical cooperation programme for cancer treatment.

34. The Agency's mosquito-rearing laboratory at Seibersdorf was continuing to explore the use of the SIT against malaria-transmitting mosquitoes. Colonies of African mosquitoes had been established, and R&D work would shortly begin on mass-rearing, radiation sterilization and the development of genetic sexing strains.

35. Another crucial factor in development was access to safe drinking water — a basic necessity unavailable to more than one sixth of the world's population. Isotope hydrology was being used in a broad variety of Agency technical cooperation projects to map underground aquifers, detect and control pollution, and monitor the safety of dams.

36. The safety and security of nuclear activities around the globe remained key elements of the Agency's mandate. Nearly two decades after the Chernobyl accident, it was gratifying to see that tangible and sustained benefits had been derived from the efforts of the Agency, with its emphasis on defence in depth, risk management and international cooperation, its concerted drive to upgrade facilities with older design features, its assistance to developing Member States in establishing solid radiation protection infrastructures, its emphasis on safety and security in transport and — particularly in recent years — its dual focus on strengthening physical protection at nuclear facilities and enhancing the security of nuclear material and radioactive sources worldwide. Considerable progress had been made through those efforts. Nevertheless, maintaining an effective and transparent global nuclear safety and security regime remained a matter of high priority.

37. Traditional indicators of safety at nuclear installations — for example, the frequency of unplanned shutdowns, the availability of safety-related equipment, or the number of actuations of reactor protection systems — had shown that such facilities had become far less susceptible to events that challenged their safety. However, a number of issues of concern remained.

38. The development and adoption of legally binding international agreements had proven to be a powerful mechanism for enhancing safety worldwide, and the Agency was continuing to encourage wide adherence to the various conventions of importance for nuclear safety and security.

39. The Agency's safety missions and peer reviews were in high demand. The Agency was still assisting some Member States with safety upgrades at older installations with design vulnerabilities. As more Member States considered extending operating licences, the Agency was also paying increased attention to services that could identify and address equipment ageing and relevant operational issues. As the global acceptance of Agency safety standards approached, safety reviews would be integrated into fewer categories and increasingly focused on the review of national self-assessments.

40. The effective use, safety and security of research reactors and the management of research reactor fuel continued to be areas of Agency emphasis. In November 2003, at an international conference on research reactors held in Chile, the Agency had heard from designers, users and regulators about ways to improve the utilization of research reactors, strengthen physical security, improve the sharing of expertise and enhance the Agency's research reactor safety assistance missions. In March 2004, the Board had approved a Code of Conduct on the Safety of Research Reactors — as part of an international effort to harmonize the laws, policies and safety practices related to research reactor management and operation.

41. In May 2004, the United States Secretary of Energy had visited Vienna to announce an expanded Global Threat Reduction Initiative (GTRI), with the objective of securing, removing or disposing of nuclear and other radioactive materials around the world that were vulnerable to theft. On 18-19 September, a conference had been held in Vienna to further define the GTRI and seek broader international support for achieving its goals. The Agency was — together with the Russian Federation, the United States of America and other countries — considering how the GTRI could support its activities in the field in question.

42. Another area of Member State concern and Agency focus had been the safety of transport of radioactive material. In March 2004, the Board had approved actions addressing issues such as denials of shipments, the transport of orphan sources, emergency response to transport incidents, communication and liability. In addition, a revised version of the Agency's Transport Regulations had been approved by the Board in June 2004.

43. The pace and scope of the Agency's nuclear security-related activities had continued to accelerate and expand. Within a relatively short time, much work had been done on assessing the

security needs of Member States and providing the necessary training. Since September 2001, more than 50 security-related assessment missions and over 60 training events had taken place, involving Member States in every region. While significant work remained to be done in developing international guidelines and recommendations, the greatest emphasis was now being placed on addressing the needs for actual improvements, including equipment needs.

44. The verification challenges that the Agency had faced in the past year further underscored the importance of its role in combating proliferation and the urgency of providing it with all the means necessary means for performing its verification responsibilities in an effective and credible manner.

45. Since the previous General Conference session, the number of States with additional protocols in force had increased appreciably — from 36 to 60. Also, a number of NPT safeguards agreements had entered into force, bringing the total number of States with such safeguards agreements in force to 150.

46. Despite those welcome developments, there remained 42 States party to the NPT that had not yet fulfilled their Article III obligation to bring into force comprehensive safeguards agreements with the Agency, and 133 States did not have additional protocols in force.

47. The Agency's verification activities in the Libyan Arab Jamahiriya during the past year had confirmed that, for many years, Libya had pursued a clandestine programme of uranium conversion and enrichment. Starting in the early 1980s and continuing until the end of 2003, it had failed to meet its obligations under its safeguards agreement — with respect to the reporting of nuclear material imported into Libya, the subsequent processing and use of the material, and the declaration of facilities and other locations where the material had been stored and processed. Moreover, Libya had received documents providing information on the design of nuclear weapons.

48. The Agency's assessment to date, made with Libya's cooperation, was that the declarations of Libya concerning its uranium conversion programme, enrichment programme and other past nuclear-related activities appeared to be consistent with the information available to, and verified by, the Agency. That was welcome news. However, some questions related to the acquisition of material and technology — including the origin of uranium contamination on some equipment — still needed further investigation in order for the Agency to verify the completeness and correctness of Libya's declarations. The Agency would continue to pursue these questions as part of its routine inspection activities in Libya.

49. The Board had continued to devote considerable attention to the implementation of the NPT safeguards agreement of the Islamic Republic of Iran and had adopted several resolutions urging Iran, inter alia, to demonstrate full cooperation and transparency in enabling the Agency to deal with open questions and unresolved issues. In December 2003, Iran had signed an additional protocol and had been acting as if the protocol were in force, pending its formal ratification in accordance with Iran's constitutional requirements.

50. His most recent report dealt with two interrelated but distinct sets of issues — the first related to the Agency's verification of the compliance of Iran with its legal obligations under its NPT safeguards agreement, and the second related to the Agency's monitoring of Iran's voluntary undertakings to suspend enrichment-related and reprocessing activities as confidence-building measures requested by the Board.

51. Regarding the first set of issues, the Agency was making steady progress in understanding the nature and extent of Iran's nuclear programme. No additional undeclared activities on the part of Iran had come to light during the period in question. The Agency had gained access to requested locations. Also, Iran had provided new information in response to Agency requests, although in certain instances

the process needed to be accelerated. While in some cases information had been provided promptly, in other cases information had regrettably been provided quite late.

52. As a result of the Agency's investigations, some previously outstanding issues had reached the point where any further follow-up needed would be carried out as part of routine safeguards implementation.

53. Two issues remained central to understanding the extent and nature of Iran's nuclear programme: the origin of uranium contamination found at various locations in Iran, and the extent of Iran's efforts to import, manufacture and use centrifuges of both the P-1 and the P-2 design. The Agency had made some progress in understanding both issues, but additional investigation was needed.

54. With regard to confidence-building measures that the Board had requested be in place until certain conditions were met, Iran had in June reversed some of its earlier decisions regarding the suspension of some enrichment-related activities. He had continued to stress to Iran that, during the current delicate phase while work was still in progress on verifying its past nuclear programme, and in the light of serious international concerns surrounding that programme, it should do its utmost to build the required confidence through the Agency.

55. Iran therefore needed, as the Board had made explicitly clear the previous week, to continue to accelerate its cooperation, pursuing a policy of maximum transparency and confidence-building, so that the Agency could bring the remaining outstanding issues to resolution within the next few months and provide assurance to the international community. That was clearly in the interest of both Iran and the international community and should trigger a comprehensive dialogue among all interested parties on all the underlying issues.

56. The situation in the Democratic People's Republic of Korea (DPRK) continued to pose a serious challenge to the nuclear non-proliferation regime. As he had reported repeatedly to the Board, since 1993 the Agency had been unable to implement fully its comprehensive NPT safeguards agreement with the DPRK. The Agency had never been allowed by the DPRK to verify the completeness and correctness of that country's initial, 1992, declaration — specifically, to verify that the DPRK had declared all the nuclear material subject to Agency safeguards under its NPT safeguards agreement. Since December 2002, the Agency had not been permitted to perform any verification activities in the DPRK and could not therefore provide any level of assurance about the non-diversion of nuclear material.

57. The three rounds held so far of the Six-Party Talks involving China, the DPRK, Japan, the Republic of Korea, Russia and the USA were steps in the right direction. As he had stated before, the Secretariat remained ready to work with all parties towards a comprehensive settlement that would, inter alia, provide assurance to the international community that all nuclear activities in the DPRK were exclusively for peaceful purposes.

58. Pursuant to the mandate given him by the General Conference, he had continued his consultations with the States of the Middle East region on the application of full-scope safeguards to all nuclear activities in the Middle East, and on the development of model safeguards agreements. Once again he regretted to report that he had not been in a position to make progress on those fronts.

59. In addition, the General Conference had asked him to organize a forum on the relevance of the experience of regions with existing nuclear-weapon-free zones — including confidence-building and verification measures — to establishing such a zone in the Middle East. On the basis of his consultations with States of the region, including those which had taken place during his recent visit to

Israel, he intended to organize such a forum early in 2005, and further consultations were in progress to that end.

60. The Agency's recent experience of verifying undeclared nuclear programmes had yielded a number of important lessons, the most important of which was perhaps that verification and diplomacy, used in conjunction, could be effective. When inspections were accompanied by adequate authority, aided by all available information, backed by a credible compliance mechanism and supported by international consensus, the system worked. The Iraq experience had demonstrated that inspections — while requiring time and patience — could be effective even when the country under inspection was providing less than active cooperation.

61. However, the experience of the Agency in Iraq before the first Gulf War and its recent experience in Iran and Libya had also highlighted the importance for verification of the additional protocols, which provided the Agency with significant additional authority as regards both information and physical access. Without the authority provided by additional protocols, the Agency's ability to draw conclusions was for the most part limited to the non-diversion of material already declared.

62. Perhaps the most disturbing lesson to emerge from the Agency's work in Iran and Libya was the existence of an extensive illicit market for the supply of nuclear items, which had clearly thrived on demand. The relative ease with which a multinational illicit network had been set up and operated demonstrated clearly the inadequacy of the present export control system, which relied on informal arrangements that were not only non-binding, but also limited in membership, and in which many countries with growing industrial capacity were not included.

63. A related lesson concerned the accessibility of nuclear technology. The technical barriers to mastering the essential steps of uranium enrichment — and to designing weapons — had eroded over time, which inevitably led to the conclusion that the control of technology, in and of itself, was not a sufficient barrier against further proliferation.

64. In addition to the steps he had already outlined — including exploring the feasibility of multilateral control over sensitive portions of the nuclear fuel cycle, supporting efforts to secure and protect nuclear material, and the conclusion of additional protocols by all States — it was important to work collectively in addressing the sense of insecurity and instability that persisted in many countries and regions. It was instructive that nearly all nuclear proliferation concerns were in areas of long-standing tension.

65. Both the value and the limitations of the Agency's verification role needed to be recognized. The Secretariat could bring to closure questions of compliance with legal and technical requirements, but the long-term value of its efforts depended on the extent that they were followed by the political dialogue among concerned States necessary for addressing the underlying issues of insecurity and for building confidence and trust.

66. As more developing countries became Member States of the Agency, the number of countries that benefited from assistance through the Agency's technical cooperation programmes continued to grow. In the current year, a record number of Member States — 111 — were participating in national, regional and interregional projects.

67. In order to ensure the effectiveness of technical cooperation programme management, the Secretariat was continuing to apply the 'central criterion', which sought to ensure government commitment to a given project, to assist States in developing country programme frameworks (CPFs), to formulate thematic plans highlighting nuclear technology benefits in key areas, to expand its partnerships with key organizations and to encourage cost-sharing on the part of recipient States.

68. His overview of the past year had highlighted achievements and challenges in all areas of Agency activity — and had reflected the dynamic nature of the Agency's programme in anticipating and responding to change. Whether a specific activity contributed to strengthening the nuclear non-proliferation regime, to enhancing the transfer and application of nuclear technologies or to ensuring safety and security in their use, the Agency remained committed to responding to Member States' needs and priorities. As always, the Agency's success was crucially dependent on the shared commitment and partnership of Member States — particularly in providing the required authority, cooperation and funding. He trusted that their support would continue.

6. Contributions to the Technical Cooperation Fund for 2005 (GC(48)/20)

69. The PRESIDENT said that the Board had, on 14 September 2004, recommended a target figure of US $75 million for voluntary contributions to the TCF for 2005. The early pledging and payment of contributions to the TCF greatly helped the Secretariat in planning the Agency's technical cooperation programmes. He therefore urged delegations in a position to do so to notify the Secretariat during the current session of the contributions that their governments would be making to the TCF for 2005. He would report at the end of the session, under a later agenda item, on the contributions that had been pledged so far, which he hoped would represent a substantial percentage of the target figure.

7. General debate and annual report for 2003 (GC(48)/3)

70. The PRESIDENT said that, in order to avoid prolonged afternoon meetings (or a night meeting, the cost of which would be more than $16 000), he took it that the Conference wished to authorize him, under Rule 50 of the Rules of Procedure, to limit the duration of speeches to 15 minutes.

71. It was so agreed.

72. Ms. OLAMENDI (Mexico) said that the actions taken by the Agency during 2003 in response to the enormous challenges which it had faced confirmed the importance of its contribution to peace and prosperity the world over.

73. Disarmament, non-proliferation and the complete elimination of nuclear weapons would continue to be prime objectives of the foreign policy of Mexico, which believed that as long as nuclear weapons existed anywhere the risk of their being used would persist.

74. The disturbing international situation called for concerted and effective responses. Besides the problems stemming from the existence of nuclear weapons, there were new threats to individual safety and life. The non-fulfilment by certain countries of obligations arising out of their safeguards agreements and the NPT, the discovery of an illicit market in sensitive nuclear technologies and equipment, and the possible use of nuclear weapons, technologies and materials by terrorist groups opened up a whole new scenario.

75. There was no denying the danger of non-State actors – many linked to organized crime – gaining access to the materials and technologies necessary for developing nuclear weapons. Nor could

it be denied that States had not achieved the goals set in the NPT and other international non-proliferation instruments. The risk of proliferation would decline substantially if the complete elimination of nuclear weapons were achieved in a transparent, verifiable and irreversible manner. What did not exist could not proliferate. The forthcoming NPT Review Conference would provide an ideal opportunity for once again — and for all time — making the complete elimination of nuclear weapons a goal. Mexico would like to see all countries that had not yet acceded to the NPT joining in the international community's efforts and all countries that had acceded to it fully meeting their commitments as regards disarmament, non-proliferation and the promotion of the peaceful uses of nuclear energy.

76. The Agency efforts to build and operate a safeguards system that effectively supported the nuclear non-proliferation regime would never be sufficient without the political will of States. Mexico, like other countries, had done its best in the area of non-proliferation, complying fully with the Agency's safeguards system.

77. Despite economic, educational, health and welfare problems, her country had on 29 March 2004 signed an additional protocol to its safeguards agreement with the Agency and was well on the way to ratifying and implementing it.

78. For countries like Mexico, fulfilment of the additional obligations would require substantial human and financial resources. However, her country — like other developing countries — was prepared to allocate scarce resources to the strengthening of non-proliferation measures. Its attitude contrasted with the attitude of those States which, although possessing adequate resources, preferred not to follow suit, thereby negating the efforts being made to eliminate the nuclear threat. The nuclear-weapon States and the non-nuclear-weapon States possessing or receiving nuclear technology, equipment and materials should fulfil their obligations in a reliable manner. It was necessary both to ensure technology transfer for the peaceful use of nuclear energy and to join together in countering the threat posed by the possibility of terrorist or organized criminal groups gaining access to nuclear weapons.

79. Mexico, which attached particular importance to the Agency activities in the field of nuclear applications, believed that they could make a substantial contribution to the attainment of the goals set at the World Summit on Sustainable Development and in the Millennium Declaration. It would like to see further information campaigns on the benefits of nuclear applications such as the campaigns relating to cancer radiotherapy and the search for sustainable water resources. The Agency should take maximum advantage of the increased attention being paid by the media and society to its non-proliferation activities in order to make the benefits of the peaceful applications of nuclear energy widely known.

80. In that connection, her country particularly appreciated the Agency's activities directed against insect pests and would like to see the Agency continuing its support for the further development of the SIT and other complementary techniques.

81. Mexico considered the Agency's technical cooperation programmes to be the best means of enabling developing countries to enjoy the benefits of peaceful applications of nuclear techniques and thereby to improve the living conditions of millions. It would therefore like to see those programmes strengthened, technically and financially, through efforts comparable with those being made in the safeguards area.

82. Mexico, which was convinced of the importance of amending the Convention on the Physical Protection of Nuclear Material (CPPNM), stood ready to continue participating in efforts to bring about a consensus among the contracting parties. It also stood ready to continue supporting the Agency's efforts to promote universal implementation of the international instruments on the physical

protection of nuclear materials and facilities and of radioactive sources as one of the measures to prevent nuclear terrorism.

83. Mexico, which remained committed to the Agency and to the NPT, believed, like many other developing countries, that it was important to increase the benefits derived from the peaceful applications of nuclear energy. It would therefore like to see a balance established between security and the obligation to promote the widest possible exchange of the equipment, materials and scientific and technical information necessary for the peaceful use of nuclear power, in accordance with Article IV of the NPT.

84. The present international situation called for the fulfilment of the provisions of the NPT and for new commitments that might go beyond the letter of that instrument. There was a need to build confidence, and confidence was built on the basis of genuine and full commitments that made for effective responses to old and new threats. In isolation, security, peace, development and well-being meant nothing to people like those of Mexico; it was only together that they made a difference.

85. Mr. ABRAHAM (United States of America) began his statement by reading out the following message from President Bush:

> "I send greetings to those gathered for the 48th General Conference of the International Atomic Energy Agency. During this critical time in our history, the collaborative efforts of the international community to prevent the proliferation of nuclear weapons are vital to advancing peace and prosperity around the world. In the past year, we have witnessed major successes against proliferation: Libya's historic decision to renounce weapons of mass destruction and longer-range missile programmes; the dismantling of the world's most dangerous proliferation network; the unanimous call by the United Nations Security Council for all States to criminalize proliferation; and accelerated progress in securing and reducing nuclear and radioactive materials.
>
> "We must do everything in our power to combat the proliferation of nuclear and other weapons of mass destruction, and strengthening the IAEA is an important part of these efforts. We must also make certain that those States in full compliance with their non-proliferation obligations can benefit from the peaceful uses of nuclear energy. The United States applauds the Agency's work in safeguards and verification, and we will continue to work to ensure that you have the tools necessary to accomplish your critical mission.
>
> "Best wishes for a successful conference."

86. Associating himself with President Bush's wishes, he said that the General Conference was meeting at a time of great challenge. Terrorists must be prevented from acquiring a nuclear weapon, or the materials to make one, so the lives of millions of people might depend on the Agency's work.

87. Three years previously, the most massive terrorist attack in history had struck down thousands of his fellow-citizens. It had not been the first mass murder of innocent civilians, and sadly it had not been the last. The terrorists had struck again, in Bali and then in Madrid. Just a few weeks previously, they had committed perhaps their most repulsive act — the deliberate targeting and barbaric slaughter of hundreds of schoolchildren in Russia. And most recently, they had claimed yet more victims — in and around the Australian embassy in Jakarta. He extended his country's condolences to the Australian, Indonesian, Russian and Spanish peoples for the tragedies they had suffered.

88. Again and again, the terrorists had made it clear that they would stop at nothing. In his view, however, the inhumanity of the attack in Beslan was an indication that the terrorists were feeling increasingly desperate. The civilized world had responded to the outrages committed against its

citizens, and progress was being made in driving the terrorists from their sanctuaries, exposing their networks, interdicting their cash flows and denying them the most terrible weapons which they sought.

89. A vital part of the ongoing effort was identifying and securing nuclear and other radiological materials at risk around the world. That was why, four months previously, he had — on behalf of the United States — announced the Global Threat Reduction Initiative (GTRI), designed to respond to the ever-changing proliferation threat. Through the GTRI new measures were being taken, at the international level, to identify, secure and remove and/or facilitate the disposal of vulnerable nuclear and other radiological materials and associated equipment that posed a threat to the international community as expeditiously as possible. The response from countries all around the world had been immensely gratifying. Some countries had requested further information, some had offered varying levels of support and some had stated that they were intensifying their efforts to secure materials that terrorists might seek. On 18–19 September over 500 people representing more than 90 countries had met in Vienna for the first GTRI Partners' Conference — a very successful event that had lent further impetus to the GTRI.

90. The day after the GTRI had been launched, he and the Director of Russia's Federal Atomic Energy Agency, Mr. Rumyantsev, had signed an agreement relating to the Russian research reactor fuel return programme. Pursuant to that agreement, more than a dozen countries were now eligible to receive, from the United States and other countries, financial and technical assistance in shipping their fresh and spent research reactor fuel to Russia for safe and secure management.

91. In July, the United States and Romania had signed an agreement to facilitate the return of spent HEU fuel to Russia. In August, the United States had cooperated with Germany on the return of US-origin material from three research reactors in Germany to the United States. On 9 September, weapons-usable fresh HEU had been repatriated from Uzbekistan to Russia. Clearly, progress in securing dangerous material was being made within months — not, as some had predicted, only in the course of decades.

92. In addition, significant non-proliferation success had been achieved in the case of the Libyan Arab Jamahiriya, which had voluntarily abandoned its pursuit of nuclear weapons, permitted Agency inspections and facilitated the removal of its nuclear weapons components. Libya's actions and the international community's positive response demonstrated that the path towards international acceptance and mutually beneficial partnership was a straightforward one. Cooperating with the Agency in its non-proliferation efforts did not mean that the access of a country to energy or the country's political sovereignty would be undermined. Rather, such cooperation opened the door for international support and led to the provision of tangible benefits by the world community, which was eager to respond to positive action.

93. He hoped that such cooperation would ultimately be forthcoming from the Islamic Republic of Iran. As a party to the NPT, Iran had accepted legally binding obligations. For almost 20 years, however, it had acted in a manner contrary to those obligations, secretly building sensitive nuclear fuel cycle facilities for weapons purposes. The Board of Governors had said that Iran must cease its pursuit of nuclear weapons, suspend its enrichment activities and answer all of the Board's questions. It was essential that Iran now cooperate fully and immediately with the Agency as requested.

94. Since September 2001, the world community had come to understand more clearly the threats posed by international terrorism. For its part, the United States had realized that there was a need to do more to control nuclear technologies, and it was doing more. In February, President Bush had called for strengthening of the laws and international controls introduced for the purpose of preventing proliferation and had proposed that the Security Council require all States to criminalize proliferation, enact strict export controls and secure all sensitive materials within their borders. He had noted that

there was a consensus among nations that proliferation could not be tolerated, but had emphasized that such consensus meant little unless it was translated into action. He had proposed seven measures for strengthening the international efforts being made to prevent the proliferation of weapons of mass destruction — measures addressing the urgent need to step up law enforcement against proliferators, to increase assistance with the securing of deadly materials, to tighten up the controls on nuclear transfers and to enhance the ability of the Agency to fulfil its verification mission.

95. Furthermore, the United States and its G-8 and European partners had proposed several measures for strengthening the Nuclear Suppliers Group and Agency controls. They were calling for: universal adherence to the additional protocol, which would mean the reporting of all imports and exports of items on the Nuclear Suppliers Group's 'trigger list' and would provide the Agency with an important tool for ensuring that safeguarded nuclear activities remained peaceful and were not used as a cover for illegitimate activities; establishment of the additional protocol as an essential new standard in the field of nuclear supply; the enactment of strict controls on the spread of enrichment and reprocessing technology; and the creation of a special Board committee focusing on safeguards and the establishment of the principle that States under investigation should not pass judgement on their own cases in the Board or the special committee.

96. Besides the focus on nuclear technology, steps had been and were being taken to substantially improve the security of nuclear materials. For example, the timeline for securing 600 metric tons of weapons-usable material in Russia and the Newly Independent States had been accelerated and site security was being upgraded in cooperation with Russia's Navy and Strategic Rocket Forces.

97. In that connection, he hoped that the process of amending the Convention on the Physical Protection of Nuclear Material would be completed soon.

98. The Agency's safeguards needed to be made more focused, flexible and effective, with new technologies used for detecting undeclared materials and activities.

99. It was also important, as President Bush had stressed and the discovery of the A.Q. Khan network had shown, to pay more attention to the people with access to nuclear materials and technologies. From the fact that there were individual profiteers trading in nuclear weapon designs and the associated equipment it was clear that the nuclear threat did not derive from sovereign States alone. A.Q. Kahn's network had been broken up and, working with others, the United States was in hot pursuit of the remaining elements. Recently, authorities in South Africa had discovered eleven hidden containers with uranium enrichment equipment components — a discovery related to recent arrests made by German and Swiss authorities.

100. Both in the United States and in other countries, there had been cases of individuals releasing highly sensitive information on nuclear technology. In confronting that challenge, it was important to remember that the overwhelming majority of those working in the nuclear sector were honest and hardworking. However, the possibility of some individuals abusing their positions for illicit purposes — because of their political beliefs, because of financial need, because they were being coerced or for some other reason — could not be ignored. States must confront the challenge individually and, through the Agency, collectively.

101. The United States was proposing to cooperate with other Member States in bringing nuclear industry representatives and government representatives together for the purpose of ensuring that export control laws were complied with and that appropriate enforcement action was taken when they were not. Such a partnership would seek to thwart the black market trade in the constituent parts of humankind's most deadly technology while helping to make the benefits of that technology available to all those wishing to use it responsibly.

102. Working together, countries could build a global commercial environment that would protect competitive advantage and at the same time make the business community more aware of its responsibilities. However, the entire nuclear industry would had to cooperate — particularly uranium miners and millers, reactor designers and builders, nuclear fuel fabricators and suppliers, nuclear fuel service providers and providers of dual-use technologies needed in the nuclear fuel cycle, as they were the targets of black marketeers. They would have to be involved in the effort to develop best practices, in order to protect themselves and the world at large.

103. To expedite that effort , the United States Department of Energy would assist the Secretariat and Member States in countering criminal networks and also assist the Secretariat in helping Member States to enhance their export controls and regulatory infrastructures. Ultimately, however, the effort would have to be a global one, for the challenge was a global one — to prevent the proliferation of nuclear materials, technology and expertise and thereby deny nuclear weapons to madmen and murderers.

104. It was difficult to conceive of a more urgent task given the carnage and devastation inflicted by terrorists in so many parts of the world. By attacking the World Trade Center and the Pentagon, the terrorists had revealed the scope of their ambition; by targeting children in Beslan they had revealed the depth of their depravity.

105. It was to be hoped that the day would never come when terrorists carried out an attack with a nuclear weapon. However, hope was not enough. All States should cooperate more closely and work tirelessly in order to ensure that such a day never came.

106. Mr. DE VISSER (Netherlands), speaking on behalf of the European Union, said that the candidate countries Bulgaria, Romania, Turkey and Croatia, the countries of the Stabilization and Association Process — Albania, Bosnia and Herzegovina, the Former Yugoslav Republic of Macedonia, and Serbia and Montenegro — and Iceland and Norway aligned themselves with the statement which he was about to make.

107. The European Union welcomed the fact that the General Conference had approved the Republic of Chad, the Togolese Republic and the Islamic Republic of Mauritania for membership of the Agency.

108. In June 2003, the Heads of State and Government of the European Union (EU) had reiterated their commitment to preventing the proliferation of weapons of mass destruction by deterring, halting and — where possible — reversing the expansion of proliferation programmes worldwide. In December 2003, they had agreed on the EU Strategy against the Proliferation of Weapons of Mass Destruction[1], which reflected their conviction that a multilateral approach to security was the best way of maintaining international peace and stability.

109. In June 2004, the European Union had noted that the objectives of the Proliferation Security Initiative complemented the objectives of the EU Strategy.

110. In April 2004, the European Union had welcomed Security Council resolution 1540, which it would like to see fully implemented by all States. It looked forward to fruitful cooperation between the Agency and the committee established pursuant to that resolution.

111. The European Union continued to regard the NPT as the cornerstone of the global non-proliferation regime and its Article VI as the foundation for the pursuit of nuclear disarmament. It considered a nuclear non-proliferation regime of universal character and supported by a strong system

[1] See document INFCIRC/631.

of international safeguards to be a prerequisite for collective security. Recent challenges to the non-proliferation regime had emphasized the need to strive for universal adherence to and for full compliance with the NPT. The European Union, which was fully committed to the NPT and the three mutually reinforcing pillars on which it was based, would continue its efforts to ensure that the authority and integrity of the NPT were maintained.

112. The international safeguards system of the Agency was a technical instrument essential for attainment of the political goal of sustaining an environment in which there could be peaceful uses of nuclear energy without the diversion of nuclear material and the concealment of nuclear activities for nuclear weapons development purposes.

113. At the third session of the Preparatory Committee for the 2005 NPT Review Conference, held in April 2004, the responsibility of the Agency to further strengthen its international safeguards system had been strongly underlined. The member countries of the European Union recognized the continuing need for a properly funded safeguards system that was both effective and cost-efficient, and therefore credible, robust and complied with.

114. The universal conclusion and implementation of comprehensive safeguards agreements and of additional protocols to them were a prerequisite for a credible safeguards system. In particular, the measures provided for in additional protocols were crucial to strengthening the Agency's ability to detect undeclared nuclear activities and give assurance regarding the absence of such activities. In that connection, the European Union agreed with the Director General that additional protocols must become standard for all States parties to the NPT. It therefore regretted the fact that the number of comprehensive safeguards agreements and additional protocols in force remained well below expectations and would like to see many more States bringing comprehensive safeguards agreements and additional protocols into force.

115. The Secretariat was to be commended for stepping up its efforts to encourage and facilitate the conclusion of comprehensive safeguards agreements and additional protocols. It should continue with the qualitative improvement of the safeguards regime by implementing and further developing the conceptual framework for integrated safeguards. For its part, the European Union had initiated a series of measures to promote the acceptance of additional protocols.

116. Full compliance with NPT safeguards agreements was fundamental, and challenges to full compliance with them should be addressed in a manner that upheld the integrity of the NPT and the authority of the Agency's safeguards system, with referral by the Agency to the Security Council when necessary.

117. The European Union, which continued to deplore the announcement made by the Democratic People's Republic of Korea (DPRK) in January 2003 of its intention to withdraw from the NPT, would like to see the DPRK completely, verifiably and irreversibly dismantling any clandestine nuclear weapons programme it might have. It remained firmly resolved to help bring about a peaceful solution, through negotiations, to the DPRK nuclear issue. It welcomed the dialogue taking place within the framework of the Six-Party Talks and looked forward to the fourth round of the Six-Party Talks, which had been agreed upon in June 2004.

118. The DPRK should come unconditionally into full compliance with all its relevant international commitments. In particular, it should comply with its NPT safeguards agreement by — as a first step — allowing the return of Agency inspectors and the re-introduction of the necessary containment and surveillance measures at its nuclear facilities and the full implementation of all necessary safeguards measures at all times.

119. As regards implementation of the NPT safeguards agreement with the Islamic Republic of Iran, the European Union was pleased that the Agency seemed to be acquiring an increasingly comprehensive understanding of the nature and extent of Iran's nuclear programme. However, it was seriously concerned about the number of issues which — after two years — were still awaiting clarification. While appreciative of the fact that Iran had continued to act as though its additional protocol was in force and had been cooperating with the Agency in a manner which enabled the Agency to continue its verification activities in most areas, the European Union would like to see Iran bringing the additional protocol into force soon.

120. The European Union was dismayed that Iran had in June 2004 reversed some of its earlier decisions regarding the voluntary suspension of its uranium enrichment-related activities — a suspension which the European Union considered to be essential for confidence-building. In the European Union's view, the production of feed material was an enrichment-related activity and confidence-building was a process on which all parties should embark with good will and with a view to achieving a positive outcome beneficial to all. If Iran sincerely wished to enter into a new mode of co-operation with the European Union, it should ensure that confidence-building proceeded without interruption. Moreover, it should heed the resolution adopted a few days previously by the Board — particularly the part regarding the full suspension of all its enrichment-related activities.

121. The Agency was to be commended on its preparations for resuming verification activities in Iraq as soon as the situation there allowed it to carry out such activities safely and securely.

122. The European Union had taken note of the fact that the Director General had the previous week, in the Board, expressed serious concern about the non-reporting by the Republic of Korea of uranium conversion and enrichment and plutonium separation activities which it should have reported pursuant to its safeguards agreement with the Agency. In that regard, the additional protocol had demonstrated its effectiveness as a verification tool, and the European Union greatly appreciated the promptness with which the Secretariat and the Republic of Korea had undertaken to resolve the issue. It expected the Republic of Korea to co-operate pro-actively with the Secretariat in resolving the issue and looked forward to the Board's consideration of a Secretariat report in November 2004.

123. The European Union, which had taken note of document GC(48)/18 entitled *Application of IAEA Safeguards in the Middle East*, welcomed the Director General's intention to convene a forum on the relevance of the experience gained with existing nuclear-weapon-free zones (NWFZs) to the establishment of a NWFZ in the Middle East.

124. The fight against terrorism and the proliferation of weapons of mass destruction represented a challenge of paramount importance to the international community. While primary responsibility for nuclear security rested with States, the Agency had an essential role to play in preventing nuclear terrorism. Following 11 September 2001, the Agency had with minimum delay reoriented and reinforced its activities relevant to protection against nuclear terrorism, and the European Union was strongly supporting those activities. It would like to see all Member States making voluntary contributions to the Nuclear Security Fund (NSF) and welcomed the thought being given to ways of putting the NSF-financed activities on a surer footing.

125. The Director General and the Secretariat were to be commended for helping Member States to establish and maintain stringent security frameworks for nuclear installations and materials. The European Union welcomed the progress being made in implementing the nuclear security action plan approved by the Board in March 2002 and the important role being played by the Agency's technical cooperation programmes in the upgrading of nuclear safety and security in Member States.

126. The European Union welcomed the increase to 105 in the number of States parties to the Convention on the Physical Protection of Nuclear Material (CCPNM) and would like to see all States

that had not yet done so acceding to the CCPNM. Also, it was in favour of the convening of a diplomatic conference to amend the CCPNM. In the light of the increased threat of nuclear terrorism, it was important that the CCPNM be amended soon.

127. The European Union, which welcomed the adoption of the revised Code of Conduct on the Safety and Security of Radioactive Sources, agreed that there was a need to establish adequate national arrangements for controlling the import and export of radioactive sources worldwide. In December 2003, it had adopted a Directive on the control of high-activity sealed sources and orphan sources, which was a legally binding instrument that set up a control system ensuring radioactive source traceability within the European Union — thereby preventing such sources from being lost — and providing for action to recover existing orphan sources.

128. The European Union would like to see all countries strengthening their regulatory controls of the high-risk radioactive sources within their territories and observing the principles contained in the Code of Conduct. It stood ready to support the efforts of the Secretariat to assist Member States in developing national strategies for the safe and secure management of radioactive sources and to cooperate, when and as appropriate, in detecting and locating orphan sources and facilitating their subsequent management.

129. The illicit trade in highly sensitive nuclear technology was a matter of serious concern for the European Union, which was committed to strong national and internationally coordinated export controls as a complement to NPT obligations. Recent revelations, particularly those regarding the A.Q. Khan network, had highlighted the need for all Member States to step up their efforts to tackle illicit trafficking and procurement networks and address the issue of the involvement of non-State actors in the proliferation of technology related to weapons of mass destruction. The European Union welcomed the Agency's activities in support of States' efforts to combat illicit trafficking in nuclear and other radioactive materials and would like to see all States taking appropriate measures to combat such illicit trafficking.

130. The European Union welcomed the Director General's initiative in appointing an international expert group to consider possible multinational approaches to the front and back ends of the nuclear fuel cycle.[2] In its view, the group's final report — expected in February 2005 — would be important for the consideration of major aspects of nuclear security. Any resulting decisions should be such as not to create new dividing lines among States parties to the NPT; they should be balanced and in line with the fundamental bargain underlying the NPT.

131. The European Union greatly appreciated the holding of the Global Threat Reduction Initiative Partners' Conference on 18 and 19 September and endorsed the findings.

132. Although nuclear safety was a national responsibility, international cooperation in the nuclear safety area was indispensable. The European Union therefore attached great importance to the Convention on Nuclear Safety and the peer review mechanism for which it provided. It also attached great importance to the Joint Convention and considered the first Review Meeting of the Contracting Parties — held in November 2003 — to have been a success. In its view, peer reviews carried out pursuant to the Joint Convention would be important for increasing safety in the management of spent nuclear fuel and radioactive waste, and it would like to see many more countries acceding to the Joint Convention. Furthermore, the European Union welcomed the adoption by the Board, in March 2004, of the Code of Conduct on the Safety of Research Reactors.

---

[2] See document GOV/OR.1095, para. 55.

133. It also welcomed the Board's approval in March 2004 of the Action Plan for the Safety of Transport of Radioactive Material and hoped that implementation of the Action Plan would help to maintain the excellent record of safety in radioactive material transport. The member countries of the European Union would continue cooperating with other Agency Member States and with the Secretariat in the effort to further improve regulatory and operational practices in the radioactive material transport field. The European Union, which would like to see more States making use of TranSAS, welcomed the findings and general conclusions of the TranSAS mission to France that had taken place in May 2003.

134. The European Union greatly appreciated the work being done by the International Expert Group on Nuclear Liability (INLEX), to which member countries of the European Union were contributing.

135. The European Union, which welcomed the Action Plan on the Decommissioning of Nuclear Facilities approved by the Board in June 2004, hoped that implementation of the Action Plan would contribute to the sound planning and management of decommissioning projects.

136. The European Union was following closely the development of projects relating to innovative reactors and fuel cycles that might result in new approaches to safety, non-proliferation and the minimization of nuclear waste.

137. In the final document of the 2000 NPT Review Conference, it had been stated that every effort should be made to ensure that the Agency had the financial and human resources necessary for carrying out its responsibilities in the area of technical cooperation. The European Union welcomed the steps being taken by the Secretariat to improve the Agency's technical cooperation activities in the interests both of recipient and of countries, particularly the application of detailed criteria in project selection and evaluation.

138. The European Union also welcomed the increasing emphasis on helping recipient countries to improve safety at their nuclear installations — including ones being decommissioned — and the security of nuclear installations and of nuclear material and waste and other sources of ionizing radiation. A beneficial transfer of nuclear knowledge, equipment and material could take place only in an environment where nuclear and radiation safety and security were ensured, which meant firm commitments by recipient countries. In that connection, cooperation between countries, especially within the framework of the Agency's regional assistance programmes, should be encouraged.

139. The European Union welcomed the efforts of the Director General to increase efficiency and effectiveness and hoped that the Secretariat would continue striving for management improvements — inter alia through the clearer definition of cross-cutting activities. In that connection, it attached great importance to the recommendations relating to technical cooperation and the interaction between the Department of Technical Cooperation and other departments that had been made by the Office of Internal Oversight Services and by the previous External Auditor, Sir John Bourn, to whom it was grateful for his eight years of valuable service to the Agency.

140. As regards the financing of the Agency's activities, the package proposal agreed upon by the Board in July 2003 had provided for a much-needed increase in resources. The member countries of the European Union accounted for a substantial part of the Regular Budget, Nuclear Security Fund and TCF contributions, and European Union continued to be of the view that commitment to the work of the Agency was expressed — inter alia — by the fulfilment, at least, of financial obligations vis-à-vis the Agency. A situation where some Member States allowed arrears to accumulate and thus let others finance the work of the Agency was unsustainable.

141. In the European Union's view, if the agreements reached regarding the TCF targets for 2005 and 2006, national participation costs (NPCs) and the rate of attainment were honoured by Member

States, adequate funding for technical cooperation in the next few years would be assured. The Secretariat should explore ways of ensuring that technical cooperation monies were spent first and foremost in those developing Member States which had contributed to the TCF and had no NPC or assessed programme cost arrears.

142. The European Union looked forward to early harmonization of the Regular Budget programme cycle and the technical cooperation programme cycle.

143. In an increasingly interdependent world, States had not only to ensure their own and each other's nuclear security and safety, but also to continue ensuring — and enhancing — the access of everyone to the benefits of the peaceful utilization of nuclear energy. The Agency was uniquely placed to facilitate the attainment of those goals, and it could count on strong support from the European Union.

144. Ms. XINGWANA (South Africa), congratulating Chad, Togo and Mauritania on being approved for membership of the Agency, expressed the hope that the increased representation of African countries would enable Africa to make a further meaningful contribution to the fulfilment of the Agency's statutory mandate.

145. South Africa, which was currently celebrating ten years of democracy and freedom from oppression, had, since its reintegration into the global community, adopted a principled policy regarding nuclear disarmament and nuclear non-proliferation. It had consistently called for universal application of the provisions of the NPT, mindful of the bargain struck during the negotiation of the NPT whereby the non-nuclear-weapon States parties, while undertaking to forgo nuclear weapons, would have the inalienable right to utilize the atom for peaceful purposes.

146. At a time of escalating terrorism and of attempts by some to undermine international efforts to promote global peace and security, the Agency remained pivotal not only to the cause of Atoms for Peace, but also to non-proliferation as a means of ridding the world of weapons of mass destruction. In South Africa's view, the very existence of such weapons constituted a major threat to humanity, and the only real guarantee of the non-use of nuclear weapons was their complete elimination for all time. During his State of the Nation address earlier that year, President Thabo Mbeki had committed South Africa to securing a successful outcome of the 2005 NPT Review Conference. South Africa would work relentlessly to secure a successful outcome and hoped that all States parties to the NPT would cooperate in the interests of strengthening the NPT.

147. South Africa, which was confident that the Secretariat would enable Member States to rise to the challenges faced by them, was grateful to the Director General for his efforts to increase the efficiency of the Secretariat, ensuring that it remained responsive to the needs of Member States. It was also grateful to the members of the Secretariat for their professionalism and their dedication to the cause of Atoms for Peace. It would remain steadfast in its commitment to the work of the Agency and the ideals embodied in the Statute.

148. Her country greatly appreciated the Agency's assistance with the establishment of a regional centre for radiation protection training in South Africa and welcomed the reinstatement of the postgraduate education courses in radiation protection in South Africa, from which many African countries would benefit.

149. South Africa was continuing to play a leading role in AFRA — for example, by organizing training courses and by making specialist teams available for missions throughout the African continent. Activities designed to enhance the self-reliance of national nuclear institutions in Africa would continue to receive its special attention.

150. South Africa, which attached great importance to the Agency's Technical Cooperation Strategy, believed that the Agency, through its technical cooperation activities, could make a substantial contribution to the ongoing efforts to achieve accelerated but sustainable socio-economic development in Africa in line with the Millennium Development Goals and with the strategic objectives of NEPAD.

151. In pursuing the peaceful utilization of nuclear technology, the South African Government was committed to the empowerment of women so that they could participate meaningfully at all levels of the nuclear sector. The South African Women in Nuclear (WINSA) had developed into a formidable organization which was ensuring that gender equity existed in practice.

152. South Africa was continuing its Agency-supported efforts to develop technology for the safe and secure management of radioactive sources in developing countries. A project for demonstrating the suitability of the borehole disposal of disused sealed radioactive sources was nearing completion, and South Africa was sure that the transfer of the technology to interested parties would commence within the next year. An Agency-supported project on the conditioning and safe storage of spent high-activity radioactive sources which could pose a security and safety risk had reached the stage where a prototype facility was being constructed and would be tested in the near future.

153. On 4 April 1984, the Koeberg nuclear power station had first fed electricity into the national grid, and the power station had been operating without any major incidents since then. Also, it held the South African record for uninterrupted power plant operation: 454 days.

154. South Africa attached great importance to the Agency's nuclear, radiation, transport and waste safety programmes, and experts from South Africa were participating in the work of NUSSC, RASSC, TRANSSC and WASSC. It welcomed the Secretariat initiatives designed to promote the use of Agency safety standards, particularly by Member States just developing nuclear and radiation safety infrastructures.

155. South Africa had compiled — and transmitted to the Secretariat — a national report for consideration during the third Review Meeting of Contracting Parties to the Convention on Nuclear Safety, due to take place in April 2005. In compiling the report, it had taken account of the general observations, recommendations and conclusions contained in the report on the second Review Meeting and of relevant changes in the management of nuclear safety in South Africa.

156. South Africa, which welcomed the progress made in implementing the Agency's Plan of Action to combat nuclear terrorism, was supporting the global anti-terrorism campaign under way within the United Nations framework and contributing to the efforts of regional organizations and of international organizations like the Agency in that connection.

157. Given its principled policy regarding nuclear disarmament and nuclear non-proliferation, South Africa, which also had concerns relating to the proliferation of conventional weapons, was fully committed to prohibiting the manufacture, acquisition, transport and use of weapons mass destruction and their means of delivery, not only by States but also by non-State actors. It considered effective systems of nuclear material accountancy and control to be essential for maintaining the security of and preventing illicit trafficking in such material.

158. As regards innovative nuclear technology, licensing activities relating to the Pebble Bed Modular Reactor (PBMR) had continued. South Africa's regulatory authority was currently reviewing the PBMR safety case as part of a comprehensive and systematic licensing process in which public participation was provided for.

159. South Africa was now a member of INPRO, the success of which it would endeavour to help ensure.

160. As regards the attainment of safeguards inspection goals in South Africa, further to what had been reported by the delegate of South Africa to the General Conference in 2002[3] her country had made excellent progress in characterizing nuclear material in waste drums. Scanning of the waste drums in question, containing HEU-contaminated material, would be completed by the end of October 2004.

161. In September 2003, an agreement relating to a Member State Support Programme (MSSP) for Agency safeguards had been entered into between South Africa and the Agency. The main focus of the MSSP was initially on the development of safeguards technology for the PBMR by South Africa in cooperation with other Member States and the Secretariat. Currently, two projects were proceeding as planned.

162. South Africa, which had consistently called for the universal implementation of additional protocols, was particularly pleased with the dramatic increase in the number of African countries which had signed additional protocols and hoped that the additional protocols in question would be ratified soon. It would like to see all Member States that had not already done so signing and ratifying safeguards agreements and additional protocols with a minimum of delay.

163. South Africa continued to be concerned at the lack of progress regarding the application of full-scope Agency safeguards to all nuclear activities in the Middle East. At the same time, it was pleased that the United Arab Emirates had in October 2003 brought into force a comprehensive safeguards agreement with the Agency. It would like to see all countries in the region that had not already done so, including the eight Middle East States parties to the NPT that had not already done so, bringing into force comprehensive safeguards agreements without further delay.

164. South Africa hoped that the envisaged Forum on Experience of Possible Relevance to the Creation of a Nuclear-Weapon-Free Zone in the Middle East would, through an exchange of information on relevant experience gained with NWFZs in other regions, contribute to the efforts under way in the Middle East region to establish there an NWFZ tailored to its realities.

165. In conclusion, South Africa believed that the Agency's mandate was far too important to be diluted by narrow interests. It was incumbent upon everyone to continue upholding the principles on which the Agency was founded.

166. Mr. AGHAZADEH (Islamic Republic of Iran), having welcomed the General Conference's approval of Chad, Togo and Mauritania for membership of the Agency, recalled that Article II of the Statute required the Agency to seek "to accelerate and enlarge the contribution of atomic energy to peace, health and prosperity throughout the world" and that the Agency was authorized by Article III to "encourage and assist research on, and development and practical application of, atomic energy for peaceful purposes".

167. Under Article IV of the NPT, all parties undertook "to facilitate, and had the right to participate in, the fullest possible exchange of equipment, materials and scientific and technological information for the peaceful uses of nuclear energy." It was essential to note that, according to the same article, nothing in the NPT should be interpreted as affecting the inalienable right of all parties to it to develop research, production and use of nuclear energy for peaceful purposes without discrimination.

168. A fair review of developments since the Agency had been established and the NPT had entered into force revealed the regrettable fact that the promotional provisions of the Statute and the NPT had not been implemented, either in the letter or in the spirit. The Islamic Republic of Iran had therefore

[3] See document GC(46)/OR.1, para. 108.

had no choice but to depend on its own resources and manpower in exercising its inalienable right to use nuclear energy for peaceful purposes.

169. For more than a quarter of a century, despite sanctions, discrimination, deprivation and an eight-year imposed war, his country had stood on its own feet and struggled for independence and sustainable development. Unjustified continuous sanctions relating to items important for the peaceful utilization of nuclear energy, and even to items of humanitarian importance, had left the Islamic Republic of Iran with no option but national mobilization for self-sufficiency. Remarkable achievements relating to various peaceful applications of nuclear technology and to various stages of nuclear fuel production were the result of decades of huge investment by his country and of huge scientific efforts by outstanding Iranian experts. The Islamic Republic of Iran would not permit any interruption in or interference with its indigenous nuclear programme, which was purely peaceful and which it would not give up at any price.

170. Some provisions of the resolution adopted by the Board of Governors on 18 September 2004 were contrary to the letter and spirit of the Statute and the NPT, and some called for action going beyond the fulfilment of safeguards obligations. In the resolution, there was no clear distinction between voluntary and obligatory measures. Moreover, calling upon a Member State to suspend or stop activities such as uranium conversion and enrichment and the construction of a research reactor designed to produce radioisotopes for use in medicine, agriculture and industry — activities in no way prohibited by the Statute and the NPT — would only lower the esteem in which the Agency, which had been established to promote peaceful applications of nuclear energy, was held. The inalienable rights of Member States were at stake.

171. The international community could rest assured that all of his country's nuclear activities were for peaceful purposes. At the same time, it should know that his country was determined to continue those activities without interruption, under the surveillance of the Agency in accordance with its safeguards agreement with the Agency and the additional protocol thereto.

172. Mr. MOTEGI (Japan), having welcomed the General Conference's approval of Chad, Togo and Mauritania for membership of the Agency, said that the international nuclear non-proliferation regime was facing serious challenges. The DPRK nuclear issue and other nuclear non-proliferation issues had become more acute, especially since the discovery of the existence of an underground nuclear proliferation network. Strengthening the nuclear non-proliferation regime had become one of the most important tasks facing the international community.

173. At the same time, the importance of nuclear power as an energy source that was not only stable but also helping to prevent global warming had increased. Moreover, the peaceful uses of nuclear energy in areas such as medicine, agriculture and industry were contributing to social and economic development.

174. Japan therefore believed that the Agency's role in both strengthening the international nuclear non-proliferation regime and promoting peaceful uses of nuclear energy was becoming increasingly important. Strengthening the nuclear non-proliferation regime was one of the most important pillars of his country's foreign policy. The next NPT Review Conference was due to take place in 2005, the 60th anniversary of the dropping of atomic bombs on Japan. In 2005, the international community would be presented with an opportunity to renew its commitment to nuclear non-proliferation and nuclear disarmament.

175. For its part, his country, the only country to have been a victim of atomic bombs, would continue to uphold its three non-nuclear principles — not possessing nuclear weapons, not producing them and not permitting their introduction into Japan.

176. It was the responsibility of the entire international community to strengthen the nuclear non-proliferation regime by closing all loopholes. Japan shared the concerns reflected in the non-proliferation proposals put forward by President Bush of the United States of America and in the Director General's initiative regarding multilateral approaches to the nuclear fuel cycle. However, account would have to be taken of people's desire to use nuclear energy for peaceful purposes.

177. Strengthening the Agency's safeguards system was essential for strengthening the nuclear non-proliferation regime. Japan was therefore continuing to promote the universalization of model protocols. So far, however, only 60 States had additional protocols in force — an unsatisfactory situation. Japan would like to see all States which had not yet done so bringing additional protocols with a minimum of delay.

178. The implementation of integrated safeguards in Japan had begun the previous week — for the first time in a country with large-scale nuclear activities. It was hoped that a good example would be set for other countries, and also that the implementation of integrated safeguards would lead to the more efficient use of the Agency's limited resources.

179. The DPRK's nuclear programme posed not only a threat to peace and stability in north-east Asia, but also a challenge to the international non-proliferation regime. The DPRK should comply fully with all its obligations under the NPT and other relevant international agreements and immediately dismantle all its nuclear programmes under credible international verification. It was essential that a peaceful solution to the DPRK nuclear issue be achieved through the Six-Party Talks process, and Japan hoped that the fourth round of Six-Party Talks would be held soon.

180. His country, which was concerned about the fact that there were still unresolved issues relating to the undeclared nuclear activities of the Islamic Republic of Iran, had been urging Iran to take the steps which the Board had called for in various resolutions, including the one adopted on 18 September 2004. In order to dispel international concerns about its nuclear activities, Iran needed to be more transparent, and prompt ratification of the additional protocol to its safeguards agreement with the Agency would be helpful in that connection.

181. The Libyan Arab Jamahiriya was to be commended for its decision to abandon its programme for the development of weapons of mass destruction, including nuclear weapons, and for increasing its cooperation with the international community. Japan hoped that other countries of nuclear proliferation concern would follow Libya's example.

182. Japan understood that the Republic of Korea was cooperating with the Agency in a transparent manner, and it appreciated that country's attitude. At the same time, with the importance attached by it to maintaining the credibility of the NPT and the Agency's safeguards system, it was paying close attention to what the Director General had described as "a matter of serious concern". Japan expected the Republic of Korea to continue cooperating with the Agency in a transparent manner, in order that the matter might be clarified.

183. Since the tragic events of 11 September 2001, the threat of nuclear terrorism had become an important issue for the international community. In Japan's opinion, the Secretariat was to be commended for the initiatives launched by it in that connection. His country hoped that a conference to amend the Convention on the Physical Protection of Nuclear Material would take place soon, and it would continue participating in the Global Threat Reduction Initiative (GTRI) in an appropriate manner, bearing in mind the findings of the GTRI Partners' Conference held on 18 and 19 September 2004.

184. The Agency was playing a significant role in the peaceful utilization of nuclear energy, particularly by promoting medical, agricultural, industrial and other applications of radioisotopes in

developing countries through its technical cooperation programmes. Japan had consistently paid its full TCF target share, and it would like to see all other Member States doing the same. It would also like to see all recipient countries acting on the basis of the principle of shared responsibility.

185. Nuclear power was very important for Japan, which was continuing to develop a nuclear fuel cycle. His country was currently drawing up a long-term nuclear energy R&D programme for which it was seeking to obtain public acceptance through the involvement of all stakeholders.

186. Japan attached great importance to the International Thermonuclear Experimental Reactor (ITER) project and hoped that the six ITER project parties would soon arrive at a consensus decision on a site. Its offer to host the ITER project at a site near the town of Rokkasho still stood.

187. In August 2004, an accident involving a gush of steam due to a pipe burst had occurred at a Japanese nuclear power plant. It had not been a nuclear accident, but, with workforce fatalities, it had certainly been a tragedy. His country, which was fully aware of the importance of safety at nuclear power plants, would do everything necessary in order to prevent similar accidents from occurring. Also, it would continue to cooperate with the Agency in its nuclear safety initiatives.

188. The smooth transport of radioactive materials was indispensable for the peaceful utilization of nuclear energy. As regards the international transport of such materials, which was based on the right of free navigation provided for in international law, Japan was taking the most stringent safety measures in accordance with standards set by the relevant international organizations — and it had requested an Agency TranSAS mission.

189. The Agency needed adequate financial resources if it was to carry out the role expected of it. Japan had accordingly supported acceptance of the Regular Budget for 2005, including the envisaged increase in resources for safeguards. However, it would like the Secretariat to continue its efforts to improve efficiency in budget management, by prioritizing projects and reducing costs.

– Restoration of voting rights

190. The PRESIDENT drew attention to the Statement of Financial Contributions to the Agency as at 17 September 2004, contained in document GC(48)/INF/14, which included a table indicating those Member States which had lost their voting rights by virtue of application of Article XIX.A of the Statute. He said that communications had been received from four of those States — Afghanistan, Armenia, Iraq and Kazakhstan — requesting that their voting rights be restored. Those communications were contained in documents GC(48)/INF/12, INF/11, INF/9 and INF/10 respectively. He proposed that, in accordance with past practice, the requests be referred to the General Committee for initial consideration.

191. The President's proposal was accepted.

The meeting rose at 1.05 p.m.