

General Conference

GC(66)/OR.10 Issued: December 2022

General Distribution Original: English

Sixty-sixth regular session

Plenary

Record of the Tenth Meeting

Held at Headquarters, Vienna, on Friday, 30 September 2022, at 10.20 a.m. President: Mr CORTESE (Italy)

Contents

Item of the agenda ¹		Paragraphs
18	Implementation of the NPT safeguards agreement between the Agency and the Democratic People's Republic of Korea (continued)	1–19
24	Transfer of the nuclear materials in the context of AUKUS and its safeguards in all aspects under the NPT	20-111

The composition of delegations attending the session is given in document GC(66)/INF/14

¹ GC(66)/17

This record is subject to correction. Corrections should be submitted in one of the working languages, in a memorandum and/or incorporated in a copy of the record. They should be sent to the Secretariat of the Policy-Making Organs, International Atomic Energy Agency, Vienna International Centre, PO Box 100, 1400 Vienna, Austria; fax +43 1 2600 29108; email secpmo@iaea.org; or from GovAtom via the Feedback link. Corrections should be submitted within three weeks of the receipt of the record.

Abbreviations used in this record

ABACC	Brazilian–Argentine Agency for Accounting and Control of Nuclear Materials	
AUKUS	enhanced trilateral security partnership between Australia, the United Kingdom of Great Britain and Northern Ireland and the United States of America	
CSA	comprehensive safeguards agreement	
DPRK	Democratic People's Republic of Korea	
HEU	high enriched uranium	
LEU	low enriched uranium	
MW	megawatt	
MW(e)	megawatt electrical	
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	
Quadripartite Agreement	Agreement between the Republic of Argentina, the Federative Republic of Brazil, the Brazilian-Argentine Agency for Accounting and Control of Nuclear Materials and the International Atomic Energy Agency for the Application of Safeguards	
UK	United Kingdom of Great Britain and Northern Ireland	
USA	United States of America	

18. Implementation of the NPT safeguards agreement between the Agency and the Democratic People's Republic of Korea (continued) (GC(66)/16)

1. <u>Mr WANG Chang</u> (China) said that, in his country's view, the situation on the Korean Peninsula was a security issue, the crux of which lay in the lack of an appropriate peace mechanism. The DPRK was justified in believing that its concerns had not received due attention. The DPRK had said that it opposed all forms of war, including nuclear war, and was committed to building a fair and just international order and achieving world peace. In particular, the DPRK believed that the nuclear submarine cooperation under AUKUS would disrupt the strategic balance in the Asia-Pacific region and provoke a nuclear arms race, a view with which China agreed.

2. It was in the interests of the international community to maintain peace and stability on the peninsula and achieve denuclearization through dialogue. The USA should take practical action to address the legitimate concerns of the DPRK and make sincere efforts to resolve the Korean Peninsula issue. China would continue working with the international community using a phased, step-by-step dual-track process to advance resolution of the issue and would play a constructive role in reaching a political settlement while promoting broader consensus.

3. As his delegation had been able to clarify China's position during consultations on the draft resolution, he withdrew China's proposed amendments.

4. The <u>PRESIDENT</u>, thanking the delegate of China for his flexibility, took it that the General Conference wished to adopt the draft resolution in document GC(66)/L.3.

5. <u>The draft resolution in document GC(66)/L.3 was adopted.</u>

6. <u>Mr ULYANOV</u> (Russian Federation) said that, although his country had not objected to the adoption of the resolution, it was deeply disappointed that the Conference had been unable to achieve a more meaningful outcome. The adopted text failed to reflect the critical nature of the current situation or make a real contribution to resolving the issues at hand and it was therefore with reluctance that the Russian Federation had accepted its adoption.

7. <u>Mr HASSAN</u> (Malaysia), welcoming the adoption of the resolution by consensus, said that his country attached great importance to the issue and commended the Agency's indispensable monitoring role. All efforts should be aimed at maintaining peace and security in the region and establishing a peaceful environment on the Korean Peninsula.

8. Malaysia remained deeply concerned by ongoing nuclear activities in the DPRK, including the reopening of its nuclear test site, expansion of its centrifuge enrichment facility and continued operation of its 5 MW(e) reactor and other facilities. The DPRK was urged to cease all nuclear activities immediately and to abandon all its nuclear weapons and existing nuclear programmes in a complete, verifiable and irreversible manner.

9. Malaysia also urged the DPRK to fully comply with its obligations under the relevant Security Council resolutions, to cooperate with the Agency in the full and effective implementation of its safeguards agreement, and to resolve all outstanding issues, in particular those that had arisen while Agency inspectors had been absent. The DPRK was also urged to engage in discussions with the aim of

denuclearizing the Korean Peninsula, as its interests would be best served by an immediate return to the negotiating table.

10. <u>Mr YOON Chu Sok</u> (Republic of Korea) welcomed the resolution's adoption by consensus, which had sent a clear, unified message deploring the DPRK's ongoing nuclear activities. He said that the resolution would also support diplomatic engagement to achieve complete denuclearization of the DPRK and sustainable peace and security on the Korean Peninsula. His country urged the DPRK to fully comply with all its obligations under the relevant Security Council resolutions and to take tangible steps towards abandoning all of its nuclear weapons, nuclear programmes and related activities in a complete, verifiable and irreversible manner.

11. The resolution reflected the shared belief that the DPRK nuclear issue should be addressed through diplomacy and dialogue. The Republic of Korea continued to promote diplomacy in close coordination with its allies, partners and the international community. It had kept the door to dialogue open and promised political, military and economic measures should the DPRK embark on a genuine, substantive denuclearization process. Yet, not only did the DPRK refuse to negotiate, it had enacted a law that authorized pre-emptive nuclear attacks and significantly lowered the threshold for the use of nuclear weapons. That was a source of grave concern.

12. The Republic of Korea reiterated its call for the DPRK to stop all forms of provocation and to return to denuclearization talks without further delay.

13. The report's findings with regard to the DPRK's re-opened nuclear test site and its expansion of other nuclear facilities at Yongbyon caused grave concern and were a testament to the necessity and timeliness of the resolution. The Republic of Korea called upon the DPRK to fully comply with the NPT and cooperate promptly with the Agency in ensuring the full and effective implementation of its safeguards agreement. In that regard, his country welcomed the Agency's efforts to enhance its readiness to play an essential role in monitoring and verifying the DPRK's nuclear programme.

14. He thanked the sponsors of the resolution, the Member States that had joined in the consensus, the members of the DPRK Core Group, especially the Canadian delegation, and the Chinese and Russian delegations for their constructive efforts to facilitate adoption of the resolution by consensus.

15. <u>Mr HIKIHARA</u> (Japan) said that his country welcomed the adoption of the resolution and highly commended the stewardship of the Canadian delegation in achieving a consensus. The resolution sent a unified message to the international community in reaction to the DPRK's intensified nuclear and missile activities, including the looming possibility of another nuclear test.

16. He reiterated that verification was indispensable to denuclearizing the DPRK. It was of utmost importance that the Agency's expertise, knowledge and experience should be fully utilized. Japan deeply appreciated the Secretariat's work to enhance the Agency's ability and readiness to verify the DPRK's nuclear programme.

17. <u>Mr SADLEIR</u> (Australia) commended the Canadian delegation on its tireless work and leadership in steering the DPRK Core Group. Australia thanked all Member States that had sponsored the resolution and supported its adoption.

18. Australia shared the concerns highlighted in the report and the Director General's assessment that developments in the DPRK were "deeply troubling". The text of the resolution represented the Core Group's best efforts to ensure that the Conference adopted a consensus text that reflected factual updates and sent a firm, united message to the DPRK that its actions would never be accepted or normalized, and that the international community would continue to call out its violations and escalatory acts.

19. To ensure that the resolution could be adopted by consensus as in recent years, the Core Group had taken an open, transparent approach to negotiating the text. It had engaged early with interested regional group delegations, and the text reflected their feedback.

24. Transfer of the nuclear materials in the context of AUKUS and its safeguards in all aspects under the NPT (GC(66)/1/Add.3)

20. The <u>PRESIDENT</u> said that the current item had been included at the request of China and drew attention to the draft resolution contained in document GC(66)/L.1/Rev.3, also submitted by China.

21. <u>Mr WANG Chang</u> (China) requested a suspension of the meeting until the outcome of ongoing consultations on the current item was confirmed.

22. <u>Ms MEBARKI</u> (Algeria), commending all present on their spirit of consensus, called for the adoption of all remaining draft resolutions by consensus, so as to end the Conference's plenary session on a positive note. He said that all delegations should support the Director General in his efforts to carry out his duties and programmes.

The meeting was suspended at 10.45 a.m. and resumed at 11.15 a.m.

23. <u>Mr WANG Qun</u> (China), updating the Conference on the outcome of the consultations, said that his country had hoped to propose a constructive resolution that could achieve consensus. As things stood, however, some countries still held diverging views. China would therefore stop promoting its proposed resolution. Given the differences of opinion on the matter, he would elaborate further on China's standpoint.

24. In China's view, the trilateral nuclear submarine cooperation by Australia, the UK and the USA under AUKUS violated the NPT, the countries' CSAs and Australia's additional protocol. Regardless what the three countries called their cooperation and how the nuclear weapons materials involved were handled, nothing could hide the fact that the venture was, in essence, the illegal transfer of nuclear weapons materials. AUKUS would have a hugely negative impact, and the three countries should immediately cease that cooperative undertaking.

25. Moreover, the three countries had ignored the grave concerns of Member States and the international community. Far from ceasing their acts of nuclear proliferation, they had buried their heads in the sand, called black white and confused right and wrong, disrupting Member States' attempts to move forward with the relevant intergovernmental processes.

26. The AUKUS countries had disregarded the facts and sought to sway public opinion. To promote their nuclear submarine cooperation, they had tried to impose three false conclusions on Member States: that the NPT allowed the transfer of nuclear naval propulsion and weapons materials; that the Director General had the power to handle the issue of nuclear proliferation independently; and that the Director General as an individual had the power to interpret the NPT in such a way as to allow Australia to invoke the provisions set out in paragraph 14 of the booklet entitled "The Structure and Content of Agreements between the Agency and States Required in Connection with the Treaty on the Non-Proliferation of Nuclear Weapons" (INFCIRC/153 (Corrected)) as an exceptional clause.

27. The three countries had also demonized the agenda item proposed by China. They did not want the NPT to be mentioned in a resolution on the matter and were unwilling to acknowledge Article II of

the Statute or the grave concerns of Member States and the international community. They even refused to acknowledge the fact that Member States were clearly divided over the findings in the Director General's report. The three countries had always ignored the fundamental issue of illegal nuclear weapon material transfer in the context of their cooperation. They had deliberately ignored the necessity of the Agency's intergovernmental review process and made excuses, such as claiming that China and numerous Member States were taking up Agency resources, influencing the Director General's decision-making and obstructing the Secretariat's work when they were only fulfilling their proper responsibilities and obligations.

28. The AUKUS countries were seeking to legitimize their acts of nuclear proliferation by coercing the Director General to publish misleading reports that fell outside his mandate. They had forced the inclusion of a duplicate agenda item at the recent series of Board meetings, and at the current Conference session, they had forced through substantive amendments to a resolution had already been adopted by consensus. They had attempted to hijack the relevant intergovernmental processes to force Member States to endorse and whitewash their acts of nuclear proliferation.

29. For the first time in history, a nuclear-weapon State was blatantly bringing about the proliferation of tons of nuclear weapon materials to a non-nuclear-weapon State. How the Agency handled the problem was directly linked to whether it adhered to the international nuclear non-proliferation regime under the NPT, the provisions clearly stipulated in its Statute, and the non-proliferation and safeguards responsibilities of the Director General and the Secretariat. The question was one of major moral consequence, not only in terms of the political, legal and technical issues involved, but also the Agency's ability to fulfil its non-proliferation mandate. The integrity of the international nuclear non-proliferation regime was at stake. There could not be the slightest ambiguity.

30. China had four suggestions for addressing the international community's concerns regarding nuclear proliferation under AUKUS and safeguarding efforts to promote world peace.

31. First, the Agency, as an international organization with non-proliferation functions, must resolutely support the role of the NPT as the cornerstone of the international non-proliferation regime. The Agency could not participate in any form of proliferation or in any activities that furthered a military purpose.

32. Second, the Agency must abide by the rules. The NPT and the Agency's Statute formed an important part of the post-war international order and clearly stated the legal obligations to be fulfilled by Member States with regard to non-proliferation and safeguards. Without rules, nothing could be done. All aspects of the international system must be governed by rules. The three countries' distaste for discussing the rules revealed the culpable nature of their acts of nuclear proliferation.

33. Third, the Member State-led intergovernmental review process initiated by the Agency must be maintained, and Member States should continue to participate. The AUKUS countries should report to the Agency on all stages and aspects of their nuclear submarine cooperation as required under their CSAs and the additional protocol. The Director General and the Secretariat should also provide objective and impartial reports on that cooperation, and all parties should work together to create the proper conditions for a suitable resolution to be adopted.

34. Fourth, Member States must continue to seek common ground while respecting differences. It was unsurprising that Member States remained divided. The key to resolving the issue was to hold fast to the shared goal of non-proliferation, focus on shared challenges, and work together to preserve the Agency's authority and the international non-proliferation regime. The Agency must handle such unprecedented proliferation risks seriously and with an eye to history so as to develop a solution that was acceptable to all parties.

35. In conclusion, China stressed that the Agency's intergovernmental review process was already under way. The discussions had been deepening and had received extensive attention and support from the international community. The process was unstoppable: try as the three countries might to dissociate themselves from that process, their attempts to force through their project were untenable. China urged the three countries to stop moving down the road of proliferation and return to the correct path of non-proliferation. They must not go against the international community.

36. <u>Mr SADLEIR</u> (Australia), also speaking on behalf of the UK and the USA, said that the AUKUS countries were only one year into their 18-month consultation period but were pleased with the progress made to date. The three countries remained firmly committed to engaging openly and transparently with all Member States in respect of Australia's AUKUS-related safeguards obligations. Over the past year, senior officials and technical experts had held regular trilateral discussions at the three national capitals and had repeatedly met with the Director General and the AUKUS task force at the Agency's headquarters in Vienna. Those meetings would continue as the countries continued to engage with the Agency to develop a safeguards approach that would meet all of the Agency's technical objectives.

37. All Member States had the right to engage bilaterally with the Director General and the Secretariat on safeguards issues, and that right must be protected. Declining to respond to the mischaracterizations that had been made, he said that the Director General's report spoke for itself.

38. The three countries' commitment to their non-proliferation obligations was clear, as was their commitment to ongoing open and transparent engagement with the Agency. He commended the Director General and the Secretariat on their professional approach to the issue.

39. <u>Mr ULYANOV</u> (Russian Federation) said that one year and 15 days had elapsed since the announcement of the trilateral AUKUS initiative under which Australia, a non-nuclear-weapon State under the NPT, was to be supplied with nuclear-powered submarines with the assistance of the UK and the USA, two nuclear-weapon States. His country was grateful to China for its constant efforts to bring the matter to the attention of the PMOs. The AUKUS issue had been included on the agenda of the Board of Governors four consecutive times by consensus decision of Member States and the time had come to discuss it at the General Conference.

40. At the most recent set of Board meetings, AUKUS had been considered under a record three agenda items, clearly demonstrating the growing interest in the topic. An increasing number of Member States were voicing their opinions, concerns and reservations about the initiative, notably in relation to safeguards implementation, and a wide range of views had been expressed.

41. The draft resolution tabled by China and that country's proposal to continue a structured intergovernmental discussion on the issue were highly appropriate and timely. The AUKUS countries were making clear attempts to conceal their 'brainchild' from the international community and had taken the least transparent approach possible in respect of the formula for applying safeguards to nuclear material in the reactors of the planned submarines. They were obviously working behind the scenes with the Secretariat in order to present a fait accompli and did not appear to be remotely concerned about remaining accountable to Member States or to the PMOs. For a year, they had been repeating a set of hackneyed talking points about their "being committed to maintaining the highest possible non-proliferation standards" and Australia's "exemplary" track record on nuclear non-proliferation and had been attempting to frame their initiative as some kind of routine technical interaction with the Secretariat, as though the issue required no further broad-based discussion. The Russian Federation fundamentally disagreed with that approach, which reflected the three countries' arrogant and disdainful attitude towards the international community.

42. Member States, including Board members, had a right to participate in the debate and help to address emerging challenges to the non-proliferation regime. Indeed, the matter concerned the

hypothetical withdrawal from Agency safeguards of some 2 tonnes of highly enriched nuclear material to be supplied by two NPT nuclear-weapon States to a non-nuclear-weapon State. Such actions were completely incomprehensible. They posed an unprecedented challenge to the non-proliferation regime and the safeguards system and could in no way be considered a routine matter between the Secretariat and the three Member States involved.

43. The Russian Federation did not share the enthusiasm of others regarding the supposedly impeccable track record that the AUKUS participants had arrogated to themselves in an attempt to lull the international community into a false sense of security. It might be appropriate for others to make such an assessment, but not for the countries concerned. Furthermore, his country had no reason to take the AUKUS partners at their word. The only way to ensure an adequate level of trust was for those countries to finally start answering questions, provide the necessary information and adopt a transparent approach.

44. The AUKUS countries regularly and insistently demanded transparency on the part of others, but were not applying the same standards to their own initiative. Similarly, they readily called on other countries to minimize the use of HEU, but clearly did not consider that necessary when it came to their own activities. The Agency's long-standing efforts in that area were being undermined precisely by those countries that had promoted them.

45. The Russian Federation had full confidence in the Director General and did not dispute the assertion, made in his initial report to the Board on IAEA safeguards in relation to AUKUS², that he was satisfied with the level of engagement shown by the three AUKUS countries. The problem was that Member States were not satisfied with that furtive, behind-the-scenes interaction. The Director General's positive assessment in no way negated the need for a structured intergovernmental discussion within the Agency that would allow Member States to share their views.

46. There were essentially two approaches to addressing the AUKUS issue. Member States could adopt a laissez-faire attitude and allow the participants to make covert arrangements with the Secretariat for the application of safeguards to the nuclear material in Australia's planned submarines. That would then set a precedent for all countries interested in pursuing that sensitive technology in the future. Alternatively, they could be allowed to share their views on the matter, thereby ensuring the highest standards of transparency and inclusiveness that had always characterized the work of the Agency but were currently being threatened. Such a discussion, which could be conducted in a manner that was acceptable to all, would also allow the Secretariat to obtain feedback from Member States on the process. All parties would benefit from such an approach.

47. The Russian Federation trusted that substantive and comprehensive discussions would be held on a regular basis, both at the Board of Governors and at subsequent sessions of the General Conference, under the agenda item proposed by China.

48. <u>Mr MOHD IBRAHIM</u> (Malaysia), recalling the obligations of States Parties under Article III of the NPT, said that his country took note of the provision in INFCIRC/153 (Corrected) regarding the non-application of safeguards to nuclear material used in certain non-proscribed military activities. Malaysia was of the view that CSAs should be implemented in such a way as to provide for Agency verification of the correctness and completeness of States' declarations of non-diversion of nuclear materials and of the absence of undeclared nuclear material and activities.

49. Malaysia called on the AUKUS countries to continue engaging closely with the Agency to develop suitable verification measures to confirm that no nuclear material was being diverted from their nuclear powered submarines. Their planned use of HEU would undermine the Agency's efforts to

² GOV/INF/2022/20.

promote conversion to LEU in peaceful uses of nuclear energy. In that regard, Malaysia underscored that the highest non-proliferation standards and the relevant provisions of safeguards agreements must be applied to nuclear naval propulsion.

50. The regular updates provided by the AUKUS countries were welcome, and Malaysia continued to take great interest in related developments. Malaysia considered AUKUS to be a new regional political security architecture, the basic technical competence of which should be subject to Agency safeguards in all aspects under the NPT. The issue had drawn and continued to draw heightened interest, including at the Tenth NPT Review Conference in 2021, because of the unprecedented transfer of nuclear materials from a nuclear-weapon State to a non-nuclear-weapon State. In that regard, Malaysia emphasized that all States party to the NPT should adhere to the fundamental principles of non-proliferation and peaceful uses of nuclear energy, exercise full transparency in their nuclear programmes and place them under full Agency safeguards, thereby removing all doubts as to the peaceful nature of their nuclear programmes.

51. The integrity of the ongoing consultation process between the AUKUS countries and the Agency must be maintained, and the application of safeguards to nuclear naval propulsion should remain technical, transparent, non-discriminatory and impartial. His delegation noted the Agency's engagement and technical consultations with the AUKUS countries and looked forward to further updates and reports from the Director General.

52. <u>Mr SOBRAL DUARTE</u> (Brazil), citing his country's decades-long independent nuclear naval propulsion development programme and impeccable non-proliferation record, said that it was Brazil's understanding that safeguards implementation related to nuclear naval propulsion was to be discussed directly between the Agency and the State in question. The Director General had a mandate to engage with States on nuclear naval propulsion under the existing legal framework, including the Statute.

53. Nothing in the NPT or the safeguards and nuclear non-proliferation regime precluded the right of a non-nuclear-weapon State to develop nuclear naval propulsion, and it was unacceptable to apply preconditions on the exercise of that right.

54. Discussions within the Agency could not alter the established legal framework for nuclear naval propulsion, which was provided by the CSAs approved by the Board of Governors and had been in force for decades, such as the Quadripartite Agreement. In Brazil's view, the creation of any parallel structures within the Agency for the consideration of such issues was unwarranted.

55. Brazil's transparent approach and decision to work closely with the Agency on nuclear naval propulsion had been commended by the Director General. Brazil would continue to work with the Agency as per its established obligations and commitments.

56. <u>Mr SANTANA NUÑEZ</u> (Cuba), noting the high nuclear proliferation risk posed by AUKUS and the transfer of nuclear-powered submarine technology, expressed concern that the partnership contradicted the spirit and letter of the NPT and took Member States further away from the shared goal of a world free of nuclear weapons. In view of the multiple safeguards challenges involved, Cuba welcomed the intergovernmental debate initiated on AUKUS under the Agency's mandate. In accordance with the model comprehensive safeguards agreement, the Agency must prioritize prevention and not wait for proliferation to occur.

57. <u>Ms HERNÁNDEZ MEDINA</u> (Bolivarian Republic of Venezuela) said that her country appreciated China's efforts to include the AUKUS item on the agenda of the General Conference. The issue had been discussed at several consecutive Board meetings and Venezuela had repeatedly expressed its concern about the potential implications of that trilateral nuclear partnership for the nuclear non-proliferation regime and Agency safeguards.

58. In view of the continued advance of cooperation under AUKUS aimed at the supply of technology and material for nuclear submarines, Venezuela was concerned that the countries involved were in non-compliance with the NPT and their respective safeguards agreements. A number of questions remained regarding the initiative and how it could undermine the spirit and letter of certain articles of the NPT and affect safeguards implementation. Stressing that AUKUS could pose multiple safeguards challenges, Venezuela urged the Agency take a preventive approach in line with the model CSA, rather than waiting for proliferation to occur.

59. Given the initiative's potential implications for global strategic stability, international security, regional peace and the global non-proliferation system, the topic should be further discussed at the multilateral and intergovernmental level, notably at the Board of Governors and the General Conference. It was crucial for international stability and security that all States should uphold the non-proliferation regime, the NPT and the safeguards system.

60. <u>Mr SHUMSKI</u> (Belarus) said that the issue of the application of safeguards to nuclear propulsion systems for warships and the related nuclear material in connection with AUKUS had a direct bearing on the integrity and effectiveness of the NPT and affected the interests of all Member States and the Agency's mandate.

61. As it had stated repeatedly at Board of Governors meetings, Belarus viewed the AUKUS initiative as paving the way for the use of highly enriched nuclear material for military purposes, posing major challenges to nuclear safety and security around the world.

62. There remained a lack of clarity regarding the mechanisms for implementing safeguards and ensuring continuity of the Agency's knowledge concerning the nuclear material during the military submarines' operation. Belarus reiterated its firm conviction that that all legal and other issues related to the initiative and the Agency's implementation of safeguards for naval nuclear propulsion should be considered promptly and comprehensively.

63. His country fully supported China's proposal regarding the need to pay special attention to the issue and also supported the draft resolution tabled, which aimed to establish the necessary legal basis for a broad international discussion. It was regrettable that consensus had not been reached on the text.

64. Belarus called on all countries involved in the initiative to cooperate fully with the Agency. Only in that way could the Agency ensure and confirm the fulfilment of international commitments and provide exhaustive information to Member States regarding issues of concern.

65. <u>Ms MEBARKI</u> (Algeria) thanked the Chinese delegation for its constructive contribution to preserving the 'Vienna spirit' of consensus. She took note of the statement by the delegate of Australia on behalf of the three countries and saluted their commitment to fulfilling their respective obligations and coordinating with the Agency.

66. Recalling the inalienable right to the use of nuclear energy for peaceful purposes under Article IV of the NPT, and the importance of each State exercising that right in strict accordance and conformity with its safeguards obligations, she said that the Agency must be protected from politicization and its technical mandate preserved. The Director General played an important role in providing transparency and collaborating with Member States.

67. Algeria attached great importance to dialogue and the diplomatic resolution of disputes, and therefore planned to vote in favour of the draft resolution.

68. <u>Mr MOLEKANE</u> (South Africa) said that, since the AUKUS partners had announced their trilateral cooperation in September 2021, the subject of nuclear naval propulsion programmes had drawn considerable attention from the international community. Member States' strong views on the topic had

touched on all facets of the Agency's work. The debate had been politically charged and had led to heightened tensions in discussions under other agenda items. South Africa was therefore grateful that a reasonable, diplomatic tone had prevailed at the Conference and thanked the parties involved for their persistence.

69. His delegation took note that Member States were divided on the permissibility of nuclear naval propulsion programmes under the NPT and the applicability of the Agency's safeguards regime to nuclear naval propulsion. Member States had also recognized that the approach adopted on AUKUS would set a precedent on the consideration, verification and monitoring of such programmes in the future. Actions taken at the Conference and by the Agency should always be principled, transparent and equitably applied to all Member States. For that reason, particular care should be taken to ensure that the Conference's decision did not create a double standard.

70. Given the various possible forms that a nuclear naval propulsion programme could take, his delegation believed that the Agency should elaborate a comprehensive mechanism for the consideration, monitoring and verification of programmes like AUKUS, in contrast to the existing arrangements for home-grown programmes that did not involve the transfer of nuclear materials, technology or knowledge. Such a mechanism would provide a fair and equitable basis for the legal and technical consideration of proposed programmes and should be accompanied by a clear verification scheme that would provide assurance that no nuclear materials were being diverted.

71. South Africa considered the type of transfer envisaged under AUKUS to be in potential breach of the NPT, because it was unprecedented and involved the transfer by nuclear-weapon States of materials to a non-nuclear-weapon State, which could have the unintended consequence of endangering the latter State's safeguards arrangements with the Agency, owing to the programme's military nature and location.

72. His delegation therefore encouraged continued engagement on the matter within the Board of Governors with a view to finding a workable solution.

73. <u>Mr ELMOLLA (Egypt)</u>, appreciative of the safeguards arrangements to be applied to the AUKUS nuclear naval propulsion programme, said that the tripartite security partnership would set an important precedent requiring the exercise of transparency and due diligence within a clear, impartial, neutral and non-politicized institutional framework in line with the NPT and the Agency's mandate.

74. While Egypt noted the commitment of the three States to transparency and cooperation with the Agency, it was essential that the Board and the General Conference should continue to follow up on the matter and its consequences through the current intergovernmental process. Thanking China for upholding the spirit of consensus and seeking to promote unity and understanding, Egypt affirmed its support for the Agency's work in the matter.

75. <u>Mr KHOKHER</u> (Pakistan) said that, ever since the matter of AUKUS had first been raised at the Agency, Pakistan had consistently called for greater transparency. Pakistan remained of the view that nuclear naval propulsion cooperation under AUKUS was unprecedented in nature and gave rise to several pertinent legal and technical questions, with regard not only with regard to the non-proliferation commitments of the parties involved, but also to the Agency's approach to safeguards, including whether the Agency had the necessary technical capacities and expertise. A technical briefing by the Secretary in that regard would be welcome.

76. The Agency's engagement with the AUKUS partners would set a precedent in terms of the safeguards applied to nuclear naval propulsion. The credibility and integrity of the Agency's safeguards system, and also the entire global non-proliferation regime, were at stake. In addition, the regional and global strategic stability implications of AUKUS could not be ignored. Pakistan had therefore repeatedly

raised the need for structured discussions at the Agency, including on the Agency's own engagement in respect of the safeguards arrangement. Such discussions would help Member States to better understand the issue, bring further clarity and help to preserve the integrity of the Agency's safeguards system.

77. In that regard, the Secretariat's continued engagement with the AUKUS countries, Member States and other relevant parties was appreciated, as was the AUKUS partners' engagement with the Agency. All States must comply with their obligations under their safeguards agreements and the intergovernmental process at the Board of Governors and the Conference must continue to guide that engagement, with a view to adopting an appropriate safeguards arrangement, as stipulated by the 1978 note by the Director General on the structure and content of agreements between the Agency and States required in connection with the NPT, set out in document GOV/INF/347. That note required that any safeguards arrangement with the Agency must be brought before the Board of Governors for appropriate action.

78. Pakistan commended China's constructive approach to its draft resolution based on consensus-building through dialogue. A dialogue-based approach was the hallmark of diplomacy at work. Although consensus had not been possible without the engagement of the AUKUS countries, in particular the USA, all delegations had played a valuable role.

79. <u>Mr AGUSMAN</u> (Indonesia) said that his country appreciated the constructive efforts by delegations to ensure the timely conclusion of the current agenda item. Referring to the Director General's initial report on IAEA safeguards in relation to AUKUS, Indonesia looked forward to further reports and assessments by the Director General and was following related discussions.

80. Indonesia took note of the growing interest in nuclear naval propulsion, expressed both at the 10th NPT Review Conference and also during the most recent set of Board meetings. He stressed that the AUKUS issue was unprecedented and must therefore be handled in an appropriate manner, not only from a technical and procedural point of view, but also from a legal perspective.

81. At the 10th NPT Review Conference, Indonesia had submitted a working paper on the issue of naval nuclear propulsion, which discussed the need for Member States to develop, in cooperation with the Agency, related verification and monitoring arrangements if such arrangements were not provided for by their existing legal frameworks.

82. Indonesia proposed that further serious discussions should be held on the basis of an agreed Agency mechanism — including at the Board — in a transparent, inclusive and accountable manner.

83. <u>Mr OTHMAN</u> (Syrian Arab Republic) said that the NPT and CSAs were essential in ensuring the non-proliferation of nuclear weapons. The NPT made it clear that nuclear material could not be exchanged with or transferred to non-nuclear-weapon States, including by import and export, unless it was subject to comprehensive safeguards at all stages and in all related activities, while respecting the right of every State to the peaceful uses of nuclear energy.

84. Backing the draft decision submitted by China, Syria supported communication between the three AUKUS States and the Agency and other countries as part of the intergovernmental process called for by China. Everyone must abide by the fundamental rules of the NPT and CSAs.

85. <u>Mr MAZUMDAR</u> (India) said that his country had taken careful note of the views expressed during the General Conference and of the Director General's initial report on IAEA safeguards in relation to AUKUS, which stated that the three AUKUS parties sought an optimal pathway to deliver a conventionally-armed, nuclear-powered submarine capability to Australia. India appreciated the three countries' stated commitment to meeting the highest non-proliferation and safeguards standards. It also noted that engagement between the Agency and the AUKUS parties to discuss the arrangement's

possible implications for safeguards implementation had thus far been satisfactory and that technical consultations would continue for the foreseeable future.

86. The Agency was well within its mandate to conduct such consultations with the parties concerned and Member States were entitled to engage with the Agency on matters pertinent to their safeguards agreements and arrangements. Noting the Agency's assertion that AUKUS was at an early stage of implementation and that the participants had yet to decide how it would develop, India considered it prudent to await further details and therefore welcomed China's withdrawal of its draft resolution.

87. <u>Mr GIERVELD</u> (Netherlands) said that, given the high importance of the AUKUS initiative, his country welcomed the item's inclusion on the agenda. It also welcomed the fact that the countries concerned had found a way to avoid the tabling of any further texts.

88. Stressing the importance of ensuring the implementation of NPT safeguards within the framework of AUKUS, the Netherlands was convinced that the work under way would lead to a robust arrangement with the Agency and had full confidence in the efforts of the Director General and his staff in that regard.

89. The Netherlands rejected the assertions by certain countries that the AUKUS partners were placing undue pressure on the Agency and creating potential proliferation risks, and emphasized the need to await the outcome of the consultations under way. The Agency was operating within its mandate and the Netherlands trusted that the necessary non-proliferation standards would be met. It looked forward to further updates by the Director General on related developments.

90. <u>Ms CAPRA</u> (Argentina) said that her country appreciated the flexibility shown by China with regard to the draft resolution and the readiness of various countries to engage in dialogue. Argentina had taken note of all the arguments expressed and maintained its position, as stated at the 10th NPT Review Conference and the most recent set of Board of Governors meetings, that naval nuclear propulsion was a legitimate use of nuclear energy, not prohibited by the NPT or by any other legally binding international instrument. At the same time, exercise of the right to naval nuclear propulsion required the implementation of appropriate technical measures within the framework of the concerned countries' respective safeguards agreements.

91. Argentina's NPT safeguards agreement took the form of the Quadripartite Agreement, concluded between Argentina, Brazil, ABACC and the Agency and approved by the Board in 1991. That agreement established a framework for the implementation of required verification measures and there was therefore no need to create parallel structures. In that connection, Argentina underscored the cooperative and transparent spirit that characterized the continuing talks between Brazil, ABACC and the Agency on the special procedures set out in Article 13 of the Quadripartite Agreement.

92. In closing, she acknowledged the constructive and highly professional work of the Director General and the Department of Safeguards in relation to AUKUS, carried out in accordance with their statutory mandates.

93. <u>Mr RYDMARK</u> (Norway) said that his country appreciated the Director General's recent report on IAEA safeguards in relation to AUKUS and the transparent approach adopted by the three countries concerned. Norway supported the continuing discussions between the AUKUS countries, the Director General and the Agency and stressed that those discussions were in line with their respective mandates.

94. <u>Mr HIKIHARA</u> (Japan) said that the outcome of the current meeting reflected the AUKUS countries' positive engagement with the Agency on the basis of technical consultations and their exchanges with the Secretariat. Japan supported the work of the Director General and the Secretariat in accordance with the Agency's statutory mandate and the AUKUS partners' respective safeguards agreements and trusted that such engagement would continue. It looked forward to further updates, as appropriate, from the Director General and the three countries concerned.

95. <u>Mr LULASHNYK</u> (Canada) said that his country greatly appreciated the Agency's engagement on the proposed AUKUS arrangement and the regular updates provided by Australia, the UK, and the USA on the status of related discussions. Such updates enhanced transparency around that important issue.

96. Canada remained fully confident that a satisfactory and suitable arrangement to address the safeguards implications of the proposed cooperation could be agreed upon in accordance with the participating States' legal obligations, including those under the NPT and safeguards agreements. It was in no way contrary to those obligations for the AUKUS partners to explore their cooperation in close collaboration with the Agency — indeed, such cooperation was envisaged.

97. His country strongly supported the Agency and its important role in providing technical, impartial and evidence-based monitoring and verification in support of the safeguards system and the broader non-proliferation regime. Canada had full confidence in the Agency's capacity and credibility in that regard as it developed an appropriate and effective safeguards approach for the initiative.

98. <u>Mr YOON Chu Sok</u> (Republic of Korea) said that that his country expected cooperation under AUKUS to be undertaken in a manner that ensured transparency and maintained the integrity of the nuclear non-proliferation regime and the safeguards system. It therefore welcomed the Director General's first report on Agency safeguards in relation to AUKUS.

99. The Republic of Korea had full confidence in the Secretariat's independent, impartial and professional verification work within the framework of the NPT and Agency safeguards and commended the firm commitment of the AUKUS countries to meeting their respective non-proliferation obligations and to engage openly with all Member States. They should continue to cooperate closely with the Secretariat on the implementation of Australia's safeguards obligations in relation to its acquisition of naval nuclear propulsion capability.

100. <u>Ms FOISTNER</u> (Germany) said that it was important to respect the independent, impartial, objective and professional work of the Secretariat on the AUKUS issue and other matters. Given the clear undertaking by the Director General to continue reporting to the Board as appropriate, it was not necessary to establish parallel structures within the Agency to consider the issue.

101. Germany welcomed the commitment of the three AUKUS countries to meeting high safeguards standards, fulfilling their respective NPT obligations and working closely with the Agency. It had full confidence in the Secretariat's expertise and professionalism and trusted that the issue would be addressed in an independent and impartial manner.

102. <u>Mr COMBERBACH</u> (Zimbabwe) said that his country had taken note of the Director General's various updates on AUKUS and thanked him for his personal engagement on that important issue. Like all those present, the Director General was well aware of the multifaceted implications of that evolving nuclear-powered security arrangement, the deep concerns that it would continue to generate and the critical need for the Agency, by way of constant close engagement with the three AUKUS parties, to provide regular and detailed briefings to Member States on all related developments. It was important to establish how exactly the transfer of nuclear fuel and related technology was to be carried out, with all NPT safeguards fully verified by the Agency.

103. Zimbabwe shared a number of the concerns expressed in relation to the Director General's report and the intergovernmental review process under way. While fully acknowledging the Director General's sincerity and his commitment to steering the process in the right direction, Zimbabwe was troubled by the report's lack of clarity in relation to various key aspects of the AUKUS arrangement.

104. Concerns around the issue ran very deep, and in many cases could not yet be addressed. Major decisions still had to be made by the three AUKUS countries and there was no indication as to when

that would occur. That uncertainty only exacerbated the prevailing sense of unease and suspicion that surrounded the issue and that, without further clarity and deliberation, would be amplified, thereby further complicating and politicizing an already highly complex and sensitive issue.

105. To a large extent, the international community remained in the dark, and for many that was a troubling position to be in. Given the legitimate concerns surrounding AUKUS, Zimbabwe called on the three countries concerned to cooperate as closely as possible with the Agency, to maintain utmost transparency and to ensure that Member States were kept fully and regularly informed as the new nuclear-powered security arrangement evolved.

106. The AUKUS issue was a true test of the Agency's authority and credibility. Bearing in mind the associated geopolitical implications, the Agency could not afford to falter or be found wanting at any stage of the process.

107. <u>Ms HOURNAU-POUËZAT</u> (France), thanking delegations for their constructive efforts under the current agenda item, said that the non-proliferation issues relating to the development of naval nuclear propulsion by a non-nuclear-weapon State merited close attention. It was important to ensure that the highest standards of non-proliferation were met and that the countries concerned complied with their respective safeguards obligations. France welcomed the statements made by Australia, the UK and the USA affirming their commitment in that regard and noted the Director General's satisfaction regarding the engagement shown by the AUKUS partners to date.

108. It was important that all three countries cooperated closely with the Secretariat and Member States and maintained a high level of transparency. In that regard, France welcomed the Director General's intention to continue reporting to the Board as necessary. In closing, she reaffirmed France's full confidence in the Agency's independence, impartiality and professionalism and its commitment to ensuring a transparent process.

109. <u>Ms ŽVOKELJ</u> (Slovenia) said that her country was confident that the AUKUS partners would continue to pursue their goals in cooperation with the Secretariat and in full respect of their international obligations. Slovenia thanked the Director General and the Secretariat for their work on important AUKUS-related issues and welcomed their continuous and professional engagement on the matter.

110. <u>Mr ROUZBAHANI</u> (Islamic Republic of Iran), noting that his delegation had expressed its position on the issue at the most recent Board meeting, requested that the item remain on the agenda of the Board and of the General conference.

111. The <u>PRESIDENT</u> said that note had been duly taken of all comments made under the item. He understood that the draft resolution was no longer under consideration and thanked all the concerned parties for their spirit of compromise and flexibility.

The meeting rose at 12.40 p.m.