



INFCIRC/250 30 November 1977 GENERAL Distr.

ENGLISH Original: SPANISH

THE TEXT OF THE AGREEMENT OF 22 JULY 1977 BETWEEN ARGENTINA AND THE AGENCY FOR THE APPLICATION OF SAFEGUARDS IN CONNECTION WITH A CONTRACT CONCLUDED BETWEEN THE COMISIÓN NACIONAL DE ENERGÍA ATOMICA (ARGENTINA) AND THE REAKTOR BRENNELEMENT UNION GmbH HANAU (FEDERAL REPUBLIC OF GERMANY) FOR CO-OPERATION IN THE FIELD OF FABRICATION OF FUEL ELEMENTS

FOR PEACEFUL NUCLEAR ACTIVITIES

- 1. The text[1] of the Agreement of 22 July 1977 between Argentina and the Agency for the application of safeguards in connection with the Contract of 13 August 1976 concluded between the Comisión Nacional de Energía Atomica (Argentina) and the Reaktor Brennelement Union GmbH (Federal Republic of Germany) for co-operation in the field of fabrication of fuel elements for peaceful nuclear activities is reproduced in this document for the information of all Members.
- 2. The Agreement entered into force, pursuant to Section 26, on 22 July 1977.

^[1] The footnote to the text has been added in the present information circular.

AGREEMENT BETWEEN THE GOVERNMENT OF THE ARGENTINE REPUBLIC AND THE INTERNATIONAL ATOMIC ENERGY AGENCY FOR THE APPLICATION OF SAFEGUARDS

WHEREAS the Government of the Argentine Republic and the Government of the Federal Republic of Germany have concluded on 13 January 1977 an agreement to enable implementation of the contract concluded on 13 August 1976 between the Comision Nacional de Energia Atomica and the Reaktor Brennelement Union GmbH Hanau, for cooperation in the field of fabrication of fuel elements for peaceful nuclear activities (hereinafter referred to as "the Contract");

WHEREAS certain equipment and technological information will be supplied from the Federal Republic of Germany to the Argentine Republic pursuant to the Contract;

WHEREAS the Government of the Argentine Republic has requested the International Atomic Energy Agency (hereinafter referred to as "the Agency") to apply its safeguards in connection with the supply of the equipment and information;

WHEREAS the Agency is authorized by its Statute to apply safeguards, inter alia, at the request of a State to any of that State's activities in the field of atomic energy;

WHEREAS the Board of Governors of the Agency (hereinafter referred to as "the Board") has acceded to that request on 16 June 1977;

NOW THEREFORE, the Government of the Argentine Republic and the Agency have agreed as follows:

DEFINITIONS

Section 1. For the purpose of this Agreement:

- (a) "Equipment" shall mean any equipment which is specially designed or prepared for the processing, use or production of nuclear material;
- (b) "Information" (except in Section 8(d) and 15(a) of this Agreement) shall mean information transferred to the Argentine Republic under the Contract in any form or manner in which such information can be transferred, including but not limited to technical drawings, photographic negatives and prints, recordings, design data and technical and operating and maintenance manuals, that can be used in the design, production, operation or testing of equipment, facilities, nuclear material or material, except information freely available to the public; the term shall include any information obtained from a facility or equipment transferred under the Contract. The term shall not include information on the fabrication of fuel elements, which is already being used in Argentina;
- (c) "Inspectors Document" shall mean the Annex to Agency document GC(V)/INF/39;
- (d) "Nuclear facility" shall mean
 - (i) A principal nuclear facility as defined in paragraph 78 of the Safeguards
 Document as well as a critical facility or a separate storage installation;
 or

INFCIRC/250

- (ii) Any location where nuclear material in amounts greater than one effective kilogram is customarily used.
- (e) "Nuclear material" shall mean source material or special fissionable material as defined in Article XX of the Statute of the Agency;
- (f) "Produced, processed, or used" shall mean any utilization or any alteration of the physical or chemical form or composition, including any change of the isotopic composition, of the nuclear material involved;
- (g) "Safeguards Document" shall mean Agency document INFCIRC/66/Rev. 2;
- (h) "Supplied equipment" shall mean equipment supplied from the Federal Republic of Germany to the Argentine Republic under the Contract.

UNDERTAKINGS BY THE GOVERNMENT OF THE ARGENTINE REPUBLIC AND THE AGENCY

Section 2. The Government of the Argentine Republic undertakes that none of the following items shall be used for the manufacture of any nuclear weapon or to further any other military purpose or for the manufacture of any other nuclear explosive device:

- (a) The supplied equipment;
- (b) Any equipment or nuclear facility which is designed, constructed or operated in the Argentine Republic on the basis of or by the use of information;
- (c) Any nuclear material, including subsequent generations of special fissionable material, which has been produced, processed or used on the basis of or by the use of any equipment or any nuclear facility referred to in this Section;
- (d) Any nuclear material, including subsequent generations of special fissionable material, which has been produced or processed by the use of any other nuclear material referred to in this Section;
- (e) Any other item required to be listed in the Inventory referred to in Section 5.
- Section 3. The Agency undertakes to apply safeguards in accordance with the terms of this Agreement to the items referred to in Section 2 so as to ensure as far as it is able that no such item is used for the manufacture of any nuclear weapon or to further any other military purpose or for the manufacture of any other nuclear explosive device.
- Section 4. In applying safeguards, the Agency shall observe the principles set forth in paragraphs 9 through 14 of the Safeguards Document. The Government of the Argentine Republic undertakes to facilitate the application of the safeguards provided for in this Agreement and to co-operate with the Agency to that end.

ESTABLISHMENT AND MAINTENANCE OF THE INVENTORY AND THE LIST

Section 5. The Agency shall establish and maintain an Inventory of nuclear material, equipment and nuclear facilities subject to this Agreement, which shall be divided into three parts:

- (a) The Main Part of the Inventory shall list:
 - (i) The supplied equipment;

- (ii) Any equipment or nuclear facility which is designed, constructed or operated in the Argentine Republic on the basis of or by the use of information;
- (iii) Any nuclear material, including subsequent generations of special fissionable material, which has been produced, processed or used on the basis of or by the use of any equipment or any nuclear facility required to be listed in the Inventory;
- (iv) Any nuclear material, including subsequent generations of special fissionable material, which has been produced or processed by the use of any nuclear material required to be listed in the Main Part of the Inventory;
- (v) Any nuclear material substituted in accordance with paragraph 25 or 26(d) of the Safeguards Document for nuclear material otherwise required to be listed in the Main Part of the Inventory;
- (b) The Subsidiary Part of the Inventory shall list:
 - Any nuclear facility while containing or using any of the supplied equipment or any nuclear material referred to in the Main Part of the Inventory;
- (c) The Inactive Part of the Inventory shall list any nuclear material which would normally be listed in the Main Part of the Inventory but which is not so listed because:
 - (i) It is exempt from safeguards in accordance with the provisions of paragraph 21, 22 or 23 of the Safeguards Document; or
 - (ii) Safeguards thereon are suspended in accordance with the provisions of paragraph 24 or 25 of the Safeguards Document.

Section 6. The Agency shall maintain a List containing a description of information as has been notified to it under Section 8(a). Upon determination by the Government of the Argentine Republic and the Agency that any information is no longer significant for any nuclear activity relevant from the point of view of safeguards, appropriate deletions shall be made from the List.

Section 7. The Agency shall send a copy of the Inventory and the List to the Government of the Argentine Republic every twelve months and also at any other times specified by the Government of the Argentine Republic in a request communicated to the Agency at least two weeks in advance.

Section 8.

- (a) The Government of the Argentine Republic shall notify the Agency of the receipt of any of the supplied equipment or information within two weeks of its transfer into the jurisdiction of the Argentine Republic.
- (b) The notification of transfer may also be made by the Government of the Federal Republic of Germany, or by the Government of the Federal Republic of Germany jointly with the Government of the Argentine Republic. The Agency may also request information from the Government of the Federal Republic of Germany in connection with transfers of the supplied equipment or information.
- (c) The Agency shall list supplied equipment in the Main Part of the Inventory and information in the List when it has received notification or confirmation by the Government of the Argentine Republic of the receipt of such supplied equipment or information and shall so inform the Government of the Argentine Republic and the Government of the Federal Republic of Germany.

(d) Each notification shall include the type and capacity of the supplied equipment, the date of shipment, the date of receipt, the identity of the consignor and consignee and any other relevant information.

Section 9. The Government of the Argentine Republic shall notify the Agency of any nuclear facility or equipment for the fabrication of fuel elements which is designed, constructed or operated in the Argentine Republic on the basis of or by the use of information. Without restricting the generality of Section 5(a)(ii), any nuclear facility or equipment for the fabrication of fuel elements designed, constructed or operated in the Argentine Republic within twenty years of the receipt of the notification referred to in Section 8(a), shall be deemed to be a nuclear facility or equipment referred to in Section 5(a)(ii), if the chemical or physical process which characterizes the operation of the nuclear facility or equipment is the same or essentially the same to which the information relates.

Section 10.

- (a) The Government of the Argentine Republic shall notify the Agency by means of its reports pursuant to the Safeguards Document of any special fissionable material produced during the period covered by the report in or by the use of any of the items described in Section 5(a) and (b). Upon receipt by the Agency of the notification, such produced material shall be listed in the Main Part of the Inventory. The Agency may verify the calculations of the amounts of the said produced material. Appropriate adjustment in the Inventory shall be made by agreement of the Agency and the Government of the Argentine Republic and, pending agreement of the Agency and the Government of the Argentine Republic, the Agency's calculations shall be used.
- (b) The Government of the Argentine Republic shall notify the Agency by means of its reports pursuant to the Safeguards Document, of any nuclear material processed or used during the period covered by the report and accordingly required to be listed in the Main Part of the Inventory. Upon receipt by the Agency of the notification, such nuclear material shall be listed in the Main Part of the Inventory.

TRANSFERS

Section 11.

- (a) Whenever the Government of the Argentine Republic intends to transfer nuclear material or equipment listed in the Main Part of the Inventory to a nuclear facility within its jurisdiction which is not yet listed in the Inventory, it shall so notify the Agency before the transfer is effected. The Government of the Argentine Republic may make the transfer to the nuclear facility only after the Agency has confirmed that it has made arrangements to apply safeguards with respect to the nuclear facility in question.
- (b) The Government of the Argentine Republic shall notify the Agency of any transfer of nuclear material or equipment listed in the Main Part of the Inventory to a recipient which is not under the jurisdiction of the Government of the Argentine Republic. Such nuclear material or equipment may be transferred and shall thereupon be deleted from the Inventory only after the Agency has confirmed that it has made arrangements to apply safeguards in respect of the nuclear material or equipment in question after the transfer.
- (c) Information may be transferred to a recipient which is not under the jurisdiction of the Government of the Argentine Republic only after the Agency has confirmed that it has made arrangements to apply safeguards in connection with the use of such information.

Section 12. The notifications provided for in Section 11 shall be sent to the Agency sufficiently in advance to enable the Agency to make any arrangements required by that Section before the transfer is effected. The Agency shall take any necessary action promptly. The time limits for and the contents of these notifications shall be laid down in the Subsidiary Arrangements referred to in Section 15(b), taking into account the provisions of paragraph 9 of the Safeguards Document.

EXEMPTION AND SUSPENSION

Section 13. The Agency shall exempt from safeguards nuclear material under the conditions specified in paragraph 21, 22 or 23 of the Safeguards Document and shall suspend safeguards with respect to nuclear material under the conditions specified in paragraph 24 or 25 of the Safeguards Document.

Section 14. Nuclear material shall be deleted from the Inventory and Agency safeguards thereon shall be terminated as provided in paragraphs 26 and 27 of the Safeguards Document. The Agency shall also terminate safeguards under this Agreement with respect to any nuclear material deleted from the Inventory in accordance with Section 11(b).

SAFEGUARDS PROCEDURES AND SUBSIDIARY ARRANGEMENTS

Section 15.

- (a) The safeguards procedures to be applied by the Agency are those specified in the Safeguards Document, as well as such additional procedures as result from technological developments and as may be agreed between the Agency and the Government of the Argentine Republic. The Agency shall have the right to obtain the information referred to in paragraph 41 of the Safeguards Document and to make the inspections referred to in paragraphs 51 and 52 of the Safeguards Document.
- (b) The Agency shall make Subsidiary Arrangements with the Government of the Argentine Republic concerning the implementation of the safeguards procedures which shall specify in detail, to the extent necessary to permit the Agency to fulfil its responsibilities in an effective and efficient manner, how the procedures of this Agreement shall be applied. The Subsidiary Arrangements shall also include any necessary arrangements for the application of safeguards to equipment and nuclear facilities and shall make provisions for such containment and surveillance measures as are required for the effective application of safeguards. The Government of the Argentine Republic and the Agency shall make every effort to achieve the entry into force of the Subsidiary Arrangements at as early a date as possible with a view to enabling the Agency to discharge its responsibilities under this Agreement.

AGENCY INSPECTORS

Section 16. Agency inspectors performing functions pursuant to this Agreement shall be governed by paragraphs 1 through 7 and 9, 10, 12 and 14 of the Inspectors Document. However, paragraph 4 of the Inspectors Document shall not apply with regard to any nuclear facility or to nuclear material to which the Agency has access at all times. The actual procedures to implement paragraph 50 of the Safeguards Document shall be agreed between the Agency and the Government of the Argentine Republic before such a nuclear facility or nuclear material is listed in the Inventory.

Section 17. The Government of the Argentine Republic shall apply the relevant provisions of the Agreement on the Privileges and Immunities of the Agency[2] to the Agency, its inspectors performing functions under this Agreement and to any property of the Agency used by them.

^[2] INFCIRC/9/Rev. 2.

PHYSICAL PROTECTION

Section 18. The Government of the Argentine Republic shall take all the measures necessary for the physical protection of nuclear material, equipment and nuclear facilities subject to this Agreement taking into consideration the recommendations of the Agency with regard to such measures.

FINANCE

Section 19. The Government of the Argentine Republic and the Agency shall each bear any expense incurred in the implementation of their responsibilities under this Agreement. The Agency shall reimburse the Government of the Argentine Republic for any special expenses, including those referred to in paragraph 6 of the Inspectors Document, incurred by the Government of the Argentine Republic or persons under its jurisdiction at the written request of the Agency, if the Government of the Argentine Republic notified the Agency before the expense was incurred that reimbursement would be required. These provisions shall not prejudice the allocation of expenses attributable to a failure by either the Government of the Argentine Republic or the Agency to comply with this Agreement.

Section 20. The Government of the Argentine Republic shall ensure that any protection against third-party liability, including any insurance or other financial security, in respect of a nuclear incident occurring in a nuclear installation under ifs jurisdiction shall apply to the Agency and its inspectors when carrying out their functions under this Agreement as that protection applies to nationals of the Argentine Republic.

NON-COMPLIANCE

Section 21. If the Board determines that there has been any non-compliance with this Agreement, the Board shall call upon the Government of the Argentine Republic to remedy such non-compliance forthwith, and shall make such reports as it deems appropriate. In the event of failure by the Government of the Argentine Republic to take fully corrective action within a reasonable time, the Board may take any other measures provided for in Article XII. C of the Statute. The Agency shall promptly notify the Government of the Argentine Republic in the event of any determination by the Board pursuant to the present Section.

INTERPRETATION AND APPLICATION OF THE AGREEMENT AND SETTLEMENT OF DISPUTES

Section 22. At the request of either the Government of the Argentine Republic or the Agency there shall be consultations about any question arising out of the interpretation or application of this Agreement.

Section 23.

- (a) The Government of the Argentine Republic and the Agency shall endeavour to settle by negotiation any dispute arising from the interpretation or application of this Agreement.
- (b) Any dispute arising out of the interpretation or application of this Agreement which is not settled by negotiation or as may otherwise be agreed to by the Government of the Argentine Republic and the Agency shall on the request of either the Government of the Argentine Republic or the Agency be submitted to an arbitral tribunal composed as follows:

The Government of the Argentine Republic and the Agency shall each designate one arbitrator and the two arbitrators so designed shall elect a third, who shall be the Chairman. If within thirty days of the request for arbitration either the

INFCIRC/250

Government of the Argentine Republic or the Agency has not designated an arbitrator, the Government of the Argentine Republic or the Agency may request the President of the International Court of Justice to appoint an arbitrator. The same procedure shall apply if within thirty days of the designation or appointment of the second arbitrator, the third arbitrator has not been elected.

(c) A majority of the members of the arbitral tribunal shall constitute a quorum, and all decisions shall require the concurrence of at least a majority. The arbitral procedure shall be fixed by the tribunal. The decisions of the tribunal, including all rulings concerning its constitution, procedure, jurisdiction and the division of the expenses of arbitration between the Government of the Argentine Republic and the Agency, shall be binding on the Government of the Argentine Republic and the Agency. The remuneration of the arbitrators shall be determined on the same basis as that for ad hoc judges of the International Court of Justice.

Section 24. Decisions of the Board concerning the implementation of this Agreement, except such as relate only to Sections 19 and 20 shall, if they so provide, be given effect immediately by the Government of the Argentine Republic and the Agency, pending the final settlement of any dispute.

FINAL CLAUSES

Section 25. The Government of the Argentine Republic and the Agency shall, at the request of either of them, consult about amending this Agreement. If the Board modifies the Safeguards Document or the scope of the safeguards system, this Agreement shall be amended if the Government of the Argentine Republic so requests to take account of such modifications. If the Board modifies the Inspectors Document, this Agreement shall be amended if the Government of the Argentine Republic so requests, to take account of such modifications.

Section 26. This Agreement shall enter into force upon signature by or for the Director General of the Agency and by the authorized representative of the Government of the Argentine Republic.

Section 27. This Agreement shall remain in force until safeguards have been terminated, in accordance with its provisions, on all nuclear material, subsequent generations of produced special fissionable material, subject to safeguards under this Agreement and all other items referred to in Section 2 and until the List referred to in Section 6 no longer contains any description of information, or as may be otherwise agreed between the Agency and the Government of the Argentine Republic.

DONE in Vienna on the 22nd day of July 1977 in duplicate in the Spanish language.

For the GOVERNMENT OF THE ARGENTINE REPUBLIC:

(signed) Raúl A. Estrada Oyuela

For the INTERNATIONAL ATOMIC ENERGY AGENCY:

(signed) John A. Hall