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Chairman: Mr. GOESELE (Germany)

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[*] GC(XXXVIII)/25.

The composition of delegations attending the session is given in document GC(XXXVIII)/INF/11/Rev.2.

Abbreviations used in this record

DPRK	Democratic People's Republic of Korea
G-77	Group of 77
NPT	Treaty on the NonProliferation of Nuclear Weapons
SAGSI	Standing Advisory Group on Safeguards Implementation
SSAC	State System of Accounting for and Control of Nuclear Material

STRENGTHENING OF THE AGENCY'S MAIN ACTIVITIES (GC(XXXVIII)/11,
GC(XXXVIII)/COM.5/2 and GC(XXXVIII)/COM.5/3) (continued)

1. The CHAIRMAN invited the members of the Committee to complete their discussion of the draft resolution contained in document GC(XXXVIII)/COM.5/2 and suggested that, if the Committee were unable to reach a speedy consensus, the draft resolution be entrusted to an ad hoc working group.
2. Mr. NOGUEIRA VIANA (Brazil) said that the draft resolution had been prepared by the G-77 working group on the subject in question, which had been chaired by Egypt. India had proposed a draft resolution on the Agency's main activities that was similar to the one before the Committee, but other members of the group, including Brazil, had felt it desirable to present a draft resolution relating expressly to the Agency's technical co-operation activities, believing that the time had come to enumerate in such a resolution the specific technical co-operation tasks that the Agency needed to carry out in order to promote progress in that domain. A draft text had even been put forward. After a lively discussion it had been decided, for the sake of avoiding dissension, to submit the draft resolution now before the Committee on the understanding that, if it were not accepted, the G-77 would revert to the position advocated by Brazil - namely, the adoption of a draft resolution devoted explicitly to technical co-operation activities.
3. Mr. PÉREZ MARTÍN (Cuba) said it was well known that the question of technical co-operation was of fundamental importance for most of the Agency's Member States and that, for many years now, efforts had been under way to achieve an appropriate balance between the activities of the Agency in conformity with its Statute. His delegation regretted the lack of initiative shown and concrete results achieved in the implementation of the numerous resolutions adopted year after year with a view to strengthening the Agency's main activities. It was paradoxical that positive results had been obtained swiftly in other areas, whereas for years efforts had been made in vain to achieve a goal which had prompted the creation of the Agency and which today more than ever represented a legitimate demand on the part of the majority of Member States.
4. In recent years, the decisions taken within the Agency had been characterized by consensus and flexibility. That should be welcomed, but above all it was necessary to be

realistic and accept change. Failure to do so would result in the adoption of the same resolutions year after year, and that applied to all resolutions. One might then ask what the point of certain resolutions was. His delegation hoped that all delegations would support the draft resolution under consideration, the meaning of which was quite clear even without reference to the Statute.

5. Mr. REGEUR (Netherlands) said he felt that the ambiguity of the draft resolution was due to the fact that it attempted to deal with two subjects simultaneously: the Agency's main activities and technical co-operation. Perhaps it was not possible to deal with both in a single resolution and a separate resolution concerning the Agency's technical co-operation activities was needed.

6. Mr. NASSER (Egypt), speaking as chairman of the G-77 working group on the matter, confirmed the account of the group's discussion given by the representative of Brazil, adding that many members of the group had wished to focus specifically on the Agency's technical co-operation activities since safeguards were dealt with under a separate item of the agenda. It was out of a desire to render the draft resolution acceptable to a majority of delegations that paragraph 1 was worded as it was in document GC(XXXVIII)/COM.5/2.

7. He was ready to assist in efforts to reach consensus on a text, if necessary in an ad hoc working group, as envisaged by the Chairman.

8. Mr. OUVRY (Belgium) said that it would not be difficult to rework the present text of the draft resolution in order to make it clearer. The problem with it was that it suggested that, because a balance was being sought among the Agency's main activities, certain activities would be favoured more than others. The purpose of the draft resolution, however, was to achieve a qualitative improvement in technical co-operation activities. To that end, the title of the draft text should perhaps be changed to "Strengthening of the Agency's technical co-operation activities", paragraph 1 be deleted and the succeeding paragraphs renumbered. Paragraph 2 would then be the focal provision of the draft.

9. Mr. STRATFORD (United States of America), supported by Mr. MOHAN (India), suggested that, if a drafting group was set up, it might also be entrusted with

consideration of the draft resolution on "Extensive use of radioisotope hydrology for water resources management" contained in document GC(XXXVIII)/COM.5/3, which was also before the Committee under agenda item 16. The draft required some minor amendments to its preambular part. Perhaps a representative of Venezuela could introduce it.

10. Mr. VILLALBA PALACIOS (Venezuela) said that the draft resolution contained in document GC(XXXVIII)/COM.5/3 did not call for any special explanatory comment; it had been unanimously approved by the G-77 at one of its plenary meetings.

11. Mr. FITZGERALD (Ireland) said he was surprised at the procedural suggestion that the draft resolution contained in document GC(XXXVIII)/COM.5/3 be referred to the envisaged drafting group before being discussed. At the same time, the draft did not appear to present any problems.

12. Mr. REGEUR (Netherlands) said that his delegation had various proposals to make regarding that draft resolution and that, given their nature, they ought perhaps to be examined by a drafting group rather than the Committee.

13. The CHAIRMAN suggested, in the light of the discussion, that the Committee set up a working group chaired by Mr. Jameel of Pakistan, one of the two Vice-Chairmen, and entrusted with drafting consensus versions of the draft resolutions contained in documents GC(XXXVIII)/COM.5/2 and GC(XXXVIII)/COM.5/3, taking account of all the proposals and comments made during the discussion. The working group could report back to the Committee at a later meeting.

14. It was so decided.

15. Mr. UNGER (Germany) said that some delegations, including his own, wished the Committee to postpone its consideration of item 17, "Strengthening the effectiveness and improving the efficiency of the safeguards system", until it had before it the version of the draft resolution on the strengthening of the Agency's main activities to be drafted by the working group. The wisdom of proceeding in that way was clear if one took account of the close relationship between the two subjects.

16. Mr. CAMPUZANO PIÑA (Mexico) agreed with the representative of Germany that the two subjects were indeed linked. However, there had been discussion on item 16 but not on item 17. It would therefore be preferable to open the discussion on item 17 but, before taking a decision on the draft resolution submitted in that connection, to wait for the results of the working group's deliberations on the draft resolution contained in document GC(XXXVIII)/COM.5/2.

17. Mr. FITZGERALD (Ireland) said that the link between the two subjects was due to the wording of that draft resolution.

18. Mr. NOGUEIRA VIANA (Brazil) said it was common knowledge that the two subjects were linked; the resolutions concerning the Agency's main activities on one hand and the safeguards system on the other were those that presented the greatest problems each year. He recommended taking up the Mexican representative's suggestion to open the discussion of item 17. That would facilitate the work of both the Committee and the working group.

19. Mr. OKONKWO (Nigeria), supported by Mr. RIANOM (Indonesia), shared the view expressed by the representatives of Mexico and Brazil: the Committee could proceed to consideration of item 17, including the draft resolution submitted under that item. Only if that draft resolution gave rise to difficulties preventing a consensus would the Committee have to defer a decision on it.

20. Ms. ZOHRA (Algeria) said that the links between items 16 and 17 were clear to everyone and that the practice had always been to consider those two matters in parallel.

21. Mr. UNGER (Germany), supported by Mr. REGEUR (Netherlands), said that, as far as he understood the situation, most delegations were in favour of the course of action proposed by the representative of Mexico - namely, that of proceeding with a consideration of item 17 without necessarily attempting to take a decision should the text of the relevant draft resolution present problems. He stressed, however, that the draft resolution on the Agency's safeguards system should be considered separately and that the discussion on that draft resolution should not be reopened in the light of the results obtained by the working group on the draft resolution relating to the Agency's main activities. His delegation would

prefer the discussion on the Agency's safeguards system not to be separated from the decision taken on that matter.

22. The CHAIRMAN took it that the Committee wished to consider item 17 of the agenda together with the corresponding draft resolution, while reserving the option between adopting that draft resolution by consensus in the absence of difficulties and postponing a decision on the matter should difficulties arise.

23. It was so decided.

STRENGTHENING THE EFFECTIVENESS AND IMPROVING THE EFFICIENCY OF THE SAFEGUARDS SYSTEM (GC(XXXVIII)/17, GC(XXXVIII)/COM.5/8 and Add.1)

24. The CHAIRMAN invited the Committee to consider agenda item 17, "Strengthening the effectiveness and improving the efficiency of the safeguards system", under which it had before it document GC(XXXVIII)/17 and a draft resolution (GC(XXXVIII)/COM.5/8 and Add.1) submitted by Germany on behalf of the European Union and 21 other co-sponsors.

25. Mr. UNGER (Germany), introducing the draft resolution, said that its text had been the subject of consultations among the delegations of the European Union before being shown to possible co-sponsors. In substance, the text was very similar to that of the preceding year's resolution on the same subject, with some amendments to take account of developments in the meantime - namely, the activities carried out by the Department of Safeguards with a view to strengthening the effectiveness and improving the efficiency of safeguards, or at least to the conduct of studies for that purpose. Also, the text referred briefly to the forthcoming conference on the NPT, which might have an impact on the Agency's future activities and objectives in the field of safeguards.

26. Mr. SÖLENDİL (Turkey) commended the Director General for his report on strengthening the effectiveness and improving the efficiency of the safeguards system and noted with interest the information regarding Programme 93+2. The decisions taken by the Board with a view to strengthening the safeguards system were important. His delegation hoped that the Director General would continue the assessment, development and testing of measures under Programme 93+2 with a view to achieving a more efficient and effective

safeguards system and submit to the Board at its session in March 1995 proposals for a strengthened system and also an assessment of their technical, legal and financial implications.

27. Mr. CAMPUZANO PIÑA (Mexico) said that the strengthening of safeguards was one of the fundamental issues before the Agency. His delegation welcomed the progress made in recent years in strengthening the effectiveness and efficiency of safeguards through Programme 93+2 and remained convinced that the obligatory, universal and non-discriminatory nature of the measures involved, the establishment of a legal framework for determining their scope and an assessment of their financial implications were prerequisites for the success of the process. Also, it was important that the entire package of new safeguards measures be available in time for the conference on the NPT to be held in April 1995. As a sign of its unqualified support for the international non-proliferation regime, his Government was willing to consider implementation of the new safeguards measures that had been proposed. To that end, representatives of Mexico would contact the competent Secretariat units to discuss the modalities and scope of its co-operation with the Agency in that regard.

28. He thanked the sponsors of the draft resolution under consideration, which his delegation felt to be broadly acceptable. It would none the less like to propose additions to preambular paragraph (d) and operative paragraph 4. In preambular paragraph (d) the words "in conformity with Article IV" should be added after "under Article III of the Treaty", for according to paragraph 3 of Article III of the NPT "The safeguards required by this Article [should] be implemented in a manner designed to comply with Article IV of this Treaty". With regard to operative paragraph 4, his delegation would like to see "efficient" replaced by "cost-efficient" - the term used in the previous year's resolution.

29. Mr. WESELKA (Austria) said that his country considered the Agency's role to be at least twofold: to provide Member States with all possible support in the development of their peaceful activities and at the same time to contribute all it could to international nuclear security. Those two aspects of its role could not be separated, since efforts in the regulatory field had beneficial effects for all countries. There were a number of challenges facing the Agency in the areas of safeguards and security as a result of recent

developments. International security needed to be backed by a reliable and strong non-proliferation regime. The efforts made in implementing safeguards were laudable, but recent political developments combined with the new challenges showed that the time had come to re-evaluate and possibly adjust the Agency's safeguard system.

30. Austria, which believed that no effort should be spared in providing confidence that there were no clandestine nuclear activities in the world, welcomed the decision to extend Agency safeguards to include the detection of undeclared activities; that would greatly enhance the credibility of the Agency and of the non-proliferation system.

31. Austria was particularly keen on the idea of the rapid introduction of alternative safeguards measures besides those relating to environmental monitoring. It attached great importance to the early field testing of SSACs and especially the delegation of verification responsibilities to State authorities. In that regard, Austria was pleased that most of the measures it had proposed to that effect during the 1992 session of the General Conference had been incorporated into Programme 93+2.

32. His country still considered universal reporting to be important for Agency safeguards. The system was essential to the execution of the Agency's new task of tracking down clandestine activities. Even if universal reporting was not yet mandatory, his country believed that it would afford all States an opportunity to demonstrate their willingness to contribute to international security.

33. His delegation also wished to touch on the problems encountered by the international community as a result of the recent unilateral decision by one particular State - both a party to the NPT and a Member of the Agency - to withdraw from the NPT and, in particular, to release itself from its safeguards obligations. Austria, which had always had complete confidence in the competence and impartiality of the Agency's Department of Safeguards, was pleased that a solution had been found and that the country in question would be returning to the NPT, but he hoped that there would be no recurrence of such problems in the future.

34. The coming months should be devoted to the question of extending the NPT. Over the past 25 years the NPT had become the instrument of greatest importance for international

security and - after the United Nations Charter - the one with the widest acceptance. Also, it was the basis for further instruments, which had entered into force in recent years. In that regard, the strenuous efforts of the nuclear-weapon States in the cause of disarmament deserved to be noted. His delegation hoped that further developments in the coming months would demonstrate to the more sceptical parties to the NPT that the 1995 conference on the NPT should aim for its indefinite extension. His delegation hoped that the Committee would recommend adoption of the draft resolution contained in document GC(XXXVIII)/COM.5./8, of which it was a co-sponsor.

35. Mr. MACKINNON (Canada) said that his country assigned high priority to strengthening the effectiveness and improving the efficiency of the safeguards system. The Agency and its Member States needed to be able to demonstrate that the safeguards system was capable of dealing with recent developments. The challenge which lay ahead was to ensure that the Agency's international safeguards system had the means to detect violations of non-proliferation obligations; that entailed efforts to enhance the Agency's ability to detect undeclared nuclear material and activities.

36. It was now more than two years since the Board had reaffirmed that the Agency had the right and responsibility to ensure that all nuclear materials in peaceful activities were under safeguards. Traditionally, the purpose of safeguards was to verify declared inventories of nuclear material. The Board's acceptance that safeguards should also be concerned with the detection of undeclared material and activities had been a turning-point in the Agency's history. Canada fully supported the position adopted by the Board and the subsequent efforts of the Secretariat to strengthen safeguards by developing the capability to detect undeclared activities. Canada had accordingly been one of the first countries to make an offer to the Agency to conduct enhanced-access trials in connection with Programme 93+2. Great progress had been made over the previous few months regarding "any time, any place" access. Meetings between members of the Agency's Programme 93+2 team and operations staff and representatives of the Canadian nuclear industry and the Canadian SACC had led to agreement about the procedures that needed to be developed in order to facilitate the kind of access required by the Agency. Canada had offered the Agency unprecedented assistance in obtaining extended access to declared nuclear facilities in Canada and in obtaining, as

requested, access to other locations in search of undeclared activities. His delegation hoped that the trials would enable the Agency to perform the task in question with maximum credibility.

37. A further important aspect of the programme was efforts to increase the cost-effectiveness of the safeguards system and make technical improvements. Canada had been involved in those efforts also, through experimental tests with the real-time transmission of video signals from one of its facilities to the Toronto regional office.

38. Regarding Programme 93+2 as a whole, he felt that the time was right to start looking at the legal and policy aspects of the various safeguards issues. Most of those aspects could be addressed at the same time as the technical aspects. Canada was prepared to participate in a group set up to examine those important issues.

39. While it was important to show that progress had been achieved before the 1995 NPT Review and Extension Conference, that was not an end in itself; work would most probably have to continue after that conference. The progress achieved by the spring of 1995 would nevertheless demonstrate the concern and ability of the Agency and its Member States to ensure that the safeguards system was the most effective possible and to attain their non-proliferation objectives.

40. His delegation supported the draft resolution contained in document GC(XXXVIII)/COM.5/8.

41. Mr. ZHU (China) said that a main priority of the Agency was to strengthen the effectiveness and improve the efficiency of its safeguards, an activity to which China - like other countries - attached great importance. Positive results had been obtained in the assessing, developing and testing under Programme 93+2, and he expressed his country's appreciation to those involved - especially the Secretariat - for their efforts.

42. During the Board's December 1993 and June 1994 sessions, his delegation had outlined the position of the Chinese Government regarding the Agency's safeguard system. It wished to reaffirm today that negotiations on proposed new safeguards measures should proceed in strict conformity with the Agency's Statute and other relevant international agreements and with all due respect for the sovereignty of States and for their security. Such

negotiations should be conducted in an objective, fair, transparent and practical manner, with particular regard for the need for a proper balance among the Agency's main activities. Strengthening the effectiveness and improving the efficiency of the safeguards system should not be allowed to affect promotional activities or prejudice the legitimate right of developing countries to benefit from the peaceful uses of nuclear energy. The equality of all countries as regards their rights and obligations should be maintained. Safeguards should not be applied selectively or in a discriminatory manner. Effective practical measures should be taken to prevent any abuse of inspection rights. Moreover, additional information, especially that provided by Member States, should be analysed and evaluated. That was essential for resolving the problems presented by undeclared nuclear activities. Furthermore, efforts to strengthen the effectiveness and improve the efficiency of the safeguards system should clearly be directed, on one hand, towards reducing undeclared nuclear activities and the risk of nuclear materials being diverted to non-peaceful uses and, on the other hand, towards cutting costs.

43. His delegation considered Programme 93+2 to be at a crucial stage in its implementation and sincerely hoped that the Agency would continue on its chosen course in accordance with principles consonant with the rational development of the programme. His delegation was ready to join any consensus emerging in favour of the draft resolution under consideration.

44. Mr. POSTA (Hungary) reaffirmed the importance attached by his country to safeguards. Hungary had adopted unilateral measures to facilitate the application of safeguards and fully supported Programme 93+2, which could provide the basis for a safeguards system capable of responding to the new challenges facing the international community. In view of the organic link that existed between the Agency's safeguards and the NPT, his delegation felt it would be good to have the first results of Programme 93+2 by the spring of 1995 in order to be in a position to give a clear indication to the NPT Review Conference of how the Agency's safeguard system intended to respond to the international community's expectations. That was the objective of the draft resolution under consideration, of which Hungary was a co-sponsor.

45. Mr. COOK (New Zealand) expressed strong support for the initiatives taken to strengthen the effectiveness and improve the efficiency of the safeguards system. As a country with no nuclear programme, New Zealand was concerned that the safeguards system should offer reliable assurances about the peaceful uses of nuclear material. He congratulated the Director General on his very detailed report on the activities being carried out under Programme 93+2, which he considered to be very much on track. In particular, the seven priority tasks identified by the Secretariat provided a good starting-point for assessing ways of improving the present system.

46. On the subject of access to information for the purpose of achieving greater transparency, New Zealand was one of the countries participating in the voluntary reporting scheme and hoped that others would do the same. Environmental monitoring was an essential element of Programme 93+2 and had an important role to play in the detection of undeclared facilities. The information provided on the results of field trials was encouraging. New Zealand had not been able to contribute directly to that evaluation work as it had no relevant nuclear facilities, but it was grateful to the 20 States which had participated in the initiative. It supported the ideas in the Director General's report concerning expanded access to sites and considered it essential that the Agency have the right to conduct special inspections as reaffirmed by the Board. As regards administrative streamlining and rationalization, the Secretariat had made a number of proposals for building on the progress already achieved - through co-operation with SSACs, for example. The measures were practical, and it was to be hoped that Member States would adopt them. It was also to be hoped that they would lead to greater cost-savings and a better utilization of resources. He expressed particular support for the issuing of multiple-entry visas to inspectors and for an expansion of the capability of inspectors to communicate freely with Headquarters.

47. His country was satisfied with the progress made to date in strengthening the effectiveness and improving the efficiency of the safeguards system and looked forward to the consideration of all measures at the Board's meetings in March 1995. Finally, as a co-sponsor of the draft resolution contained in document GC(XXXVIII)/COM.5/8, his delegation hoped that the Committee would recommend its adoption by the General Conference.

48. Mr. QUAYES (Bangladesh) said that his country, as a State party to the NPT, was fully aware of its obligations under the various articles of that Treaty, particularly with respect to safeguards. As the 1995 NPT Review and Extension Conference approached, it was essential for all States to demonstrate their full commitment to all of the NPT's provisions. At the recently concluded third session of the Preparatory Committee there had been long discussions, particularly with regard to Articles IV and VI of the NPT. Recalling various provisions of Articles III and IV, he supported the proposal made by the representative of Mexico for an addition to preambular paragraph (d) of the draft resolution. He particularly appreciated the emphasis in preambular paragraph (c) on technical assistance and co-operation, but felt that the phrase "diminution of the resources available for technical assistance and co-operation" should be made more precise through the addition, after "available", of the words "from the Regular Budget as well as extrabudgetary sources".

49. Mr. LOGHIN (Romania) expressed satisfaction at the progress that had been made in strengthening the effectiveness and improving the efficiency of the safeguards system. All Member States which had concluded safeguards agreements with the Agency shared responsibility for improving the safeguards system. For its part, Romania was participating in the reporting scheme for imports and exports of nuclear material, non-nuclear material and specified equipment, and had accepted the proposal regarding the early provision of design information. It was supporting the field testing of environmental monitoring techniques and would like to see more States entering into similar commitments. Romania strongly supported Programme 93+2 and commended the Department of Safeguards for the progress which it had made, despite budgetary constraints, in the assessment, development and testing of SAGSI recommendations.

50. He believed that contemplated measures which were not organically linked with others could be submitted to the Board once they had been adequately explored; there was no reason why they should not be submitted before a whole package was ready, except where such measures called for government commitments beyond those already provided for in existing safeguards agreements, which would clearly require the concurrence of the States concerned. Broadening access to information was one of the best ways of making safeguards more effective. For greater transparency leading to greater assurance of the non-existence of

clandestine activities, account had to be taken of the dual-use technologies around which clandestine programmes could most easily be developed.

51. It was appropriate within the framework of Programme 93+2 to consider a more complete declaration model for nuclear activities and intentions. The experience gained in Romania as a member of the Nuclear Suppliers Group had shown that dual-use activities such as advanced materials research, high-explosives development and testing, and advanced laser research should not be ignored.

52. Romania attached high priority to activities aimed at improving the cost-effectiveness of safeguards. However, while the better utilization of technology would make safeguards more efficient, cost-saving efforts should not be allowed to jeopardize the overall effectiveness and integrity of the safeguards system. A great deal of attention should be paid to modifying the existing safeguards criteria, which determined the workload of the Department of Safeguards and the pattern of safeguards inspections and helped the Agency to fulfil the role assigned to it by Article III of the NPT.

53. The main elements of the envisaged safeguards system which should be analysed were the logic governing the system, the links between information gathered and the organization of inspections, the correlation between quantitative procedures for the measurement of declared materials and qualitative procedures for detecting clandestine activities, and the quality of information processing. To increase the efficiency of inspections, there should be a global approach which considered all nuclear facilities in a country as a dynamic system and which took into account the completeness of a country's nuclear fuel cycle.

54. Mr. MAFFEI (Argentina) said that his country attached very great importance to strengthening the Agency's safeguards system, which was one of the essential elements of the non-proliferation regime. He therefore welcomed the efforts made by the Secretariat to increase the effectiveness and improve the efficiency of safeguards and to meet the challenge of detecting non-peaceful and undeclared activities. Argentina had offered to help in that task, and the Secretariat had carried out environmental monitoring tests at Argentine nuclear facilities. He hoped that the Secretariat would present firm proposals on measures for strengthening the effectiveness and improving the efficiency of the safeguards system with

due account taken of the technical, legal, political and financial problems involved, so as to enable the Board of Governors to make a decision. It was for that reason that the Argentine delegation had co-sponsored the draft resolution in document GC(XXXVIII)/COM.5/8, which it hoped would be adopted by consensus.

55. Mr. NORDIN (Malaysia) commended the Secretariat for the way in which it had responded to resolution GC(XXXVI)/RES/586 adopted in 1992 and resolution GC(XXXVII)/RES/619 adopted in 1993. He welcomed Programme 93+2 as a sound project for strengthening the effectiveness and improving the efficiency of the safeguards system and looked forward to the discussions which would arise out of it. He supported the Agency's safeguards system but believed that, if it was to be strengthened, various related activities would also have to be strengthened. Thanking the sponsors of the draft resolution contained in document GC(XXXVIII)/COM.5/8, he said his delegation could join a consensus in favour of recommending its adoption by the General Conference. However, he also supported the proposal by Mexico concerning the addition of a reference to Article IV of the NPT in preambular paragraph (d).

56. Mr. ELYSEU FILHO (Brazil) expressed strong support for the efforts of the Secretariat to strengthen the safeguards system and said that the document which it had prepared and the measures which it had taken in implementing Programme 93+2 were very useful. However, there was an important point which remained to be settled - namely, the legal framework of the programme, as precise information on that subject and about the financial implications was still required.

57. With regard to the draft resolution in document GC(XXXVIII)/COM.5/8, strengthening of the safeguards system was a matter for the Member States of the Agency. Accordingly, preambular paragraph (d) referring to the 1995 Conference on the NPT appeared superfluous to the delegation of Brazil, which was not a party to the NPT. He would prefer the deletion of that preambular paragraph, which would have no effect on the aims of the draft resolution - which, in fact, would make it more universal. As the matter was so important for all concerned, it was essential to seek a consensus.

58. In conclusion, he expressed support for the modification to paragraph 4 proposed by Mexico; the resulting formulation would be the same as that used in previous years and would make for greater clarity.

59. Mr. FITZGERALD (Ireland) pointed out that Article II of the Statute imposed on the Agency the explicit obligation to ensure that the assistance provided by it was not used in such a way as to further any military purpose. Safeguards were thus on a different footing from the Agency's other activities, and preventing the proliferation of nuclear weapons by ensuring the proper operation of the safeguards system should be one of the international community's chief concerns. Ireland supported the efforts to strengthen the system and looked forward to the proposals that the Director General would be presenting to the Board early in 1995. It was clear that the necessary resources had to be found, and it was regrettable that, because of the way resources were being distributed at present between safeguards and other activities, the Agency was apparently in danger of being unable to meet all its commitments from 1996 onwards. Adoption of the draft resolution under consideration was therefore particularly necessary.

60. Mr. RIANON (Indonesia) said that his country, a party to the NPT, attached the utmost importance to safeguards and therefore supported Programme 93+2. Regarding the draft resolution contained in document GC(XXXVIII)/COM.5/8, he endorsed the Mexican representative's proposal to add, in preambular paragraph (d), a reference to Article IV of the NPT, since Articles III and IV were closely related; moreover, paragraph 3 of Article III referred explicitly to the provisions of Article IV.

61. Mr. COLE (United Kingdom) said he agreed fully with the remarks made by the representative of Germany in introducing the draft resolution. With regard to the constructive proposals made by the representative of Mexico concerning the text of that draft, he wished to make two comments. Firstly, with regard to preambular paragraph (d), Article III of the NPT did indeed state, as indicated by the representative of Indonesia, that the application of safeguards should be in conformity with the provisions of Article IV, which, in turn, referred to Articles I and II. It seemed unnecessary to mention each of those Articles of the NPT, since Article III, which paragraph (d) mentioned specifically, contained

a clear reference to Article IV. For the sake of brevity, therefore, he would prefer to retain the present wording of that paragraph.

62. Secondly, the change in paragraph 4 proposed by the representative of Mexico (to add "cost-" before the word "efficient") was acceptable insofar as the expression "cost-efficient" had appeared in a previous resolution. The change seemed superfluous, however, since the word "efficient" contained the idea of "cost-effectiveness".

63. Mr. PÉREZ MARTÍN (Cuba) said that efforts should be maintained to strengthen the Agency's safeguards system without losing sight of the primary objective, which was to increase its effectiveness and efficiency. In that regard, the Secretariat had indicated that it would present a package of measures in March 1995. It would be interesting to know how the estimated cost of the envisaged new system compared with the cost of implementing the present system. The different possible approaches should be examined and a compromise found between the ideal and the possible. In the meantime, safeguards should continue to be applied under the agreements concluded with individual countries and in accordance with the relevant international treaties. The proposed new measures could not enter into force until the requisite legal framework had been established and all their technical, political and financial implications determined.

64. He was concerned to read in paragraph 7 of document GC(XXXVIII)/17 that some measures were to be presented before the package as a whole had been finalized. That was a highly unsatisfactory procedure, which could impair the effectiveness and efficiency of the system, since isolated measures were bound to fail and would only obscure the ultimate objective, quite apart from being difficult to assess in terms of their content, merits and legal implications. As regards the proposals relating to the detection of undeclared activities, Cuba subscribed to the principle that verification agreements should be applied without discrimination and all undue interference in the internal affairs of States and all actions likely to jeopardize their economic, technological and social development should be avoided. Furthermore, the information used by the Agency for the purpose of detecting such activities should be information obtained by it in the normal course of discharging its functions and not through the intelligence activities of Member States. The efforts made to strengthen safeguards should not be allowed to affect the Agency's promotional activities and the

measures taken should be fair, objective and geared to facilitating the settlement of disputes through negotiation.

65. With regard to the draft resolution contained in document GC(XXXVIII)/COM.5/8, he supported the Brazilian representative's proposal that preambular paragraph (d) be deleted and the Mexican representative's proposal that "cost-" be inserted in paragraph 4 before "efficient". Moreover, paragraph 4 was unclear in that it would not be known what measures were to be recommended under Programme 93+2 before the Board's March 1995 session; consequently, the request to the Director General should be made more specific. Also, the words "on a voluntary basis" should be inserted before "testing", since the measures in question could not be tested except with the agreement of the countries concerned.

66. Mr. PRAKASH (India) said that one of the Agency's main current tasks was to implement the existing safeguards system and to strengthen it. India was keenly interested in the proposals currently being elaborated under Programme 93+2, had made comments regarding those proposals in the Board and elsewhere, and looked forward to the presentation - at a later date - of a complete package of measures.

67. Two essential considerations needed to be taken into account with regard to Programme 93+2 - namely, the legal validity of the proposals presented, on one hand, and, on the other, the concern for cost-efficiency that ought to underlie them. The legal implications of the proposals were referred to in the draft resolution. As to cost-efficiency, he supported the proposal made by the Mexican representative in that connection: the draft should include a reference to the objective of achieving greater cost-efficiency and perhaps even to that of reducing costs.

68. India was not a party to the NPT and, like Brazil and Cuba, it would prefer the draft resolution to contain no reference to that Treaty. It was true, however, that, while the NPT did not emanate from the Agency's Statute, it did foresee a role for the Agency. Thus, a factual and non-binding reference to the NPT might be acceptable.

69. Mr. STRATFORD (United States of America) said that his country strongly supported Programme 93+2, which the Secretariat had designed in a way that responded to

the Board's request of June 1993 that SAGSI's recommendations for strengthening the effectiveness and improving the efficiency of safeguards be examined. The Secretariat had made good progress so far in performing that task and had benefited greatly from the support provided by many Member States.

70. When introducing Programme 93+2, in December 1993, the Director General had described a three-pronged approach to the problem of undeclared activities. That approach, which combined environmental monitoring, improved access to and analysis of information and enhanced site access, was the main challenge facing Programme 93+2. The expanded and regular use of environmental monitoring was one of the most important aspects of the programme, and the Secretariat had conducted field trials in an appropriate manner in order to establish the usefulness of that technique.

71. Greater transparency and enhanced inspector access seemed to be the two elements most likely to prove of value in improving the Agency's ability to detect clandestine activities. Increased transparency, however, was no substitute for verifying declared activities; care should be taken not to allow the present capacity of the safeguards system to detect the diversion of declared nuclear material to be weakened as a trade-off in improving its capacity to detect undeclared activities.

72. The measures taken to make better use of staff and reduce travel costs were all welcome, of course, but they would permit only modest savings at best. The Agency had already greatly improved the efficiency and reduced the cost of safeguards, and one should not lose sight of the need to ensure long-term financing sufficient for coping with the expected development of the safeguards regime.

73. In view of all those considerations, his delegation hoped that the Secretariat would present to the Board in March 1995 full and detailed proposals for strengthening the safeguards system, covering both declared materials and facilities and the detection of clandestine activities.

74. Finally, regarding the amendments proposed by the representative of Mexico to the draft resolution contained in document GC(XXXVIII)/COM.5/8, he was in full agreement with the remarks made on that subject by the representative of the United Kingdom.

75. Mr. JAMEEL (Pakistan) said he had noted the measures taken by the Secretariat pursuant to earlier General Conference resolutions and the reports on the activities undertaken. Regarding the draft resolution before the Committee, his delegation, which believed that the Agency's safeguards system was universally accepted and respected, felt there was no need to refer to the NPT; preambular paragraph (d) could therefore be deleted without detracting from the main thrust of the draft. Also, it would be helpful to insert "cost-" before "efficiency" in paragraph 2 and "efficient" in paragraph 4 - a change in keeping with the mandate originally entrusted to SAGSI.

76. Mr. GIOVANSILY (France) fully endorsed the comments made by the representative of Germany on behalf of the European Union. Regarding the substantive issues involved in the strengthening of safeguards, France supported Programme 93+2 and considered in particular that the Agency should be furnished with the means necessary for detecting signs of possible clandestine activities.

77. He supported the views expressed by the representative of the United Kingdom regarding the wording of preambular paragraph (d) of the draft resolution; there was no need for references to further articles of the NPT since the reference already there in effect covered all relevant articles. He had no strong feelings about inserting "cost-" before "efficient", except that its presence in the previous year's resolution was possibly an argument in its favour.

78. Mr. WANGURU (Kenya) welcomed the report before the Committee and also Programme 93+2, which had his unqualified support. Regarding the draft resolution, Kenya was opposed to deleting paragraph (d), which related to the links between Article III of the NPT and the Agency's role in the application of safeguards and was entirely in keeping with Programme 93+2. If that paragraph were deleted, paragraphs 1 and 2 should also be deleted - but the draft resolution would then be meaningless. The other amendments proposed, however, were acceptable to him.

79. Kenya had already expressed its concern regarding the imbalance between funds allocated to safeguards on one hand and technical assistance and co-operation on the other. The safeguards system contributed neither to the transfer nor to the acquisition of

technologies by Member States, in which regard paragraph 5 of the draft was particularly important.

80. The representative of the United States had quite rightly stressed that transparency was the key to strengthening the safeguards system. Lack of transparency had necessitated enlarging the system and thus diverting resources which could have been used more profitably elsewhere. South Africa could be pardoned for acquiring nuclear weapons - apparently now destroyed - as it had been excluded from the safeguards system. But it was inexcusable that Member States should now engage in manufacturing weapons of mass destruction with total disregard for the need for transparency and the socio-economic needs of peoples. Without transparency the safeguards system would continue to expand and absorb resources, and there would be endless repetitions of situations such as those in Iraq and the DPRK. All efforts to strengthen the NPT and the safeguards system should therefore be maintained, any proposal running counter to transparency possibly implying ulterior motives. Kenya therefore supported the draft resolution with the proposed amendments to paragraph (c) and paragraph 4, but with the retention of paragraph (d).

81. Mr. PERRIN (Switzerland) welcomed the fact that the Secretariat had launched Programme 93+2 in response to SAGSI's recommendations. Switzerland was resolved to give its unstinting support to the Agency's efforts in that domain. It had offered to collaborate in trial inspections where the country concerned did not have prior knowledge of the date or location of the inspection, and it was prepared to discuss practical arrangements for the early implementation of that "any time, any place" approach. However, such an approach, or any other new approach, must permit substantial financial savings.

82. Mr. OUVRY (Belgium) said that his country had already expressed its support for Programme 93+2 at the Board's session in June 1994. Regarding the draft resolution before the Committee, he fully agreed with the comments made by the representative of Germany on behalf of the European Union. As to the proposed amendments, he shared the view expressed by the representative of the United Kingdom. The representative of India had said that he could accept a factual reference to the NPT. The 1995 Conference on the NPT would be an important event and it deserved to be mentioned, although account should naturally be taken of the fact that not all States were parties to the NPT.

83. Finally, with regard to paragraph 4 of the draft resolution, he drew attention to the two final sentences of paragraph 4 of document GC(XXXVIII)/17, which gave a definition of "effectiveness" and "efficiency". In preparing the draft resolution, its authors had had both concepts in mind, and it was clear that efficiency was a financial concept to which they attached the utmost importance. Consequently, it made little difference whether or not one added "cost-", which he personally considered somewhat redundant.

84. Mr. SERVIGON (Philippines) reaffirmed his country's support for efforts to strengthen the safeguards system and for Programme 93+2 in particular, and commended the Secretariat for having chosen as its first task the cost analysis of present safeguards implementation. With regard to the draft resolution before the Committee, the Mexican representative's proposal that a further article of the NPT be referred to was interesting and deserved consideration.

85. Ms. ZOHRA (Algeria) endorsed the objectives that had motivated the draft resolution and also the efforts aimed at strengthening the safeguards system and improving its efficiency. She agreed, however, with those speakers who had stressed the need to ensure that the strengthening of safeguards was not achieved at the expense of the Agency's promotional activities, especially technical assistance. The draft resolution should include an explicit reference to reducing costs, which was a goal of rationalization and should therefore be referred to in operative paragraph 5.

86. She wondered whether there was any point in referring to the NPT, Agency Member States not necessarily being parties to it, or to the 1995 Conference, whose results could not be foreseen. Finally, since Programme 93+2 was still at the stage of experimentation and assessment, the reference to it in paragraph 4 did not seem appropriate.

87. Ms. LETTS (Australia) said that her country was also very much in favour of strengthening the safeguards system and appreciated the Secretariat's efforts in that regard, most notably its elaboration of Programme 93+2. Improved safeguards effectiveness and efficiency were a particularly worthwhile goal, and it was to be hoped that the Secretariat could present specific proposals directed towards that goal to the Board in March 1995. Australia, one of the sponsors of the draft resolution before the Committee, was in full

agreement with the view expressed by the representative of the United Kingdom regarding the Mexican representative's proposed amendment to preambular paragraph (d).

88. Mr. CAMPUZANO PIÑA (Mexico) thanked the delegations which had supported his proposal to amend paragraph (d) of the preamble. It was true, as observed by the representative of the United Kingdom, that Article IV of the NPT referred back to Articles I and II. However, Articles III and IV both, in different ways, concerned the Agency's activities, just like preambular paragraph (d) of the draft resolution, which referred explicitly to "the Agency's essential role in applying safeguards under Article III of the Treaty". Articles I and II of the NPT, however, did not pertain to the Agency's activities but to commitments entered into by countries. If reference was made, therefore, to the specific role of the Agency, one would be well-advised to reproduce the actual wording of the NPT and thus to refer to the provisions of Article IV. Such an amendment would be in the spirit of the NPT and in harmony with the aspirations of all Member States of the Agency. He therefore appealed to all delegations to support his proposal.

89. Mr. PAPADIMITROPOULOS (Greece), endorsing the views expressed by the German representative in introducing the draft resolution, said that Greece had repeatedly stated its support for strengthening the Agency's safeguards activities, since a strengthened safeguards system would render the Agency even better equipped to detect any misuse of nuclear activities and the existence of any clandestine facilities in a timely manner. He therefore welcomed Programme 93+2, elaborated by the Agency with the assistance of SAGSI for the purpose of improving the effectiveness and efficiency of the safeguards system.

90. Regarding the amendment proposed by the representative of Mexico, his delegation agreed with the United Kingdom representative that such an amendment would be superfluous.

91. Mr. MENDEN (Germany) said that his delegation agreed with the comments made by the United Kingdom representative regarding the amendments proposed by the Mexican representative. Regarding the proposed amendment to preambular paragraph (d), the argument adduced by the representative of Mexico was not totally without merit, but it

was perhaps a little dangerous to highlight one particular element when other elements mentioned in paragraph 3 of Article III of the NPT were also of great importance for many delegations.

92. Mr. BERÁNEK (Czech Republic) reaffirmed his delegation's consistent support for the Agency's safeguards programme, and particularly Programme 93+2, which it considered a vital step forward in the further development of safeguards. Like other delegations, it was looking forward very much to the 1995 Board session at which the results of the study would be reported. Recalling that the Czech Republic had invited the Secretariat to conduct field trials on its territory, he said that, in the meantime, his country had developed an aerial monitoring method that could be used for the rapid identification of clandestine nuclear facilities. In conclusion, his delegation, which was a co-sponsor of the draft resolution contained in document GC(XXXVIII)/COM.5/8, hoped that the text would be adopted without any major substantive amendments.

93. The CHAIRMAN, after a procedural discussion involving Mr. REGEUR (Netherlands), Mr. ELYSEU FILHO (Brazil) and Mr. PRAKASH (India), proposed that the Committee suspend its consideration of item 17.

94. It was so decided.

THE FINANCING OF SAFEGUARDS (GC(XXXVIII)/20)

95. The CHAIRMAN, drawing the Committee's attention to document GC(XXXVIII)/20, whose Annex contained a report of the Informal Working Group on the Financing of Safeguards, invited the Group's Chairman, Ambassador Gradin of Sweden, to introduce the report.

96. Ms. GRADIN (Sweden), recalling that the present financial arrangements were due to expire at the end of the period covered by the 1995 budget, expressed the hope that it would be possible to initiate a process leading to substantial progress towards an agreement on a revised system of financing before the 1995 General Conference session. It was a matter of the utmost urgency to find a lasting solution to that vital question. To that end, she proposed that, in its report to the General Conference, the Chairman of the Committee recommend that the Conference take note of the report reproduced in the Annex to document

GC(XXXVIII)/20 and request the Board to re-establish the Informal Working Group on the Financing of Safeguards.

97. The CHAIRMAN assumed that, as the Chairman of the Informal Working Group on the Financing of Safeguards had just proposed, the Committee wished to recommend to the General Conference that it take note with appreciation of the report reproduced in the Annex to document GC(XXXVIII)/20 and request the Board to re-establish the Informal Working Group on the Financing of Safeguards.

98. It was so decided.

99. The CHAIRMAN commended Ambassador Gradin on the great skill she had shown in chairing the Informal Working Group.

The meeting rose at 1 p.m.