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RECORD OF THE FIRST PLENARY MEETING

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Temporary President: Mr. GRÖNBERG (Finland)
President: Mr. RAJASA (Indonesia)

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[*] GC(46)1, Add.1 and Corr.1.

The composition of delegations attending the session is given in document GC(46)/INF/8/Rev.1.

For reasons of economy, this document has been printed in a limited number.
Delegates are kindly requested to bring their own copies of documents to meetings.

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Abbreviations used in this record

AFRA	African Regional Co-operative Agreement for Research, Development and Training Related to Nuclear Science and Technology
Agreed Framework	Agreed Framework between the United States of America and the Democratic People's Republic of Korea
Assistance Convention	Convention on Assistance in the Case of a Nuclear Accident or Radiological Emergency
DPRK	Democratic People's Republic of Korea
Early Notification Convention	Convention on Early Notification of a Nuclear Accident
IMO	International Maritime Organization
INPRO	International Project on Innovative Nuclear Reactors and Fuel Cycles
IPPAS	International Physical Protection Advisory Service
ITER	International Thermonuclear Experimental Reactor
Joint Convention	Joint Convention on the Safety of Spent Fuel Management and on the Safety of Radioactive Waste Management
KEDO	Korean Peninsula Energy Development Organization
Kyoto Protocol	Kyoto Protocol to the United Nations Framework Convention on Climate Change
LWR	Light-water reactor
NEPAD	New Partnership for Africa's Development
NPT	Treaty on the Non-Proliferation of Nuclear Weapons
Nuclear Safety Convention	Convention on Nuclear Safety
R&D	Research and development
RCA	Regional Co-operative Agreement for Research, Development and Training Related to Nuclear Science and Technology (for Asia and the Pacific)
TCF	Technical Co-operation Fund
TranSAS	Transport Safety Appraisal Service
Trilateral Initiative	Trilateral Initiative launched by the Minister of the Russian Federation for Atomic Energy, the Secretary of Energy of the United States and the Agency's Director General on 17 September 1996 to consider practical measures for the application of IAEA verification to fissile material originating from nuclear weapons

* Speakers under Rule 50 of the Provisional Rules of Procedure are indicated by an asterisk.

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OPENING OF THE SESSION

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

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

All present rose and stood in silence for one minute.

3. The TEMPORARY PRESIDENT recalled that the previous year's session of the General Conference had been overshadowed by the terrorist attack of 11 September. That terrifying event had deserved attention and strong reactions. The good co-operation of all delegations and the Secretariat's dedicated help had enabled him, as President, to bring the Conference to a successful close.

4. During the past year, the Secretariat had been closely engaged in developing and implementing action plans for combating nuclear terrorism, but despite those unexpected additional activities, the regular programme had been carried out as planned.

5. The Agency's constructive contribution to the preparation of the recent United Nations World Summit on Sustainable Development in Johannesburg was to be commended. The conference's final outcome did not contain anything that would suggest major changes to the Agency's programme. However, the views of countries remained sharply divided as far as nuclear power was concerned. A group of countries rejected its use, whereas many other countries considered it to be a viable option in their energy mix. One reason for the unfavourable attitude was lack of confidence in the ability of scientists and engineers to develop safe and ethically acceptable solutions for the final disposal of high-level nuclear waste and spent nuclear fuel. In some countries, however, such confidence seemed to have grown. The Parliament of Finland and the Congress of the United States of America had recently approved final disposal facilities for high-level nuclear waste in Olkiluoto and in the Yucca Mountain, respectively.

6. There had also been some indications of emerging changes in favour of nuclear power in the energy policies of certain countries. The Agency's programme contained topics reflecting that new situation, such as the increasing work of INPRO and the activities related to the management of nuclear knowledge.

7. An effective international safeguards system was generally accepted as a prerequisite for nuclear co-operation. The ongoing activities for further strengthening the Agency's safeguards enjoyed broad support among Member States. He stressed in that context how important it was for all States that had not already done so to conclude and bring into force the required safeguards agreements and additional protocols at an early date.

ELECTION OF OFFICERS AND APPOINTMENT OF THE GENERAL COMMITTEE

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

9. Mr. HUGHES (Australia), speaking on behalf of the South East Asia and the Pacific Group, proposed Mr. Rajasa (Indonesia) for that position.

10. Mr. Rajasa (Indonesia) was elected President by acclamation.

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

Mr. Rajasa (Indonesia) took the Chair.

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

13. As was well known, peaceful applications of nuclear technology continued to contribute positively to human development. The Agency played an important part in accelerating and enlarging the contribution of atomic energy to health, prosperity, peace and justice throughout the world. He underscored its crucial role in the area of promotion, safeguards and technical co-operation.

14. When carefully used for peaceful purposes, nuclear energy had proven itself to be everyone's friend. From fulfilling such basic needs as increasing agricultural productivity, water management, feeding and improving the health of the world's growing population, enhancing the quality of industrial output and alleviating problems associated with urbanization to providing the energy needed for economic growth and development, the benefits of nuclear technology were wide-ranging.

15. The General Conference would be discussing international issues relating to nuclear technology in order to find ways of increasing and improving not only its availability and accessibility but also its safety and security.

16. Many years of experience had shown that nuclear technology could assist the international community in achieving sustainable development. That would serve as an important alternative tool for improving social welfare and alleviating poverty, which in turn would help ensure that a segment of society did not embrace radical ideologies or terrorist activities.

17. Turning to the election of officers and appointment of the General Committee, he recalled that under Rules 34 and 40 of the Rules of Procedure, the Conference had to elect 8 Vice-Presidents, the Chairman of the Committee of the Whole and 5 additional members of the General Committee, resulting, with himself as Chairman, in a Committee of 15. The current year, however, there was agreement among the regional groups that there should be a Committee of 16, since the President of the Conference came from a region which customarily had only one representative on the General Committee.

18. From the consultations that had taken place, he understood that there was a consensus on that matter, and he therefore proposed that: the delegates of Algeria, Guatemala, Jordan, the Republic of Korea, the Netherlands, the Russian Federation, Thailand and the United

States of America be elected as Vice-Presidents; that Mr. Molteni (Argentina) be elected as Chairman of the Committee of the Whole; and that the delegates of Armenia, Canada, Hungary, Nigeria, Pakistan and the United Kingdom of Great Britain and Northern Ireland be elected as additional members of the General Committee.

19. The President's proposals were accepted.

20. The PRESIDENT further proposed that, in order to save time, the General Conference should deal with items 2, 3 and 6 pending receipt of the General Committee's recommendation on the provisional agenda.

21. The President's proposal was accepted.

APPLICATIONS FOR MEMBERSHIP OF THE AGENCY (GC(46)/3, 4 and 17)

22. The PRESIDENT drew attention to documents GC(46)/3, 4 and 17 containing applications for membership by the State of Eritrea, the Kyrgyz Republic and the Republic of Seychelles, respectively. The three applications had been endorsed by the Board, which had also submitted three draft resolutions for adoption by the General Conference.

23. He took it that the Conference wished to adopt the three applications by acclamation.

24. It was so decided.

25. Ms. DJESHENKULOV (Kyrgyz Republic) thanked delegations for their support of her country's application for membership of the Agency and assured them that Kyrgyzstan intended to meet its obligations as a member and act in accordance with the purpose and principles of the Charter of the United Nations.

26. Kyrgyzstan's nuclear energy policy had always been in line with the Agency's underlying principles. Her Government continued to attach particular importance to the non-proliferation of nuclear weapons and was making every effort to put an end to the illegal transit of nuclear material through the territory of Kyrgyzstan.

27. Her Government greatly appreciated the technical assistance which the Agency was providing to Kyrgyzstan in the areas of training for national customs officials and the holding of international seminars to which Kyrgyzstan officials had been invited. In particular, she expressed thanks for the provision of experts for the seminar held in Kyrgyzstan's capital in May 2001 on the rehabilitation of former uranium deposits.

28. In closing, she stressed that Kyrgyzstan was eager to broaden all aspects of its co-operation with the Agency and its Member States at both the bilateral and multilateral level.

MESSAGE FROM THE SECRETARY-GENERAL OF THE UNITED NATIONS

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

“I am pleased to send my greetings to the 46th General Conference of the International Atomic Energy Agency.

“As all of you and, indeed, the world at large, are all too aware, nuclear disarmament and nuclear non-proliferation remain unfinished tasks. The strengthening of the nuclear non-proliferation regime, including concrete steps to reduce the number of and dependence on nuclear weapons, is more critical than ever for the continuing sustainability and credibility of that regime. The IAEA continues to play a central role in that regime through its long-standing work to verify compliance with non-proliferation obligations.

“Effective measures are also needed to reduce the risk of weapons of mass destruction falling into the hands of terrorists. I urge the IAEA to continue its initiatives for this purpose, including its programmes aimed at safeguarding nuclear material against non-peaceful uses, ensuring the safety and security of nuclear facilities and preventing the illicit trafficking of nuclear material and radiation sources.

“Despite these concerns, peaceful uses of nuclear technologies and materials will continue to be an important factor in economic development - not only in producing nuclear energy, but also in helping to fight disease, enhancing agricultural production, managing water resources and monitoring the environment. The IAEA must do its utmost to address the real concerns about safety and waste and transform nuclear energy into a force for progress.

“I look forward to working with the IAEA in facing these and other complex challenges, and I wish you success in your important deliberations.”

STATEMENT BY THE DIRECTOR GENERAL

30. The DIRECTOR GENERAL said that recent years had witnessed important changes and events relevant to every aspect of the Agency's work. All those changes and events had had a profound impact on its activities and priorities.

31. Beginning with nuclear technology and the area of nuclear power, he said that the urgent need for sustained human development would clearly necessitate increases in the supply of energy and electricity in the coming decades. Nuclear power was currently a significant contributor to world electricity and continued to be the only source that could provide electricity on a large scale with comparatively minimal impact on the environment.

32. Nuclear power remained, however, mainly in a holding position. While its environmental merits were increasingly recognized, public concerns persisted, principally about operational safety and waste disposal. For a number of years, he had been stressing that the future of nuclear power would depend on sustaining a strong safety record, improving

economic competitiveness and demonstrating waste management solutions and technological developments - in short, regaining public support. He was pleased to note that, in the past year, there had been positive developments in many of those areas.

33. In 2001, nuclear power had supplied 16.2% of the world's electricity, up from 15.9% in 2000. That increase had been mainly due to continuing improvements in plant availability as a result of effective management.

34. With regard to the construction of new plants, Asia and Eastern Europe remained the centres of expansion. Some important developments had also taken place recently in Western Europe and North America. The United States Government had made a commitment to work with the nuclear industry to have a new nuclear plant operating in the country before the end of the decade. That would be the first start of construction of a new nuclear plant in the United States of America since the late 1970s. And in May the Finnish Parliament had ratified the Government's favourable "decision-in-principle" to build a fifth nuclear power plant. That was also the first decision to build a new reactor in Western Europe in 15 years, and contrasted with past decisions in Belgium, Germany and Sweden to phase out nuclear energy.

35. In the light of those developments, a key challenge for the industry would be to prove that available new designs addressed the often expressed concerns about nuclear power. Work was being carried out on advanced water cooled reactors, modular high temperature gas cooled reactors, liquid metal cooled fast reactors and accelerator driven systems. All those new designs aimed to produce electricity at an enhanced level of safety, and some sought to serve additional aims, such as producing hydrogen as a clean fuel source, producing potable water at minimal cost, incinerating long-lived radioactive waste and reducing plutonium stockpiles.

36. Despite the positive results achieved to date on new designs, nuclear energy, like all other technologies, must continue to innovate if it was to play a significant long-term role commensurate with its potential. The Agency encouraged collaborative innovation - through both INPRO and close co-operation with similar efforts. The INPRO International Co-ordinating Group was currently working to define user requirements related to economics, waste, safety, non-proliferation and other issues.

37. For many countries - particularly developing countries - an important potential use of nuclear power was for seawater desalination. More than one billion people had no access to clean water. The focus of the Agency's nuclear desalination activities was being shifted to country-specific projects. One of them, the Indian nuclear desalination project at Kalpakkam, was currently in the commissioning test stage. Those nuclear desalination projects should help enhance understanding of the technical and economic feasibility of using nuclear power to produce clean potable water.

38. The management and disposal of spent fuel and high-level radioactive waste continued to be a major point of public concern with respect to nuclear power. Some important progress had taken place in the past twelve months. In the United States the selection of the Yucca Mountain site as a repository for high-level waste and spent fuel had already been approved

by the President and Congress. Also Sweden had begun geological investigation of candidate sites for a spent fuel repository. Thus, together with the decision in Finland to go forward with a deep disposal facility near the Olkiluoto nuclear power plant - on which he had reported to the General Conference in 2001 - it was likely that by the end of the coming decade one or more repositories for the disposal of high-level waste and spent fuel would be in operation. As he had often stated, the most important step in gaining public confidence in that area would be to demonstrate that technologically and environmentally sound waste disposal solutions existed and were actually working.

39. A major part of the Agency's technology activity was focused on transferring nuclear technology in applications other than nuclear power. A few examples would illustrate the range and variation of Agency activities in those areas.

40. Many of the Agency's developing Member States had given high priority to the introduction or upgrading of radiotherapy services. Radiotherapy was used with curative or palliative benefit for over 50% of cancer patients in industrialized countries. However, two thirds of global teletherapy equipment served the populations of industrialized countries - and the remaining third was stretched among the remaining 5.5 billion people. It was therefore expected that requests for assistance would increase, especially given recent Agency successes in initiating radiotherapy programmes in some developing Member States, including Ethiopia, Ghana, Mongolia, Namibia and Uganda.

41. Tsetse flies, and the sleeping sickness they transmitted to humans and ngana disease to livestock, created a significant burden on rural populations across Sub-Saharan Africa - not only in terms of direct health effects, but also by restricting the use of draft animals in crop production. The Agency supported the efforts of African Member States to implement the Pan-African Tsetse and Trypanosomosis Eradication Campaign, including the use of the sterile insect technique. Mali had begun preparation for releasing sterile tsetse flies over an area of 2500 square kilometres, and Ethiopia was constructing a factory for sterile tsetse production that would supply a similar project over a 5000 square kilometre area.

42. The use of isotope hydrology in water resources management was continuing to gain recognition through technical co-operation projects in 40 countries around the world. Isotope hydrology was used to map underground aquifers for improved groundwater management and for investigation and recovery from contamination events. In addition, the Agency was exploring uses of isotope hydrology to assist in river basin management and - based on its successful experience in Venezuela in isolating and correcting dam leakage - it was working with multiple teams under AFRA to assess the leakage and structural integrity of dozens of dams across Africa.

43. To conclude his review of developments in nuclear technology, he said that while the Secretariat was aware of the merits of nuclear power and its potential, it was equally aware of the concerns associated with it and the divergent views that existed today on its role. The choice of whether to use nuclear power was a national prerogative. The Agency's statutory role, however, was to ensure - by fostering safety, security and technological development - that that important energy source, as well as the benefits from the broad range of other nuclear applications, remained available for those who wanted to make use of them.

44. Safety in nuclear activities around the globe remained a key factor for the future of nuclear technology. It was satisfying to note that nuclear safety continued to improve at power plants worldwide. Nevertheless, more work needed to be done. The need for a more effective and transparent global nuclear safety regime, therefore, continued to be a high priority.

45. The development and adoption of legally binding norms had proven to be a powerful mechanism for enhancing safety worldwide. The Early Notification and Assistance Conventions were long established. The Joint Convention had been in force for over a year. In April, the Agency had hosted in Vienna the second review meeting of Contracting Parties to the Convention on Nuclear Safety. However, many States were not yet party to those Conventions, and certain key areas of the nuclear fuel cycle were still not subject to conventions. The development and continuing evolution of a comprehensive body of safety standards, together with assistance in their implementation, was another key component of the global safety regime. The major overhaul of the Agency's safety standards programme initiated in the mid-1990s had resulted in a revised oversight committee structure and a set of standards which represented present international best practice, and were thus to be regarded as universally applicable.

46. Turning to the application of safety standards, he urged Member States to make use of the Agency's safety services. Developed on the basis of the Agency's safety standards, its safety services ranged in focus from operational and radiation safety to safety culture and regulatory review, and provided important feedback on the effectiveness of their implementation.

47. The Agency continued to refine its regulations for the safe transport of radioactive material, and was collaborating closely with the IMO on the preparation of its emergency management schedules. In the past year, Agency TranSAS missions had been carried out in Brazil and the United Kingdom to help those countries assess their own effectiveness in applying the Agency's transport standards. He urged Member States, particularly transporting countries, to make use of that service, and said that the Agency would continue to co-operate with all concerned with a view to enhancing all aspects of transport safety.

48. In response to growing concerns about the potential loss of knowledge arising from the ageing and retirement of the nuclear workforce, and the decreasing level of support for university programmes on nuclear science and engineering, the Agency had recently held a meeting entitled "Managing Nuclear Knowledge" at which experts from Member States had compared notes with a view to establishing what more could be achieved through co-operative international efforts. The meeting had concluded that urgent international co-operation throughout the nuclear community was required in order to promote mutually supportive networking among governments, industrial leaders and academic institutions.

49. He observed that there was still much room for improvement in areas such as research reactor safety, the control of radioactive sources, and safety at certain power reactors and waste management facilities built in accordance with older safety standards. Important components in that process would be achieving wide adherence to the existing safety conventions and the adoption of legally binding agreements for the remaining areas of nuclear

activity. Also important would be the completion of an entire set of safety standards, together with the upgrading of all the existing standards and a simultaneous effort to ensure their universal application.

50. The universalization, consolidation and strengthening of the nuclear non-proliferation regime, including the taking of concrete steps to reduce the number of and level of dependence on, nuclear weapons, were more important than ever to the regime's sustainability and credibility. At the regime's centre stood the Agency's verification system. In the Safeguards Implementation Report for 2001, the Agency had been able to conclude that, in the 141 States (and in Taiwan, China) which had safeguards agreements in force, the nuclear material and other items placed under safeguards had remained in peaceful nuclear activities or had otherwise been accounted for adequately. Moreover, for several States - each of which had both a comprehensive safeguards agreement and an additional protocol in force - the Agency had been able to provide broader assurance which also took account of the absence of undeclared nuclear material or activities. Since the previous session of the General Conference, new safeguards agreements had entered into force for Kuwait, the former Yugoslav Republic of Macedonia, Mali and Yemen. Ten States had signed additional protocols, and additional protocols had entered into force for China, the Czech Republic, Ecuador, Mali, Panama and South Africa. Unfortunately, the number of safeguards agreements and additional protocols in force was well below expectations. Forty-eight States had yet to fulfil their obligations under the NPT to bring safeguards agreements with the Agency into force, and additional protocols had entered into force for only 28 States. For the Agency to provide the required level of assurance, it must have the required authority.

51. The Secretariat had continued its efforts to strengthen the effectiveness of the Agency's safeguards system and make it more cost efficient. In that regard, the completion of the conceptual framework for integrated safeguards and its submission to the Board at its session in March constituted a major milestone. As a result, for States with both a comprehensive safeguards agreement and an additional protocol in force, and in which the necessary safeguards conclusions had been drawn, the Agency would be able to implement safeguards in a way that made the verification process more robust and efficient. Integrated safeguards, together with the conceptual framework that guided them, paved the way for a new system of verification that was both more comprehensive in its outlook and more effective and efficient in its measures.

52. For nearly four years, the Agency had not been in a position to implement its mandate in Iraq under Security Council resolution 687 and related resolutions. At the time of its last inspection in December 1998, the Agency had reported to the Security Council that - on the basis of the inspections carried out over the previous seven years - there was no indication that Iraq had achieved its goal of producing a nuclear weapon, nor that there remained in Iraq any physical capability for the production of amounts of weapon useable material of any practical significance. Since that time, however, the Agency had been unable to draw any conclusion or provide any assurance regarding Iraq's compliance with its obligations under the Security Council resolutions. Upon recommencement of inspections, therefore, the Agency would have to resolve the key issue of whether the situation had changed in any significant way since December 1998. Since the Agency had no additional information that could be directly linked without inspection to Iraq's nuclear activities, the resumption of

inspections represented a crucial step towards providing assurance to the international community that Iraq's nuclear weapons programme had been neutralized and was not being revived. As a participant in the two rounds of talks held earlier in the year between the Secretary-General and Iraq, the Agency had made it clear that, once inspectors returned to Iraq and provided that Iraq co-operated in all respects, the Agency would need approximately one year to be in a position to report to the Security Council as to whether the conditions for the suspension of sanctions under Security Council resolution 1284 had been met. He therefore joined the Secretary-General in urging Iraq to accept the resumption of inspections without delay, as an indispensable step that was clearly in the interests of both the international community and Iraq itself.

53. Turning to matters concerning the DPRK, he said that, since 1993, the Agency had been unable to implement fully its comprehensive safeguards agreement with that country, and more specifically, to verify that the DPRK had declared all the nuclear material that was subject to Agency safeguards under its NPT safeguards agreement. Since November 1994, the Agency had been monitoring the "freeze" of the DPRK's graphite moderated reactor and related facilities, under the terms of the Agreed Framework between the United States of America and the DPRK. Assuming full co-operation by the DPRK, the Agency estimated that the work required in order to verify the correctness and completeness of the DPRK's initial declaration could take three or four years. That verification work was both a basic obligation of the DPRK's safeguards agreement and a prerequisite to the delivery of key nuclear components under the terms of the Agreed Framework. KEDO had informed the Agency that the delivery of those components for the first reactor would take place by 2005. Therefore, any further delays to the Agency's verification activities in the DPRK could lead to a delay in implementation of the KEDO project. He urged the DPRK to agree without further delay to the commencement of the long overdue verification process, and also to enter into dialogue with the Agency on that and other issues relating to the normalization of relations between the DPRK and the Agency.

54. Pursuant to the mandate given to him by the General Conference, he had continued his consultations with States of the Middle East region on the application of full-scope safeguards to all nuclear activities in the Middle East and on the development of model agreements that would contribute to the establishment of a nuclear-weapon-free-zone in that region. Once again, he was disappointed to have to report that no progress had been made. Nevertheless, he intended to use all means at his disposal to move the process forward.

55. Agency verification continued to play a critical role in ensuring the health and vitality of the nuclear non-proliferation regime. It was essential to continue making progress on nuclear arms control and disarmament, and in the process achieve universal application of the Agency's safeguards system. An immediate priority in that regard was the conclusion of comprehensive safeguards agreements and additional protocols by all the States which, in entering into non-proliferation commitments under the NPT and other relevant agreements, had also entered into a legal obligation to apply Agency safeguards.

56. Turning to protection against nuclear terrorism, he recalled that, in the wake of the terrorist attacks in the United States, the 45th General Conference had adopted a resolution requesting him to initiate a thorough review of Agency activities and programmes relating to

the prevention of acts of terrorism involving nuclear and radioactive materials. By the following March, the Agency's Board of Governors had approved a plan of enhanced and new activities to upgrade nuclear security worldwide. Implementation of the plan had then started in earnest: two IPPAS missions had been conducted in Romania and the Czech Republic, one follow-up mission had been performed in Bulgaria, and another two were planned for Lithuania and Ukraine. In addition, training courses and workshops had been held in a number of countries on physical protection, design-basis threat, State systems of accountancy and control, and nuclear forensics. Since December 2001, the Agency had helped to locate and secure a number of radioactive sources in Georgia, Kabul and Uganda. While the primary responsibility for addressing such concerns continued to reside with individual States, it was essential that the Agency and Member States worked together to ensure effective national and international systems of nuclear security, and that Member States continued to contribute the resources needed for full implementation of the plan. It was clear that much remained to be done in the area of nuclear security. The Agency attached high priority to IPPAS missions and threat assessment training as tools for helping protect nuclear facilities and material against attack, sabotage or theft, and believed they should be extended to cover other nuclear facilities, including research installations that also contained nuclear and other radioactive material. Another highly important task was that of bringing radioactive sources under appropriate control.

57. The Agency's technical co-operation programme was a principal mechanism for implementing its fundamental mission of "atoms for peace". Not only did the Agency seek to ensure that nuclear materials and equipment were used peacefully and safely, but it was also committed to expanding the contribution that nuclear technologies made to peace and development. The Agency's technical co-operation programme, which focused more directly on the specific needs and priorities of recipient Member States, delivered approximately US \$70 million per year of expert services, training and equipment as a complement to the Regular Budget programme, in activities relating to all three pillars of the Agency's activities. The main objective of the 2002 version of the Technical Co-operation Strategy submitted to the Board of Governor's June meetings remained that of responding to socio-economic development needs through the introduction and transfer of appropriate nuclear technologies. The Strategy also continued to emphasize the importance of adequate funding, high-quality project designs, and strong government commitment.

58. With respect to the financing of technical co-operation, he was pleased to report that an attainment rate of 80% had been achieved in the previous year, as prescribed by the General Conference. However, the rate of attainment for the current year stood at 58%, as against the target of 85%. He thanked the developing and developed countries which had paid their share, and in particular those such as the Republic of Korea and Germany, which had increased their pledges significantly in comparison with previous years. He encouraged all other countries to play their part in reaching the current year's target.

59. The technical co-operation programme had continued to respond successfully to the needs and priorities of Member States. However, the Agency was faced with the continuing challenge of securing sufficient resources to meet the ever-increasing demand for technical co-operation support. In the near term, the Agency would work to strengthen the linkage between technical co-operation planning and the governmental priorities of individual

Member States by improving the quality of Country Programme Frameworks, and by imposing a requirement for strong government support as the prerequisite for programme approval.

60. In preparing the programme and budget for the next biennium (2004-2005), the Secretariat had made extensive efforts to consult with Member States; it was currently in the process of calculating the human and financial resources required for implementation. For 15 years, despite steadily growing responsibilities, the Agency's Regular Budget had remained frozen, resulting in inadequate levels of funding for many high-priority activities in most areas of the Agency's work. In the area of safeguards, the chronic and corrosive degree of under-funding meant that the Agency was close to being unable to provide credible safeguards. In order to fulfil its many statutory and other legal obligations and high priorities in all areas of activity while also continuing to maintain an appropriate balance between developmental and other statutory activities, the Agency would require increased resources for the coming biennium.

61. In conclusion, he said that the overview he had just provided reflected both the continuing evolution in all areas of the Agency's activities and the dynamic nature of the Agency's response to that challenge. Although the Secretariat remained well-prepared and focused, it was crucially dependent on partnerships with Member States, especially with regard to the provision of funding and, when needed, the required authority. He hoped and trusted that both would continue to be forthcoming.

CONTRIBUTIONS TO THE TECHNICAL CO-OPERATION FUND FOR 2003 (GC(46)/18)

62. The PRESIDENT said that, following the agreement reached by the Board of Governors at its meetings immediately prior to the General Conference, a target figure of \$74.75 million had been recommended for 2003. The early pledging and payment of contributions to the TCF greatly helped the Secretariat in planning the Agency's technical co-operation programmes, and he therefore urged delegations in a position to do so to notify the Secretariat during the General Conference of contributions which their governments would be making to the Fund for 2003. He would report at the end of the session, under a later agenda item, on the contributions which had been pledged so far.

GENERAL DEBATE AND ANNUAL REPORT FOR 2001 (GC(46)/2)

63. The PRESIDENT, pointing out that more than 80 delegates had already inscribed their names on the speakers' list, took it that, in order to avoid too many prolonged afternoon meetings or even a night meeting - the total cost of the latter being more than \$16 000 - the Conference authorized him, under Rule 50 of the Rules of Procedure, to limit the duration of speeches to 15 minutes.

64. It was so agreed.

65. Mr. Young-bok CHAE (Republic of Korea) congratulated the President of the General Conference on his election and welcomed Eritrea, the Kyrgyz Republic and the Seychelles as new members of the Agency. He also commended the Director General and the Secretariat for their dedicated service and the remarkable results they had achieved during the past year.

66. His Government, which had contributed \$100 000 to the fund for activities against nuclear terrorism, highly appreciated the Secretariat's prompt response in formulating a plan to provide enhanced protection against nuclear terrorism. Also, Korea attached great importance to strengthening the Convention on the Physical Protection of Nuclear Material, and hoped that a diplomatic conference to revise the Convention would be convened as soon as possible.

67. He congratulated the Secretariat on its efforts to publicize the role of nuclear energy during the World Summit on Sustainable Development held recently in Johannesburg. His Government looked forward to the continuation of those efforts, and to the eventual acceptance of nuclear energy as one of the most practical options for dealing with the problem of carbon dioxide emissions.

68. Korea believed that the application of radiation technology was essential to enhancing the role of atomic energy for sustainable development. It was currently in the process of enacting a law on the utilization of radiation and radioisotopes, whose objective was to promote R&D in radiation technology, the establishment of related industries and manpower development.

69. The Korean Government would continue to supply cost-free expertise towards successful implementation of the Agency's INPRO project, and hoped that the Agency would adopt more proactive measures for informing interested Member States on progress.

70. Korea's 17 operational nuclear power plants supplied over 40% of its total electricity. Three more units were under construction and a further eight would be built by 2015. The Korean Government had recently issued a standard design certificate for its advanced APR-1400 power reactor, which had a 60-year design lifetime, offered enhanced safety features and was highly competitive from the economical viewpoint. Korea had also completed the basic design for the 330 MW(t) SMART (system-integrated modular advanced) reactor, which could be used for both power generation and desalination. His delegation highly appreciated the Agency's active implementation of technical co-operation projects in compliance with resolution GC(43)/15, "Plan for Producing Potable Water Economically". The Agency, Indonesia and Korea had together been implementing a technical co-operation project on the use of nuclear technology for sea water desalination which, it was hoped, would serve as a model for future projects involving other Member States.

71. Turning to the Nuclear Safety Convention, he said Korea had continued to submit regular national reports to the Agency and to participate actively in review meetings. Also, the Korean Government had completed the ratification process for the Joint Convention and would submit the relevant documents to the Secretariat during the present General Conference.

72. He welcomed the Agency's proposal to establish the Asian Nuclear Safety Network for enhancing nuclear safety in the Asian region. His Government would be hosting the second consultation meeting in early 2003.

73. With a national safeguards inspection system in operation since 1997, Korea had accomplished 95% of its safeguards inspection goal attainment level since 1999. In 2001, Korea had signed a memorandum of understanding with the Agency concerning the implementation of enhanced co-operation for light water reactors. His Government believed that the experience gained from that New Partnership Approach would make a useful contribution to the development of future integrated safeguards.

74. Korea was deeply concerned about the DPRK's continuing failure to co-operate in connection with its safeguards agreement with the Agency. He called on the DPRK to comply fully and promptly with that agreement, which remained binding and in force. Progress on the KEDO project was being made in accordance with the Agreed Framework, and the delivery of the key nuclear components was expected in 2005. In view of the construction schedule and the Agency's assessment that it would take three to four years to complete the verification process, full and prompt co-operation by the DPRK was now a matter of urgency.

75. Korea continued to support strongly the Agency's technical co-operation activities, especially in the field of nuclear education and training for developing countries. In the Asia and the Pacific region, the Agency's RCA was expected to make an important contribution towards meeting the growing demand for energy. In April 2000, 17 RCA Member States had agreed to establish a regional office in Korea, which had opened the following March. As a demonstration of the international nuclear university concept, which Korea had first proposed during the 44th General Conference, the regional office was planning two major manpower development projects: a post-doctoral fellowship programme and the RCA Masters degree course. Korea welcomed the recent meeting on management of nuclear knowledge as a timely and useful contribution to that cause.

76. Earlier in the year, Korea had hosted the International Youth Nuclear Congress, which had attracted 300 young nuclear scientists and engineers from 37 countries.

77. In conclusion, he called on those Member States which had not done so to expedite their ratification of the amendment to Article VI of the Agency's Statute and pledged Korea's continuing support for global efforts to ensure peaceful and safe use of atomic energy.

78. Mr. OMI (Japan) said promotion of the peaceful use of nuclear energy was important for both meeting the world's need for stable sources of energy and protecting the environment, notably by preventing global warming. Japan had adopted a global warming prevention programme and had ratified the Kyoto Protocol in June 2002.

79. As part of its long-term nuclear energy programme Japan was undertaking R&D regarding the use of plutonium in fast reactors and LWRs. Although the recent case of falsification of self-inspection records at several nuclear power plants in Japan had not

jeopardized nuclear safety, there was a need to rebuild public confidence, and the matter was now being investigated to ensure that it would never recur.

80. He was pleased to note that a number of countries were now giving nuclear power a greater role in their energy policies, and also that R&D work for innovative reactors had gained momentum. In particular, he welcomed the progress made with the ITER project, for which Japan had proposed a site at Rokkasho-mura. He hoped that the United States would rejoin that project.

81. Japan, as the only country to have suffered grave damage from atomic bombs, would continue to adhere to the three non-nuclear weapon principles of not possessing or producing nuclear weapons, or permitting the introduction of such weapons. In order to prevent nuclear proliferation, it had observed its Agency safeguards agreement and had promoted the peaceful use of nuclear energy. It would continue to comply with its comprehensive safeguards and the additional protocol thereto.

82. He emphasized the importance of the universalization of the additional protocol, which improved the Agency's capability to detect both undeclared nuclear materials and concealed nuclear-related activities by enlarging the scope of information to be provided and by ensuring complementary access. Japan would be hosting an international conference for the universalization of the additional protocol in December 2002 in Tokyo. He urged the Secretariat to make further efforts to ensure early adoption of integrated safeguards, in order not only to rationalize safeguards implementation but also to give Member States an incentive to conclude the additional protocol.

83. Reinforcement of the non-proliferation regime was closely related to regional security. Japan was greatly concerned over the Agency's inability to implement its safeguards agreement with the DPRK, since that had repercussions on the security of North-East Asia. The most effective solution would be the implementation of the Agreed Framework between the United States and the DPRK and promotion of the activities of KEDO, which Japan supported. His Government urged the DPRK to co-operate without delay by fulfilling its obligations under the safeguards agreement with Agency, which was still binding upon it.

84. Since the tragedy of 11 September 2001, nuclear terrorism posed a new threat to the non-proliferation regime, and the international community should unite to deal with it. His Government had pledged half a million United States dollars to support the Agency's action plan for protection against nuclear terrorism, and believed that strict control of nuclear materials and radioactive isotopes was crucial. It strongly supported the Agency's activities in that area and called on other Member States to pledge contributions.

85. The transport of nuclear material played a vital role in promoting the peaceful uses of nuclear energy. With regard to maritime transport, freedom of navigation as recognized under international law had to be respected. He hoped that the Agency would continue to play a significant role from the scientific and technical standpoint in that regard. Japan would be actively participating in the International Conference on the Safety of Transport of Radioactive Material to be held in July 2003.

86. It was still his Government's policy to call upon all international organizations to respect zero nominal growth in their budgets. He urged the Secretariat to set clear priorities, to make further cost reductions in all its activities, and to seek more efficient safeguards operations within the limits of available resources. He also strongly encouraged Member States to pay their assessed contributions and their share of the TCF in full and without delay.

87. While Japan continued to advocate the total elimination of nuclear weapons, it believed that the peaceful use of nuclear energy would contribute to the welfare of mankind and to the stability and development of the world. Since the Agency would play a significant role in furthering the achievement of those objectives, Japan was determined to support it.

88. Mr. ABRAHAM (United States of America) began his statement by reading the following message from Mr. George W. Bush, President of the United States of America:

"I send greetings to those gathered for the 46th General Conference of the International Atomic Energy Agency. For more than four decades, the IAEA has helped to make the world more secure by working to prevent the proliferation of nuclear weapons and promoting the safe use of nuclear energy. The United States remains steadfast in its strong support for these important efforts.

"In our dynamic world, the IAEA is a pillar of stability, standing on the front line of international initiatives to secure nuclear materials and counter the threat of international terrorism. The United States appreciates the IAEA's valuable contributions to the war against terror, as well as its prompt and energetic response to last September's terrorist attacks.

"The threat from nuclear proliferation remains real, immediate, and dangerous. We must ensure that the IAEA has the resources it needs to carry out its mission effectively. I encourage all member states to adopt and implement the Additional Protocol and the safeguards agreements required by the Nuclear Non-Proliferation Treaty. I was pleased earlier this year to submit to the United States Senate the U.S. Additional Protocol, and my Administration will press for its ratification.

"The United States also applauds the IAEA's global leadership on issues such as the safe use of nuclear energy. We will continue to support your work in these areas, and many others. For more than four decades, the IAEA has helped to make the world more secure by working to prevent the proliferation of nuclear weapons. Best wishes for a successful conference."

89. Mr. Abraham, recalling his address to the General Conference at its 45th regular session just six days after the terrorist attacks of 11 September 2001, noted that all participants had been fully aware that, given the opportunity, the ambitions of those very dedicated killers ran much higher than the annihilation of several thousand innocent people. After 11 September 2001, there could be no doubt that if they could acquire nuclear materials terrorists would use them to harm the innocent citizens of civilized nations. The events of 11 September had demonstrated to everyone just how important the Agency was. In the past 12 months much had been done to work towards securing a world which did not live under

the constant threat of nuclear terror. His own country had concentrated on enhancing security at its nuclear facilities. He himself had worked very closely with his Russian counterpart, Mr. Rumyantsev, on a wide variety of non-proliferation issues, meeting on a regular basis to discuss greater co-operation, enhancing the protection of dangerous materials and improving safety and security in the peaceful use of atomic energy. They had worked out an agreement for expanded and accelerated joint efforts to strengthen the protection of nuclear material.

90. The new relationship between the Russian Federation and the United States was one of the reasons why their joint operation to secure highly enriched uranium at the Vinča reactor in Belgrade had been a success. They had also agreed to work together to improve the security of radiological sources which might be used to develop a radiological dispersal device - a so-called "dirty bomb". Such materials existed in many forms, including medical isotopes, radiography sources and sources that provided electric power. While radiological dispersal devices were not comparable to nuclear weapons in their destructiveness, they were far easier to assemble and employ. The physical destruction they would cause was comparable to that caused by conventional explosives, but the disruption caused by widespread contamination was far greater, and it was disruption that terrorists sought to create. The United States and the Russian Federation were looking at what they could do to preclude the sources presenting the greatest threat from becoming useful to terrorists. Accordingly, they had created a joint task force which was examining the threat in depth in order to recommend appropriate responses. Large quantities of nuclear material had remained unsecured in the former Union of Soviet Socialist Republics following the end of the Cold War. There could be no question but that the effort to secure dangerous materials had to be an international undertaking relying on a multitude of partners. Controlling nuclear material had to remain high on the international agenda because there were regimes in the world which sought nuclear weapons for aggressive purposes and which co-operated with and sponsored terrorists. President Bush had laid out the case against one such regime before the General Assembly just a few days before.

91. The establishment of the G-8 Global Partnership Against the Spread of Weapons and Materials of Mass Destruction had indicated the seriousness of purpose in the effort to control nuclear material. The Global Partnership's pledge of up to \$20 billion towards new and expanded co-operation projects to address non-proliferation, disarmament, counter-terrorism and nuclear safety issues was an important step and the money would go a long way towards preventing terrorists, or those that harboured them, from acquiring or developing nuclear, chemical, radiological and biological weapons, missiles, and related materials, equipment and technology. That meant addressing the problem at its source: the dismantling and destruction of weapons, the disposal of fissile materials and the employment of former weapons scientists. It also meant developing and maintaining effective border controls, as well as enhanced law enforcement efforts aimed at thwarting the trafficking in illicit nuclear materials. It meant further strengthening the international framework for accomplishing such objectives by, for example, moving expeditiously to achieve the Agency's goal of strengthening the Convention on the Physical Protection of Nuclear Material.

92. The Agency's role in ensuring the success of global non-proliferation efforts was absolutely critical, and it was particularly true for work on radiological dispersal devices. While safeguarding materials usable for weapons should remain the Agency's highest

priority, it was also important for all Member States to act as partners in reducing the threat of other radioactive nuclear materials which could be used for “dirty bombs”. To that end, he called on all States to join his country in working with the Agency to address the threat posed by the potential misuse of radiological materials. He was therefore proposing an international conference to discuss how the international community could build on the Trilateral Initiative launched by the United States, the Russian Federation and the Agency, and to extend those efforts globally. The Agency had the technical expertise to help States respond appropriately to the problem by developing national standards for accounting for and tracking radiological materials, by identifying resources needed to dispose safely of unneeded radiological materials, by serving as a clearing house for critical information and by making invaluable experience available to Member States. Putting off addressing such threats was not an option; the detailed instructions on how to make “dirty bombs” found in the Al Qaeda caves had made horrifyingly clear how necessary it was to have a firm plan to reduce the likelihood of the most dangerous materials being acquired by those seeking to use them as weapons of terror.

93. The events of 11 September 2001 should not lead to any reduction in efforts to employ nuclear power for peaceful purposes on a broad international basis. It was indisputable that all Member States should re-examine security at their nuclear reactors. The simple truth was that nuclear power had to be kept as a key part of the energy mix. Nuclear energy now accounted for 20% of United States electricity generation, and not much less than that worldwide. There were arguments for nuclear power today reflecting policy imperatives that were either unknown or not well understood at the dawn of the atomic age. The first imperative reflected the commitment to a clean environment; nuclear power plants emitted none of the pollutants associated with the burning of fossil fuels. The second was to supply energy that was both abundant and affordable; the United States had identified hydrogen as a potentially unlimited source of clean energy, and one of the challenges for future decades would be to produce hydrogen cleanly and efficiently. Nuclear energy promised to do exactly that. Finally, there was the policy debate surrounding the issue of climate change; an energy source capable of supplying a significant proportion of the world’s power with no greenhouse gas emissions should clearly be at the centre of that debate. In advocating a greater role for civilian nuclear power, a number of issues had to be addressed: increased safety of nuclear reactors; how to deal with radioactive nuclear waste; and the development of proliferation-resistant technology. It was very encouraging that the international community was on its way towards finding solutions to all those issues.

94. It would not be possible to address all the problems he had outlined without spending more money. The Agency needed more resources in order to expand in the areas which the events of 11 September 2001 had forced the international community to address. The Agency’s safeguards budget needed to be increased so that it could fulfil its obligations pursuant to the NPT. Also, the Agency needed more resources to expand its efforts to help protect against the threat of nuclear terrorism. The United States of America today pledged an additional \$3 million for Agency nuclear security initiatives. Every Member State would need to increase its annual contributions in the years ahead if the Agency was effectively to address the threats posed by dangerous nuclear materials falling into the wrong hands. The security the international community hoped to achieve through the Agency was not a luxury

but a necessity. The nations of the civilized world faced a common threat, and it would be a mark of that civilized world if it could mount the united front necessary to vanquish it.

95. Mr. AGHAZADEH (Islamic Republic of Iran) said that since the Second World War and the tragedies of Hiroshima and Nagasaki, atomic energy and nuclear technology had been used both in the field of human development and in regional and global wrangles. Nuclear competition with the aim of unilateral domination of the world had achieved nothing but the ominous Cold War. Despite the apparent disappearance of traces of the Cold War, the sense of authoritarianism and unilateralism continued to prevail.

96. The Agency had been established in order to facilitate the transfer of peaceful uses of nuclear technology to developing Member States. The Agency had pursued faithfully its mandate in that regard, but it was important that it continued upholding the principle of balance between its promotional and verification activities.

97. The establishment of nuclear-weapon-free zones helped strengthen the NPT, and it was encouraging to see that several such zones had been created. In 1974, Iran had called for such a zone to be established in the Middle East. Israel, however, had refused to co-operate and had consistently shrugged off the international call for safety and peace by turning its back on world public opinion and refusing to allow the Agency to inspect its nuclear installations. Israel's arrogant attitude could lead to unexpected consequences for the region. Adherence to the NPT by all Member States in the region was an essential preliminary step towards the establishment of a nuclear-weapon-free zone in the Middle East.

98. As the world community was more than ever in need of mutual understanding and confidence building, it was discouraging to witness an attempt by certain quarters to unravel important aspects of such international treaties as the Comprehensive Nuclear-Test-Ban Treaty, the Biological Weapons Convention and the Convention on the Prohibition of the Development, Production, Stockpiling and Use of Chemical Weapons and on Their Destruction. That would send the wrong message worldwide and threatened to set an unwanted precedent for shaking the foundations of other important non-proliferation treaties.

99. Iran was embarking on a long-term plan to construct nuclear power plants with a total capacity of 6000 MW(e), and the associated fuel cycle, safety and waste management technologies, within two decades. Such a sizeable project entailed thorough preparation and he invited all the technologically advanced Member States to participate in Iran's plan. He expressed his Government's satisfaction with the Agency's assistance in construction of the Bushehr nuclear power plant.

100. The Islamic Republic of Iran had always condemned the possession of weapons of mass destruction. It had always maintained strong ties with the Agency and had submitted all its nuclear activities to the Agency's supervision. Thus, his Government was seriously committed to ensuring complete transparency in Iran's nuclear activities.

101. Ms. SHABANGU (South Africa), having commended the Agency for its sterling work to accelerate and enlarge the peaceful uses of nuclear energy, said that two important gatherings - the inaugural Summit of the African Union and the World Summit on Sustainable

Development - had been held in South Africa recently. A firm resolve to take up the multifaceted challenges confronting Africa had been demonstrated throughout the deliberations of both.

102. The Agency's General Conference had a unique role to play in the quest for socio-economic development through the peaceful uses of nuclear energy, which should be publicized with more zeal. Communication with regard to nuclear technology applications within the sector and, more importantly, with the public remained a great challenge for everyone. Her Government had undertaken several activities to help address that challenge. Firstly, it had hosted a meeting of the Network of Regulators of Countries with Small Nuclear Programmes in October 2001, demonstrating her Government's determination to enhance international co-operation in establishing international nuclear regulatory authority co-operative groups. Secondly, in November 2001, South Africa and the Agency had co-hosted a Regional Public Seminar in Cape Town, which had succeeded in demonstrating that nuclear technologies had health, water and other applications in addition to electricity generation. One of the lessons learnt during that seminar was the need for simplicity and the use of neutral facilitators to ensure a lack of perceived bias. She thanked the Secretariat for sending a high-level delegation to the event, as well as for help in demystification of the technology. Thirdly, South Africa and the Agency had co-hosted a seminar in Benoni in June 2002 to encourage African States which had not yet done so to conclude safeguards agreements and sign additional protocols with the Agency. The possible benefits such seminars stood to gain from the involvement of other relevant organizations in the United Nations system should be explored. Also, her Government had launched a "Women in Nuclear" programme for South Africa, believing that the quest for socio-economic development pursued by the Agency could not and should not be separated from the struggle for the emancipation of women. The burden on women in the developing world was compounded by poverty, malnutrition and lack of access to fresh water, problems which the Agency was seeking to address through innovative nuclear technology applications.

103. South Africa supported the Agency's initiatives to strengthen international co-operation in nuclear, transport and waste safety and would continue to participate actively in the Agency's safety standards programme. It welcomed the Secretariat's initiative to broaden representation in the safety standards committees. That would provide an ideal opportunity to consider mechanisms to enhance and evaluate the use of Agency safety standards documentation, particularly by Member States currently developing their nuclear and radiation safety infrastructure.

104. With regard to nuclear installation safety, her Government strongly supported the Convention on Nuclear Safety and, as a Contracting Party, had submitted its second national report to the second review meeting in April 2002. As a follow-up to that meeting, South Africa was undertaking a detailed review of the meeting's summary report in order to identify any shortcomings in the South African context and to implement improvements where necessary. South Africa also supported the Agency's initiatives for the development of an international safety enhancement programme for research reactors and other nuclear installations.

105. In the area of radiation safety, the Agency was on the right track. However, exposures from naturally occurring radioactive material could benefit from increased attention, particularly since slime dumps and waste rock piles continued to present a long-term radiation hazard in South Africa. She urged the Agency to develop a programme to address that matter.

106. With regard to radioactive waste, South Africa supported the initiative to develop a common framework for decisions on the safe disposal of different types of radioactive waste. Her delegation appreciated the Agency's support for the project to evaluate boreholes as a possible option for disused sealed sources. It was hoped that the project, in which her country was actively participating, would help to prevent accidents involving such sources, particularly in developing countries.

107. The transport of radioactive material was another important issue intrinsically linked to the entire safety culture. Although no catastrophic accident had yet occurred, more work needed to be done to minimize the inherent dangers. South Africa was prepared to participate extensively in discussions on the safe transport of radioactive materials. Furthermore, it had adopted the Agency's revised Transport Regulations (Safety Standards Series No. TS-R-1 (ST-1, Rev.))

108. Thanks to Agency help in obtaining a drum scanner on loan from the United States of America, South Africa was now in a position to characterize nuclear material in waste drums. The scanner would be used to measure several thousand 100 litre drums in a South African storage facility. As a result, the outstanding non-attainment of the inspection goal could be fully resolved in a shorter time-span.

109. Work had continued on the licensing activities for the pebble bed modular reactor which, it was hoped, would make a meaningful contribution to the search for other forms of energy. A comprehensive and systematic approach to the licensing process was being followed which, inter alia, made provision for public participation. The conclusion of the environmental impact assessment, expected towards the end of 2002, would determine the future of the project.

110. South African experts were continuing to carry out missions at the request of Member States to solve urgent needs in such areas as the conditioning and storage of spent sources, dam leakage detection, and evaluation of nuclear programmes and to offer advice on ways to increase self-reliance, including more financial independence. South Africa was proud of that modest contribution to socio-economic development.

111. South Africa continued to attach great importance to technical co-operation and particularly welcomed the various projects undertaken by the Agency in the African region. Such assistance was also important within the context of NEPAD.

112. It was important to find innovative ways of accommodating the interests of developing countries. Efforts should be concentrated on the application of nuclear techniques in combating such infectious diseases as tuberculosis, malaria and HIV/AIDS, which continued to hamper economic prosperity in many parts of the world.

113. She underlined the importance of continual evaluation of the effectiveness of projects, with a view to identifying new and productive areas for technical co-operation. Clearly, for developing countries to continue to benefit as much as possible from technical co-operation, the financial means must be available, and South Africa appealed to Member States to support technical co-operation activities vigorously and generously. For its part, South Africa again intended to pledge its full amount of the share of the TCF target.

114. In conclusion, she said that South Africa had just passed another important milestone in signing the additional protocol.

115. Mr. CHRISTENSEN (Denmark), speaking on behalf on the European Union and its associated States - Bulgaria, Cyprus, Czech Republic, Estonia, Hungary, Iceland, Latvia, Lithuania, Malta, Norway, Poland, Romania, Slovakia, Slovenia, and Turkey - said the tragic events of 11 September 2001 had demonstrated the willingness of terrorist groups to use whatever means they had at their disposal to further their aims. The need to strengthen measures to improve nuclear security had therefore acquired a new urgency. The fight against terrorism had become a priority for the European Union and it had adopted a wide range of pertinent measures in April 2002. Those measures would also support the work of the Agency in fulfilling its mandate in the fight against terrorism. The Agency clearly had an essential role to play in that regard. He commended the Director General and the Secretariat for having responded quickly to that challenge by reinforcing and re-orientating ongoing activities, as well as by presenting short-, medium- and long-term strategies for activities at the national and international level to help Member States secure a stringent nuclear security framework for nuclear installations and materials. Since the primary responsibility for nuclear security rested with Member States, the Agency's activities could serve only to support national measures to counter nuclear terrorism. Technical co-operation programmes were already proving to be a valuable instrument in upgrading safety and security.

116. The European Union called on Member States to introduce or strengthen and to enforce measures to combat illicit trafficking in nuclear and other radioactive material, and welcomed the Agency's work in support of such efforts.

117. It deplored the lack of progress being made regarding the amendment to the Convention on the Physical Protection of Nuclear Material.

118. He underlined that, although extrabudgetary funding was an acceptable temporary solution for funding the new activities being imposed on the Agency, long-term activities, approved by the Board, should be financed in a mandatory and predictable fashion.

119. An international nuclear non-proliferation regime of a universal character, backed by a strong international safeguards system requiring States to properly account for and control nuclear materials, was absolutely essential for international efforts to maintain collective security. Promoting the universality of the non-proliferation regime and adhering to the applicable international instruments was the responsibility of Member States.

120. The Agency's safeguards system was the essential instrument of the global non-proliferation regime. At the first session of the Preparatory Committee of the 2005 NPT

Review Conference in April 2002, the Agency's responsibility for further strengthening the regime had been strongly underlined. Noting the concerns expressed in that regard by the Director General, the European Union recognized the need for a properly funded safeguards system that was both effective and cost-efficient and it was prepared to consider growth in the safeguards budget whenever such requirements could be demonstrated.

121. Commending the Director General and the Secretariat on finalization of the conceptual framework for integrated safeguards in 2002, he expressed the European Union's view that the conceptual framework should be further developed on the basis of evaluations, technical developments, implementation experience and continuing dialogue with the Member States. In implementing the new measures it was important that greater attention be paid to the qualitative aspects of providing assurance of non-diversion notwithstanding the key role of nuclear material accounting.

122. The European Union, whilst considering that the initially agreed "cost neutrality" set out in documents GOV/INF/2000/4 and GOV/INF/2000/26 remained valid, realized there might be a temporary increase in the total cost of safeguards during a transition period before general implementation of integrated safeguards had taken place.

123. All the European Union Member States had unequivocally engaged in the process of ratifying their respective additional protocols and most had reached completion. Furthermore, the European Union had committed itself to having all its protocols enter into force simultaneously. The European Union considered additional protocols to be an integral part of the Agency's safeguards system and that adherence to them was an essential means of demonstrating fulfilment of the obligations laid down in Article III of the NPT. He urged all States which had not signed and ratified the additional protocol to do so. The European Union shared the Director General's concern that some 50 States party to the NPT had not yet entered into comprehensive safeguards agreements and called on them to do so. Also, expressing concern regarding the continued existence of un-safeguarded nuclear facilities and material in States not party to the NPT or equivalent treaties, he called on those States to place all their nuclear activities under Agency safeguards.

124. The situation in Iraq remained a major concern. The European Union regretted that recent talks with the Government of Iraq had not led to the resumption of Agency inspections under the relevant Security Council resolutions. On its return to Iraq, the Agency would have to resolve the key issue of whether Iraq's nuclear activities and capabilities had changed since December 1998. The European Union strongly urged Iraq once again to implement in full all the relevant Security Council resolutions, to co-operate fully and without any preconditions with the Agency and to provide immediate, unconditional and unrestricted access to enable the Agency to carry out its mandate.

125. The European Union also remained seriously concerned by the DPRK's continuing failure to implement fully its safeguards agreement with the Agency, which remained in force and binding, as well as by the lack of tangible progress made on important verification issues over the preceding year. Mindful of the fact that it would take some three to four years for the Agency to complete the verification process, assuming full co-operation by the DPRK, the European Union urged the DPRK to work with the Agency without further delay. He

commended the impartial efforts made by the Director General and his staff to bring the DPRK into full compliance with its safeguards agreement.

126. A high level of nuclear safety worldwide was paramount and European Union Member States and the associated countries co-operated closely to that end. The second review meeting of the Contracting Parties to the Convention on Nuclear Safety had concluded that significant progress had been achieved in a number of key nuclear safety areas. At the same time, however, human and organizational aspects and safety management had been identified as issues requiring further attention.

127. The majority of European Union Member States had already ratified the Joint Convention, which had entered into force in June 2001. The European Union as such had also started the relevant procedures to join the Convention. It looked forward to the first peer review of the national reports by Contracting Parties that would take place in November 2003 and urged Agency Member States to become parties to the Convention.

128. Endorsing the ongoing activities of the Agency and its Member States to improve the safety and security of radioactive sources and the revised Action Plan for the Safety and Security of Radiation Sources as reflected in GC(46)/11, he commended the Secretariat for helping Member States develop appropriate national strategies. He reaffirmed the European Union's readiness to co-operate, when and as appropriate, to detect and locate orphan sources and to facilitate their subsequent management.

129. The European Union wished to see a programme and budget for the 2004-2005 biennium that reflected the real needs of Member States and which clearly fell within the statutory activities of the Agency. It intended to participate actively in further consultations. Experience showed that there was a need to continue to refine and extend the performance indicators. Those indicators and the identification of desired outcomes should help concentrate the activities of the Agency on clear priorities and enhance effectiveness and efficiency.

130. Every effort should be made to ensure the Agency had the financial resources to meet its statutory obligations under the Regular Budget despite mounting difficulties. The European Union urged all Member States to pay in full and on time their assessed contribution to the Regular Budget as well as outstanding contributions from previous years amounting to approximately \$18 million.

131. The European Union supported the Director General's continued efforts to improve the Agency's effectiveness. A results-based approach to budgeting required strong management and a clear definition of cross-cutting activities. Enhanced co-operation and co-ordination between departments should be encouraged, leading to greater synergy and better use of resources - human as well as financial. The Director General's decision to engage an outside management consultant in that regard was welcome.

132. Recruitment and management of the Agency's human resources were important issues. He expressed concern about emerging difficulties in the process of staff recruitment at the higher levels and stressed the need for increased transparency in that regard.

133. As announced at the meeting of the Board of Governors in March 2002, the European Union proposed to introduce a single euro-based currency system with respect to the Agency taking effect from the 2004-2005 biennium. That would improve transparency, effectiveness and efficiency in the Agency's management of its financial resources. The European Union looked forward to the Secretariat's comprehensive report on the matter expected later in 2002 with a view to agreement on a proposal during the first half of 2003.

134. The European Union was following closely the development of projects relating to innovative reactors and fuel cycles which could lead to the development of new approaches on the essential questions of safety, non-proliferation and minimization of nuclear waste.

135. Ensuring the continuity of nuclear knowledge was a matter of increasing urgency and it was timely that managing nuclear knowledge was the topic of the Scientific Forum. He expressed the hope that the debate would provide new impetus to considerations at the national and international level. Over the coming few years a considerable number of the Agency's staff would reach retirement age and the European Union asked the Director General to keep Member States informed of the measures envisaged to maintain the knowledge necessary for the Agency to carry out its obligations.

136. The great importance attached by the European Union to technical co-operation was well demonstrated by its very high level of voluntary contributions, amounting to approximately 35% of the total contributions in 2002. Those important activities needed adequate financing and the European Union would contribute constructively to the Board of Governors' review of the funding mechanism for technical co-operation in 2003. Technical co-operation funds should be used in the most cost-effective, efficient and transparent way possible and it was important that the Secretariat provided a detailed breakdown of the Regular Budget expenditure on technical co-operation in all its departments and programmes. He expressed concern at the some \$7 million owed in outstanding assessed programme costs as at June 2002, representing nearly 10% of the target figure for 2002 for the TCF. That debt posed a serious impediment to implementation of the technical co-operation programme. The European Union strongly supported the revised strategy paper on technical co-operation which emphasized a demand-driven approach and clear priority-setting, and welcomed the approach the Secretariat had taken in recent years in devoting considerable efforts to supporting countries in selecting and prioritizing their projects. That had led to fewer and more focused projects which better reflected the needs and priorities of Member States. Also technical assistance could serve as a catalyst for national efforts to ensure the safety and security of nuclear material and other radioactive sources.

137. Monitoring and evaluation of ongoing programmes should have high priority as they provided valuable input into the continuous process of programme formulation and execution.

138. The European Union acknowledged the important contribution being made by the Agency to the larger efforts of the United Nations to reach the goals for sustainable development set out in the Millennium Declaration. It urged the Director General to continue his efforts to expand partnership with governments, United Nations agencies, multilateral financial institutions and other intergovernmental bodies to ensure optimization of scarce resources throughout the United Nations system.

139. In conclusion, he said that the European Union and the States that had associated themselves with his statement fully supported the Agency as the competent authority for verification of compliance with the international nuclear non-proliferation regime as well as its role in promoting the safe usage of nuclear technologies for peaceful applications in those Member States which had chosen to use that technology.

RESTORATION OF VOTING RIGHTS

140. The PRESIDENT noted that communications had been received from Iraq, Mali and Georgia, which were among those Member States to which Article XIX.A of the Statute applied, requesting that their voting rights be restored. He proposed that, following past practice, those and other such requests be referred to the General Committee for initial consideration and report.

141. The President's proposal was accepted.

The meeting rose at 1.10 p.m.