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Plenary

Record of the First Meeting

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Temporary President: Mr. RÓNAKY (Hungary)

President: Mr. BAZOBERRY (Bolivia)

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Abbreviations used in this record:

| | |
|-----------------------|--|
| APCs | assessed programme costs |
| CPPNM | Convention on the Physical Protection of Nuclear Material |
| DPRK | Democratic People's Republic of Korea |
| EFTA | European Free Trade Association |
| EU-3 | France, Germany and the United Kingdom |
| GRULAC | Latin American and Caribbean Group |
| HEU | high-enriched uranium |
| INPRO | International Project on Innovative Nuclear Reactors and Fuel Cycles |
| ITER | International Thermonuclear Experimental Reactor |
| Joint Convention | Joint Convention on the Safety of Spent Fuel Management and on the Safety of Radioactive Waste Management |
| Kyoto Protocol | Kyoto Protocol to the United Nations Framework Convention on Climate Change |
| LEU | low-enriched uranium |
| LWR | light-water reactor |
| NATO | North Atlantic Treaty Organization |
| NPCs | national participation costs |
| NPT | Treaty on the Non-Proliferation of Nuclear Weapons |
| NPT Review Conference | Review Conference of the Parties to the Treaty on the Non-Proliferation of Nuclear Weapons |
| OECD | Organisation for Economic Cooperation and Development |
| OECD/NEA | Nuclear Energy Agency of the Organisation for Economic Cooperation and Development |
| PACT | Programme of Action for Cancer Therapy |
| R&D | research and development |
| RCA | Regional Cooperative Agreement for Research, Development and Training Related to Nuclear Science and Technology (for Asia and the Pacific) |
| SQP | small quantities protocol |
| SSAC | State system of accounting for and control of nuclear material |

Abbreviations used in this record (continued):

| | |
|-----------------------|--|
| TCF | Technical Cooperation Fund |
| Transport Regulations | Regulations for the Safe Transport of Radioactive Material |
| TranSAS | Transport Safety Appraisal Service |
| WANO | World Association of Nuclear Operators |
| WHO | World Health Organization |

– Opening of the session

1. The TEMPORARY PRESIDENT declared open the forty-ninth regular session of the General Conference.
2. In accordance with Rule 48 of the Rules of Procedure of the General Conference, he invited delegates to observe one minute of silence dedicated to prayer or meditation.

All present rose and stood in silence for one minute.

3. The TEMPORARY PRESIDENT said that since the fourth-eighth regular session of the General Conference the Agency had made progress in carrying out its mandate on the basis of its three pillars: nuclear technology, safety and verification. Thanks to the efforts of its skilful and dedicated staff, it had continued to promote the well-being and development of its Member States as well as international peace and security. The strong leadership provided by Director General Dr. Mohamed ElBaradei had ensured the Agency's effective and efficient operation.
4. Nuclear power was playing a critical role in meeting the energy needs of the expanding world economy, accounting for about 16 per cent of global electricity production. An increasing number of countries were exercising the nuclear power option in ensuring their sustainable development. New factors, such as the sharp rise in oil prices and the introduction of stricter emission rules after the entry into force of the Kyoto Protocol, had helped win support for nuclear power as a viable element of the energy mix for the future.
5. The Agency was a focal point for international cooperation in the application of nuclear techniques in areas such as food and agriculture, human health, water resources management and environmental protection. Nuclear techniques had become indispensable for social and economic development around the world.
6. Also, establishing nuclear safety and security standards and facilitating their application worldwide remained high on the agenda of the Agency, and the recent period had been marked by the strengthening of the necessary legal and regulatory instruments and by a considerable improvement in the overall safety of nuclear installations.
7. The Agency had faced increased verification challenges over the past year. Its activities in the verification field had been guided by the principles of objectivity and impartiality and had been distinguished by high standards of professionalism. It had responded to the challenges in a way which had upheld the authority and integrity of the multilateral nuclear non-proliferation regime based on the NPT.
8. As a result of the joint efforts of its Member States and the Secretariat, the period since the previous session of the General Conference had witnessed important achievements. The Agency had continued to serve as a versatile instrument, and Member States had benefited from its work irrespective of their priorities.
9. The current session of the General Conference would provide an opportunity to assess all of the Agency's activities and set guidelines for the year to come. Member States must work together in order to further strengthen the Agency with a view to enabling it to carry out its mandate for the good of all.

1. Election of officers and appointment of the General Committee

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

11. Ms. ESPINOSA CANTELLANO (Mexico), speaking on behalf of GRULAC, proposed Mr. Bazoberry (Bolivia).

12. Mr. Bazoberry (Bolivia) was elected President by acclamation.

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

Mr. Bazoberry (Bolivia) took the Chair.

14. The PRESIDENT, having thanked delegations for the trust placed in him, commended his predecessor, Mr. Rónaky, for his impartial leadership of the previous session of the General Conference.

15. As a member of GRULAC, and being situated in a nuclear-weapon-free zone, Bolivia attached great importance to the role of the Agency in promoting the peaceful utilization of nuclear energy and increasing its contribution to peace, health and prosperity worldwide. It would like to see all Member States working together in pursuit of those objectives.

16. He recalled that, pursuant to Rules 34 and 40 of the Rules of Procedure, the Conference normally elected eight Vice-Presidents, the Chairman of the Committee of the Whole and five additional members of the General Committee — resulting in a General Committee of 15 members.

17. He proposed that the delegates of Canada, Chile, China, Ethiopia, the Russian Federation, Sri Lanka, Thailand and the United Kingdom be elected as Vice-Presidents; that Mr. Stratford (United States of America) be elected as Chairman of the Committee of the Whole; and that the delegates of Austria, Ghana, Poland, Slovakia and the Syrian Arab Republic be elected as additional members of the General Committee.

18. The President's proposals were accepted.

19. The PRESIDENT further proposed that the General Conference deal with items 2, 3, 4, 6 and 7 pending receipt of the General Committee's recommendation on the provisional agenda.

20. The President's proposal was accepted.

2. Applications for membership of the Agency (GC(49)/23)

21. The PRESIDENT drew attention to document GC(49)/23 containing an application for membership by Belize. The application had been endorsed by the Board of Governors, which had also submitted a draft resolution for adoption by the General Conference.

22. He took it that the Conference wished to adopt the draft resolution.

23. It was so decided.

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

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

“This forty-ninth session of the General Conference of the International Atomic Energy Agency comes less than two weeks after the World Summit in New York.

“The Summit made progress on a number of important issues facing the international community. But when it came to the challenge of strengthening all three pillars of the Nuclear Non-Proliferation Treaty — disarmament, non-proliferation and peaceful uses of nuclear technology — the Summit was a failure. States were not able even to reaffirm existing commitments, or find a way forward even at the level of principles.

“A group of States led by Norway — including Australia, Chile, Indonesia, Romania, South Africa and the United Kingdom — are working to try to chart a way forward. I encourage all IAEA Member States — and, indeed, all States — to support their initiative. And I hope that this IAEA conference can send a signal of the international community’s seriousness and determination to strengthen the NPT.

“The IAEA plays a vital role in the maintenance of international peace and security and the promotion of development. The international community recognizes and relies on the IAEA’s independence, technical competence and impartial verification capacity of global non-proliferation efforts. And it looks to the Agency to promote the safe and peaceful uses of nuclear science and technology, which are important tools for social and economic development.

“If planning indicators are correct, we can expect to see considerable expansion of civilian nuclear power generation in the next few years. This calls for additional vigilance in maintaining safety standards, services and procedures. So too do the heightened threats of nuclear and radiological terrorism. I welcome the comprehensive plan of action developed by the IAEA to enhance States’ capacity to detect the sources of such threats and take countermeasures.

“We must also come to terms with the fact that developments in the nuclear fuel cycle have led to proliferation risks that were not fully envisioned when the NPT was established 35 years ago. In this context, I believe that the work of the Expert Group on Multilateral Approaches to the Nuclear Fuel Cycle must be followed up. Its February report suggested multilateral options for improved controls over the proliferation-sensitive portions of the nuclear fuel cycle while preserving assurances of supply and services.

“I have in my report ‘In larger freedom’ called for the universal adoption of the Model Additional Protocol, which I believe should become the standard for verifying compliance with Article III of the NPT. And I fully endorse the Agency’s promotion of strengthened safeguards.

“The International Convention for the Suppression of Acts of Nuclear Terrorism is a significant step forward in multilateral efforts to prevent nuclear terrorism, as is the strengthening of the International Convention on the Physical Protection of Nuclear Material.

“I welcome the outcome of the six-party talks on the principles of a peaceful and verifiable denuclearization of the Korean Peninsula. I urge all parties to continue and intensify their efforts to fully implement the agreement.

“I also continue to hope that there can be an outcome satisfactory to all parties concerning Iran’s nuclear programme. I believe that confidence and trust need to be rebuilt on all sides, in order to find a solution to this difficult and delicate issue that effectively dispels proliferation concerns.

“On these specific challenges, and on the global challenge of strengthening the NPT, there is no substitute for strong leadership and a spirit of cooperation. I hope that both are on display at this conference, and I wish you all the best in your deliberations.”

4. Statement by the Director General

25. The DIRECTOR GENERAL said that each session the General Conference was an occasion for reflection, but the current session was perhaps a little more so for him, as he was about to start a new term in office. Today he would like to review how far the Agency had come in recent years, in terms of each of the three pillars of activity that supported its mission — technology, safety and verification — and then to describe what, in his view, should be its vision for the future.

26. Turning first to nuclear technology, he said that over the past few years there had been a significant change in attitudes towards nuclear power. Fast-growing global energy demands, an increased emphasis on the security of energy supplies, and the risk of climate change were promoting a reconsideration, in many quarters, of the advisability of investment in nuclear power. In addition, sustained improvements in nuclear plant availability and safety performance had made plant operating costs relatively low and stable.

27. Near-term nuclear growth remained centred in Asia and Eastern Europe, which together accounted for 22 of the 24 units now under construction. The Russian Federation intended to double its nuclear generating capacity by 2020; China was planning a nearly six-fold expansion in capacity by the same year; and India expected a ten-fold increase by 2022. Elsewhere, plans remained more modest, but it was obvious that nuclear power was re-emerging in a way that few would have predicted just a few years previously.

28. When he had addressed the General Conference in 2001, about to start his second term in office, the Agency had just established INPRO, whose primary achievement had been to ensure that the future needs of all countries (including developing ones) as regards reactor size, economics, infrastructures, safety, security, proliferation resistance and waste management were considered when innovative nuclear systems were evaluated.

29. For a number of years, he had been advocating the consideration of multilateral approaches to the front and the back end of the nuclear fuel cycle — both to address challenges posed by proliferation-sensitive operations, such as those related to uranium enrichment and plutonium separation, and to address the safety aspects of managing spent nuclear fuel.

30. As delegations might recall, in 2004 he had informed them of the establishment by him of a group of senior experts to explore options for the multilateral control of fuel cycle facilities. In February, the expert group had issued its report, and he had been encouraged by the initiatives that had followed.

31. A major part of the Agency's scientific and technical work involved the transfer of peaceful nuclear techniques for use in applications related to health, agriculture, water management and preservation of the environment. He would like to give a few examples.

32. Cancer was a major global health concern, and the number of cancer cases was rising — most rapidly in developing countries. Access to life-saving radiotherapy was in many areas very limited or non-existent. Whereas in Austria, for instance, there was approximately one radiotherapy machine for every 270 000 people, in most African countries the ratio was about one machine for every ten million people, and some countries had no such facilities. PACT was designed to increase the Agency's capacity to assist developing Member States by mobilizing more resources to address personnel, infrastructure, technology and training needs. Meeting the challenge of cancer was an intrinsically multidisciplinary effort. The Agency was therefore seeking to build partnerships with key organizations — such as WHO — for a coordinated, holistic approach.

33. The use of isotopes and radiation in food and agricultural R&D was continuing to yield rich results. For example, in Peru harsh local environments had traditionally caused many crops to fail. Through radiation-induced mutation breeding to create new crop varieties, agricultural productivity and incomes had been increased in the remote regions in question.

34. Nuclear techniques were increasingly being used in environmental applications. The IAEA Marine Environment Laboratory in Monaco had become a world leader in the use of radionuclides to track ocean currents — and also in the use of isotopes to study carbon dioxide sequestration on the ocean surface, a process crucial to the tracking of climate change.

35. The past four years had also been a period of evolution in nuclear safety and security. Four years previously, the *Joint Convention on the Safety of Spent Fuel Management and on the Safety of Radioactive Waste Management* had recently entered into force, he had been urging greater participation in the *Convention on Nuclear Safety*, and a number of Member States had still been questioning whether the Agency's safety standards should be accepted internationally. And, as many delegations would recall, during the week following the terrorist attacks in the United States of America, the General Conference had adopted a resolution calling for a sweeping review of the Agency's nuclear security programme.

36. Clearly, progress had been made on many fronts.

37. The *Convention on Nuclear Safety*, now with 56 Contracting Parties, was becoming a forum for increasingly substantive discussions on safety issues, with equally increasing Agency involvement and input.

38. Parties to the CPPNM had met in July and agreed on major amendments that made it legally binding for States Parties to protect nuclear facilities and material in peaceful domestic use, storage and transport. He hoped that all States Parties to the CPPNM would ratify the amendments as rapidly as possible and, in the meantime, act as if the amendments were in force.

39. Another case of progress had been the increasingly broad acceptance of Agency safety standards as the global reference for protecting people and the environment against nuclear accidents and the harmful effects attributed to radiation exposure.

40. The strong relationship between the Agency's operational safety standards and its safety review services had been important for evaluating and enhancing their effectiveness. Feedback from OSART missions and other safety services was being drawn upon in the reviewing and revising of the standards. He would like to see all countries taking full advantage of the Agency's safety services.

41. In 2001, after taking note of the conflicting views about the consequences of the 1986 Chernobyl accident, he had called for the creation of a Chernobyl Forum — to set the record straight on the basis of the best possible scientific analysis and to stimulate more effective international cooperation in further actions that could help local populations regain control over their own livelihoods.

42. He was pleased that a report — “Chernobyl's Legacy” — based on the extensive work of the Chernobyl Forum had been issued earlier in the month at a conference held in Vienna. Authoritative documents on the health, environmental and social impacts of the accident had been agreed upon, reflecting the consensus achieved among the relevant United Nations bodies and the Governments of Belarus, Russia and Ukraine. A press campaign had publicized the report's conclusions, and the organizations involved were discussing cooperation on initiatives related to assistance with safe food production and improved health care.

43. Few Agency programmes had expanded so much in a short period as the nuclear security programme over the past four years. The adoption by the General Conference in September 2001 of the aforementioned security-related resolution had been followed rapidly by the development of a comprehensive nuclear security plan and the establishment of a Nuclear Security Fund to which Member States had immediately begun contributing generously.

44. In the intervening four years, the Agency had conducted more than 100 nuclear security field missions. Approximately 1500 individuals from all regions had received Agency training in measures related to preventing nuclear and radiological terrorism. The results had been significant: increased security awareness among responsible national officials; strengthened physical protection at nuclear facilities; the recovery and enhanced security of hundreds of high-intensity radioactive sources; better cooperation among international law enforcement organizations; enhanced detection capabilities at border crossings; and improved preparedness for responding to incidents.

45. A high Agency priority was to assist countries in implementing the *Code of Conduct on the Safety and Security of Radioactive Sources*, which the General Conference had endorsed in 2003. Missions to assess national regulatory infrastructures for radioactive source control had been carried out in more than 40 countries over the past year, using relevant Agency standards and the *Code of Conduct* as the basis for evaluation.

46. As regards the verification area, one needed only to consider a snapshot of the challenges confronting the Agency when the General Conference had met in 2001 in order to appreciate how much had taken place in four years. He had been calling for an opportunity to resume verification activities in Iraq, and had been hoping that the Agency would be able to move from its minimal inspector presence in the DPRK to full verification. And concrete steps by nuclear-weapon States in fulfilment of the ‘unequivocal commitment’ to disarmament which they had reiterated at the 2000 NPT Review Conference were being awaited.

47. As with other areas of Agency activity, times had changed. The Agency had clearly made progress on some fronts, but perhaps regressed on others. The resumption of inspections in Iraq, the termination of inspections in the DPRK, the Agency's investigation of clandestine nuclear programmes in the Libyan Arab Jamahiriya and the Islamic Republic of Iran, the discovery of illicit nuclear procurement networks and the lack of agreement at the 2005 NPT Review Conference had put the spotlight on an unprecedented array of challenges to the non-proliferation and arms control regime.

48. The Agency's verification system had shown great resourcefulness and resilience in dealing with many of those challenges. The Agency had rapidly initiated intensive verification efforts in a number of countries and investigated the illicit procurement network. It had strengthened the verification system through the enhanced use of satellite imagery, environmental sampling and a variety of new technologies and through the introduction of integrated safeguards. And perhaps most importantly, in dealing with those verification challenges, it had maintained its objectivity and independence, and thereby strengthened its credibility. In short, the past few years had continued to underscore the central importance of the Agency's role in combating proliferation.

49. The Agency's technical cooperation programme continued to be one of the principal mechanisms for accomplishing the Agency's "Atoms for Peace" mission — supporting activities related to a host of nuclear technology applications and also safety, security and safeguards activities. The Agency had greatly increased the effectiveness of the programme in recent years, by shifting from a technology-driven to a needs-driven approach focused on producing tangible socio-economic benefits in Member States. The current Technical Cooperation Strategy highlighted three elements essential for successful delivery of the technical cooperation programme: strong government commitment, high project quality and adequate funding.

50. As more developing countries had become Member States of the Agency, the technical cooperation programme had grown substantially in size and complexity and as regards the number of participating Member States. The 2004 programme had supported national and regional projects in 114 countries and territories, and disbursements had totalled over US \$73 million.

51. The funding of the technical cooperation programme had been a constant challenge, frequently hampered by late or only partial payments by many Member States. In recent years, the Secretariat had adopted a number of approaches — such as the 'rate of attainment' mechanism and the 'due account' mechanism — in an effort to put programme implementation on a sound financial footing.

52. During his first term of office, from 1997 to 2001, the Secretariat had initiated an extensive programme of management reform. A results-based approach to programming and budgeting had been launched. Offices for policy coordination, programme support, internal oversight and nuclear security had been established. A medium-term strategy had been developed and implemented. Information technology had been used to enhance efficiency and streamline internal processes. Annual senior management conferences had emphasized a 'one-house' approach to management, reviewing the results of past reforms and catalysing new initiatives where needed.

53. With the basic 'machinery' in place, the focus during the past four years had been on fully implementing those reforms, searching for areas where greater efficiency could be achieved and fine-tuning programmes where necessary.

54. A key achievement in 2003, after many months of intensive consultations, had been a consensus in the Board on a 'Package Proposal' to ease the Agency's longstanding budgetary constraints, characterized by nearly 15 years of adherence to a 'zero real growth' policy. The increased funding had been essential in enabling the Secretariat to address increasing high-priority programme needs.

55. In his statement to the General Conference in 2001, he had called for increased public outreach to explain the Agency's contributions in all areas of its work. Little had he realized, at that time, the degree of public exposure the Agency would receive.

56. In the four intervening years, the Agency's public image had been transformed — in large part owing to emergent non-proliferation issues, but also owing to successful efforts by the Agency to raise public awareness of its important work. The Agency had substantially stepped up its Internet presence. It had revitalized its public seminar programme. And it had conducted a series of media campaigns on

important topics, including nuclear security, radiotherapy, nuclear power and — earlier that month — the Chernobyl Forum report. The results of those efforts had been extraordinary. The Agency had, in the public domain, moved from being a relatively unknown body to being a trusted institution that played a crucial role in both security and development.

57. The rapid overview just given by him encapsulated the remarkable changes that had occurred on nearly every nuclear front in recent years, and reflected the dynamic nature of the Agency's programmes in anticipating and responding to change. He now wished to outline a few key aspects of his vision for the next four years — ways in which, through both the technical cooperation and the Regular Budget programme, the Agency would continue endeavouring to meet Member State needs and priorities.

58. Regarding nuclear power, he hoped that in the coming years there would be a more explicit focus on the theme of 'energy for development'. He had personally been reminded of the current global energy imbalance during a recent trip to Nigeria, where per capita electricity consumption was only about 70 kilowatt-hours per year, which contrasted sharply with, for example, the OECD average of 8000 kilowatt-hours per year. The energy shortage in developing countries was a basic impediment to development. Accordingly, he believed that the Agency should increase its ability to offer energy assessment services which built Member States' capacities for national energy analysis and energy planning with account taken of all three aspects of sustainable development — economic, environmental and social.

59. In addition, the international nuclear community needed to become more creative in developing regional approaches to energy needs. Regional approaches could be useful in addressing many issues that had made nuclear power impractical for developing countries — for example, low electrical grid capacities, high upfront capital costs, and infrastructure and workforce limitations. Also, they were consistent with concepts which the Agency was already exploring with regard to the multilateral control of fuel cycle facilities, and would bring similar advantages related to safety, security, proliferation resistance and economies of scale.

60. Regarding nuclear applications, a key feature of modern science was its synergy — the way, for example, in which advances in fields such as nanotechnology, bioengineering and information technology interacted to produce ever greater achievements. With that in mind, the Agency should continue to seek new nuclear technology applications which could offer tangible benefits to society.

61. With a view to ensuring that nuclear applications made the greatest positive impact, the Agency had strengthened its efforts to forge effective strategic partnerships with other United Nations system organizations, with international financial institutions, with regional organizations and — first and foremost — with Member States.

62. In the area of safety, the Agency should continue to press for a global nuclear safety regime, and in that connection he was pleased with the growing support for the universal application of Agency safety standards. The Agency should also press for broader Member State participation in international safety conventions, for greater use to be made of Agency safety reviews and for enhanced coordination among international nuclear safety bodies such as WANO and OECD/NEA. A related point of emphasis would be increased harmonization in national regulatory approaches, to ensure high-quality, independent oversight for nuclear activities.

63. In the same spirit, the Agency needed to improve its performance in fixing the so-called 'weak links' in the nuclear safety chain. Since the 1986 accident at Chernobyl, enormous efforts had been made in upgrading reactor safety, but there were still facilities for which nuclear safety assistance should be a high priority. In the case of such facilities, the Agency should move expeditiously,

coordinating with other relevant organizations, to determine the actions needed and the expected costs and to draw up a strategy and schedule for proceeding.

64. The Agency's nuclear security assistance efforts to date had been focused, of necessity, on helping States to identify and address vulnerabilities, upgrading physical protection, securing high-priority radioactive sources and developing standards and guidance. As progress was made towards a more mature global nuclear security framework, however, it was important that the Agency developed a clearer overall picture of remaining security vulnerabilities. For example, it needed to improve its understanding of the patterns that characterized illicit trafficking activities, in order to provide Member States with the information needed for effectively combating such activities.

65. In the area of nuclear verification, the priorities for the coming years included universalizing the Model Additional Protocol, expanding the implementation of integrated safeguards, normalizing safeguards in Iraq, bringing the DPRK back to the NPT regime, providing the required assurances about the nuclear programme of the Islamic Republic of Iran, and continuing to investigate the nature and extent of the illicit procurement network.

66. In addition, he remained convinced that a key to strengthening the nuclear non-proliferation regime lay in arresting the spread of sensitive fuel cycle activities and developing a framework for the multilateral management of such activities. An urgent first step would be to create an international framework for ensuring the supply of reactor technology and nuclear fuel for all countries, to be followed by a framework for multilateral management.

67. Within its safeguards programme, the Agency must devote the necessary resources to enhancing its technical capabilities — including independent analytical capabilities of its laboratories and its capabilities for developing and applying innovative verification tools. Also, the Agency should explore the possibility of developing mechanisms to encourage better information sharing among States.

68. Finally, there was a need for redoubled efforts to launch negotiations at the Conference on Disarmament on a non-discriminatory and internationally verifiable global treaty banning the production of material for nuclear weapons — a fissile material cut-off treaty. If there was any lesson to be learned from the events of the past four years, it should be that a prerequisite for international security would be steps to eliminate both access to and the production of material for nuclear weapons.

69. Clearly, much remained to be done. The lack of agreement at the 2005 NPT Review Conference had been extremely disappointing, given the urgent and serious challenges which the Agency was facing. Also, he was dismayed that there had been no agreement on nuclear non-proliferation and disarmament at the United Nations World Summit earlier that month. The current challenges to international peace and security, including those related to nuclear non-proliferation and nuclear arms control, could not be wished away, and they would continue to stare the Agency in the face. All States should 'step up to the plate' and pursue, at the highest policy levels, the urgently needed reforms to the global security system — of which the non-proliferation and nuclear arms control regime was an essential part. There was a need for a security umbrella covering all countries and for continued work on both the symptoms and the causes of those challenges.

70. In conclusion, one more achievement of recent years was worth noting — the fact that the General Conference had evolved into a true agora for ideas that stimulated continued examination of all areas of the Agency's mission. That being so, he hoped that the General Conference would, during the week ahead, build on the ideas which he had just laid out, adding its own constructive ideas for enhancing the Agency's work. The Agency remained dependent on the shared commitment and the partnership of Member States, and he looked forward to a continuation of that partnership in the years to come.

71. The PRESIDENT, commending the Director General on his statement, said that his interesting ideas on the challenges that lay ahead for the Agency would undoubtedly be considered carefully by Member States.

The Director General left the meeting.

6. Approval of the appointment of the Director General (GC(49)/4)

72. The PRESIDENT said that, pursuant to Article VII.A of the Statute, the Board had decided to appoint Mr. Mohamed ElBaradei to serve as Director General of the Agency for a term of four years from 1 December 2005 to 30 November 2009 and had requested the General Conference to approve that appointment by adopting the draft resolution contained in document GC(49)/4. He took it that the General Conference wished to adopt that draft resolution.

73. It was so decided, and the Conference confirmed the appointment of Mr. ElBaradei to the post of Director General by acclamation.

At the invitation of the President, Mr. ElBaradei re-entered the meeting.

74. The PRESIDENT informed Mr. ElBaradei that the Conference had approved his appointment to the post of Director General for another four years. He was pleased to be the first to congratulate him on behalf of the General Conference and wish him a very fruitful tenure. He invited him to take the oath of office.

75. Mr. ELBARADEI took the following oath:

"I solemnly swear to exercise in all loyalty, discretion and conscience the functions entrusted to me as Director General of the International Atomic Energy Agency, to discharge these functions and to regulate my conduct with the interest of the Agency only in view, and not to seek or accept instructions in regard to the performance of my duties from any government or other authority external to the Agency."

76. The DIRECTOR GENERAL said he was honoured and humbled by the General Conference's renewed expression of trust in him. As always, independence and impartiality would guide his work and that of the Secretariat. The Agency had become a key player both as an international development institution and as an instrument for international peace and security. Security and development issues were closely linked and, as experience had shown, could most effectively be addressed in tandem. He strongly believed that most, if not all, of the challenges faced by the Agency could be mastered only through collective approaches. Multilateral institutions were more important now than at any time before. The Agency's success would remain dependent on Member States' unity of purpose, guidance and support.

7. Contributions to the Technical Cooperation Fund for 2006 (GC(49)/19)

77. The PRESIDENT said that, pursuant to an agreement reached in the Board of Governors in 2005, the Board had recommended a figure of US \$77.5 million as the target for contributions to the TCF for 2006. He drew attention to a table in the attachment to document GC(49)/19 which showed the contributions that each Member State would need to make in order to meet its share of that target.

78. The early pledging and payment of contributions to the TCF greatly helped the Secretariat in planning the Agency's technical cooperation programmes. Delegations in a position to do so were therefore urged to notify the Secretariat during the General Conference's current session of the contributions which their governments would be making to the TCF for 2006.

79. He would report at the end of the session, under a later agenda item, on the contributions which had been pledged up to that time. He hoped to be able to report favourably on the percentage of the 2006 TCF target figure already pledged.

8. General debate and Annual Report for 2004 (GC(49)/5)

80. The PRESIDENT took it that the Conference authorized him, under Rule 50 of the Rules of Procedure, to limit the duration of general debate statements to 15 minutes.

81. It was so agreed.

82. Mr. ZHANG Huazhu (China), congratulating Mr. ElBaradei on his re-election as Director General, said that during the past eight years he had demonstrated exceptional competence and impartiality. China was convinced that he would demonstrate the same exceptional competence and impartiality during the next four years. He could, as always, count on China's full support.

83. Human society was currently experiencing rapid scientific and technological development coupled with steady economic growth. As the global economy expanded, the need for energy sustainability was becoming increasingly pressing. After considering factors such as energy supply security and the need to address climate change effectively, more and more countries had begun to re-examine the status and role of nuclear power.

84. Both the International Ministerial Conference on Nuclear Power for the 21st Century held in Paris in March and the 13th International Conference on Nuclear Engineering held in Beijing in May had concluded that nuclear power would make a major contribution to meeting mankind's energy needs in the 21st century. According to the Agency's most conservative forecast, by 2020 the world's total installed nuclear power generation capacity would reach 427 GW, which would be equivalent to having built 127 nuclear power reactors of 1000 MW each over and above those forecast in 2000. There was every indication that a worldwide renaissance of nuclear power was about to unfold.

85. In China, nuclear power development had entered a new era. As part of the national energy strategy, nuclear power had been incorporated into the overall plan for development of the power sector. That strategic decision would make a substantial contribution to reducing the consumption of fossil fuel and alleviating global warming. According to preliminary planning, by 2020 China's

installed nuclear power generation capacity would be around 40 000 MW, accounting for about 4% of the country's total installed power generation capacity. That goal was feasible. In the process of increasing its nuclear power generation capacity, China would continue to engage in international cooperation aimed at the introduction of proven advanced nuclear power technology while making full use of its own capabilities and striving for self-reliance in design and equipment manufacturing.

86. As energy demand grew, developing countries were becoming more and more interested in nuclear power. At present, 60% of the reactors under construction were in developing countries, and China hoped that the Agency would provide developing countries with the greatest possible assistance in fields such as nuclear power plant construction management, operating experience feedback, nuclear safety regulation and human resources development. For its part, China stood ready to share with other countries the experience gained by it in the process of nuclear power development.

87. The international non-proliferation regime was facing new challenges, and China therefore especially regretted that the seventh NPT Review Conference, held in May 2005, had failed to produce a substantive outcome document. However, there had been a full, very useful exchange of views on the present situation regarding international arms control, security and non-proliferation.

88. As the cornerstone of the international non-proliferation regime, the NPT would continue to play an irreplaceable role in nuclear proliferation prevention, nuclear disarmament and the peaceful utilization of nuclear energy. In that context, the international community should firmly uphold multilateralism, pursue the three major objectives of the NPT in a balanced way, identify practical approaches to new issues in the field of proliferation prevention on the basis of wide consultation, and handle regional nuclear issues through diplomacy and dialogue so as to maintain regional peace and stability.

89. Since the September 2001 terrorist attacks, non-traditional security threats — especially transnational and transregional terrorism — had been on the rise. For the international community, nuclear terrorism had become one of the most dreaded types of terrorist activity. At the International Conference on Nuclear Security: Global Directions for the Future held in London in March, participants had analysed the new challenges, shared their experiences and explored ways to improve international nuclear security. His Government welcomed the achievements of that conference.

90. China, which had always stood for the complete prohibition of nuclear weapons and the destruction of all such weapons, had always resolutely opposed all forms of nuclear proliferation and all forms of terrorism and had always participated actively in international cooperation aimed at preventing them. It therefore welcomed the establishment of a committee on safeguards and verification to advise the Board on ways and means to strengthen the safeguards system. It hoped that agreement would soon be reached on the mandate of the committee, the scope of its work, its modus operandi and the financial arrangements for it through consultation within the framework authorized by the Board. The Chinese Government would participate constructively in the work of the committee.

91. China had participated constructively in the deliberations regarding the amendment of the CPPNM, and its positive contributions had helped the parties to ultimately reach a consensus. The Chinese Government would submit the CPPNM amendment to the National People's Congress for ratification as soon as possible and would establish the legal and regulatory regimes required by the amended instrument.

92. The fundamental goals of strengthening international nuclear security and preventing nuclear proliferation were the maintenance of peace and security in all States and the sustainable development of all societies. Recently, some new ideas and proposals regarding international nuclear cooperation and nuclear non-proliferation had been put forward. China was open to suggestions for strengthening international nuclear non-proliferation and stood ready to examine them together with other countries.

It should be borne in mind, however, that the present international non-proliferation regime was effective. The regime had taken shape and was continuing to develop through a step-by-step process of improvement. Related policies and procedures should be developed on the basis of universal participation and scientific decision-making. That was the only way to ensure the objectiveness, soundness and effectiveness of the regime and win the understanding and support of the majority of the members of the international community.

93. On 19 September, in Beijing, the six-party talks on the DPRK nuclear issue had produced an important interim result. Through serious and pragmatic discussions, the parties had reached agreement on the overarching goals of the six-party talks. They had issued a joint statement accommodating the interests and concerns of all of them which was a balanced, win-win document marking the entry of the six-party talks into a new phase. The hard-earned progress that had been made demonstrated the political will of the leaders and governments of the six countries in question to resolve the nuclear issue on the Korean Peninsula peacefully and through dialogue. The joint statement had laid a good foundation for the future of the six-party talks, but it represented only the first step in a long march. The next step would involve addressing concrete issues, which was likely to be more difficult.

94. The nuclear issue on the Korean Peninsula was complicated, but China hoped that all the parties would continue to display mutual respect and consideration, flexibility and pragmatism, steadily building mutual trust, expanding the common ground and bridging their differences so as to arrive at a peaceful resolution of that issue. China, which remained firmly committed to resolving the issue peacefully, through dialogue, would continue to support the six-party talks. It stood ready to continue working with the other parties concerned and with the international community in general in striving for the denuclearization of the Korean Peninsula and for peace and stability there and in the whole of Northeast Asia.

95. China had always favoured a resolution of the Iranian nuclear issue based on negotiation and cooperation within the framework of the Agency, in the interests of peace and stability in the region concerned, of the international non-proliferation regime and of all parties. It hoped that the Islamic Republic of Iran and the European Union would continue to seek a solution through dialogue, taking a long-term perspective, demonstrating the necessary political will, having full regard for one another's concerns and making a real effort to break the deadlock and resume talks at the earliest possible date. It stood ready to work with all parties and to continue to play a constructive role in resolving the Iranian nuclear issue through diplomacy.

96. For almost half a century, with the support of Member States, the Agency had been playing an indispensable role in promoting peaceful uses of nuclear energy and preventing the proliferation of nuclear weapons. It had become one of the most dynamic international organizations, and China believed that, so long as the objectives of the Statute were firmly borne in mind and the balanced development of the two types of statutory activity was maintained, the Agency would play an even greater role in improving peoples' living standards and maintaining international security.

97. Mr. WRIGHT (United Kingdom), speaking on behalf of the European Union, said that the acceding countries Bulgaria and Romania, the candidate countries Croatia and Turkey, the countries of the Stabilization and Association Process and potential candidates Albania, Bosnia and Herzegovina, the Former Yugoslav Republic of Macedonia, and Serbia and Montenegro, the EFTA countries Iceland and Norway, members of the European Economic Area, and Moldova and Ukraine associated themselves with the statement which he was about to make.

98. The European Union believed that non-compliance with the NPT and with the safeguards obligations stemming from it was the most important non-proliferation challenge currently facing the

international community. It had hoped that the 2005 NPT Review Conference would send out a clear message about that challenge, covering issues such as Agency safeguards, and it had contributed very actively to the efforts made to bring about the adoption of a consensus text by the Review Conference. Regrettably, despite the efforts of the Review Conference President and many NPT parties, the Review Conference had been unable to produce a consensus document on the substantive points under discussion.

99. The European Union, which was fully committed to the NPT and to the three mutually reinforcing pillars on which it was based, had made wording proposals in the Review Conference's three main committees and presented working papers on — *inter alia* — the questions of withdrawal from the NPT and the Global Partnership against the Spread of Weapons and Materials of Mass Destruction.

100. In the opinion of the European Union, consideration should be given to holding the first meeting of the Preparatory Committee for the 2010 NPT Review Conference in 2007 — in Vienna.

101. As regards Agency safeguards, the European Union considered them essential for detecting and deterring the diversion of nuclear materials for use in nuclear weapons and increasing confidence in the absence of undeclared nuclear activities and materials. It therefore regretted that 37 States parties to the NPT had not yet concluded comprehensive safeguards agreements with the Agency. It would like to see those States concluding such agreements soon.

102. Experience had shown, however, that comprehensive safeguards agreements alone did not provide the Agency with the means to detect undeclared nuclear activities and related material — some States with comprehensive safeguards agreements in force had engaged in clandestine nuclear programmes. The Agency could give credible assurances of the absence of undeclared nuclear activities only in the case of countries with additional protocols in force.

103. Despite an agreement reached at the 2000 NPT Review Conference and calls by the General Conference for the conclusion of additional protocols by all States parties to the NPT, eight years after the adoption of the Model Additional Protocol by the Board of Governors 123 States parties to the NPT had still not brought additional protocols into force. In order that an important non-proliferation deficit might be eliminated, those States should conclude additional protocols and bring them into force without further delay.

104. The European Union agreed with the United Nations High-Level Panel on Threats, Challenges and Change that comprehensive safeguards agreements together with additional protocols should now be regarded as the Agency's safeguards standard.

105. It also agreed with the Director General that SQPs in their present form constituted a weakness in the safeguards system. It welcomed the steps taken recently by the Board to address that weakness and would like to see all States with SQPs concluding an exchange of letters with the Director General for the purpose of giving effect to the modified standard text and the modified criteria.

106. As regards the challenge to the safeguards system posed by the DPRK, the European Union welcomed the joint statement issued on 19 September 2005 by the participants in the six-party talks which had been taking place in Beijing. It looked forward to the early implementation of the commitments made by them and to the establishment of effective verification arrangements, and it remained ready to assist in whatever way it could. It welcomed the flexibility shown by the participants in the six-party talks and commended China on its efforts in hosting those talks.

107. As regards the challenge posed by the Islamic Republic of Iran, during the past two years that country had failed to honour commitments which it had made and in the light of which the Board had, in November 2003, abstained from reporting to the United Nations Security Council about the

non-compliance on which the Director General had submitted reports. The Islamic Republic of Iran had not fully cooperated with the Agency in addressing and resolving all outstanding issues. Having taken over a year to suspend all its enrichment-related and reprocessing activities, it had, in defiance of clear Board requests, revoked the suspension well before the outstanding issues could be resolved by the Agency. The European Union therefore welcomed the resolution relating to the Islamic Republic of Iran adopted by the Board on 24 September and would like to see that country implementing the confidence-building measures called for in the resolution, so that negotiations within the framework agreed upon by the EU-3 (on behalf of the European Union) and the Islamic Republic of Iran in November might be resumed.

108. The European Union, which favoured close cooperation between the Secretariat and State and regional systems of accounting for and control of nuclear material, looked forward to the European Commission and the Secretariat collaborating closely in making changes to the existing joint safeguards arrangements.

109. In the light of comments made by the Director General and of recent experiences with undeclared nuclear activities, the European Union welcomed the decision of the Board to create a committee on safeguards and verification with the main task of recommending to it ways and means of strengthening the Agency's safeguards system. In the European Union's view, a positive outcome of the committee's work would further enhance the credibility and effectiveness of the Agency's safeguards activities.

110. The European Union had noted with concern the Director General's conclusion that the uranium enrichment programmes of the Islamic Republic of Iran and the Libyan Arab Jamahiriya had certain elements in common and that the basic technology used in the two programmes was very similar and obtained largely from the same foreign sources. It therefore fully endorsed the Director General's call for all States to cooperate fully in efforts to identify the supply routes and sources of the technology and the related equipment and nuclear and non-nuclear materials.

111. The European Union, which attached great importance to strong national and internationally coordinated export controls, believed that the efforts being made to tackle the issue of illicit trafficking and procurement networks and that of the involvement of non-State actors in the proliferation of technology for manufacturing weapons of mass destruction should be strengthened. Accordingly, it had welcomed the adoption in June 2004 of Security Council resolution 1540 on the proliferation of weapons of mass destruction and was supporting the Proliferation Security Initiative.

112. The European Union had also welcomed the General Assembly's unanimous adoption of the International Convention for the Suppression of Acts of Nuclear Terrorism, and it hoped that all States would sign and ratify that convention soon.

113. Although the primary responsibility for nuclear security rested with States, the Agency had an essential role to play in preventing and combating nuclear terrorism. Accordingly, the European Union, which attached great importance to the Agency-organized International Conference on Nuclear Security: Global Directions for the Future held in London in March, was providing financial support for the Agency's security-related activities.

114. The European Union welcomed the outcome of the recent conference on amending the CPPNM and hoped that the adopted amendment would enter into force soon. It would like to see all States that were not yet parties to the CPPNM acceding to it and accepting the amendment and, pending the amendment's entry into force, it would like to see all States acting in accordance with the purpose of the amendment.

115. The European Union, which attached the utmost importance to a high level of nuclear safety worldwide, believed that, although nuclear safety was a national responsibility, international cooperation in that field was essential and that the Agency was the forum for such cooperation. It therefore welcomed the adoption by the Board in March of safety requirements for the safety of research reactors.

116. The Convention on Nuclear Safety and the Joint Convention highlighted the importance of continuous safety improvement and of international cooperation in safety-related matters. In accordance with the spirit of those two conventions, action had been taken to establish and maintain a high level of nuclear safety within the European Union, including a high safety level in the decommissioning of nuclear facilities and the management of radioactive waste.

117. The European Union welcomed the outcome of the latest review meeting of contracting parties to the Convention on Nuclear Safety. Also, it looked forward to the forthcoming extraordinary meeting of contracting parties to the Joint Convention, at which it would work to enhance the operation of the Joint Convention mechanism.

118. The European Union would like to see all States that were not already contracting parties to the Convention on Nuclear Safety and the Joint Convention acceding to those two conventions.

119. The European Union, which had noted the progress made in the implementation of the Action Plan for the Safety of Transport of Radioactive Material, welcomed the recent publication of the 2005 edition of the Agency's Transport Regulations. It considered TranSAS missions useful for promoting the strict application of the Transport Regulations and welcomed Japan's intention to host such a mission later in the year.

120. The European Union welcomed the ongoing work of the International Expert Group on Nuclear Liability (INLEX), to which several of its Member States were contributing.

121. All Member States of the European Union, which had attached great importance to the International Conference on the Safety and Security of Radioactive Sources held recently in Bordeaux, were working towards implementing the guidance contained in the Code of Conduct on the Safety and Security of Radioactive Sources and the associated guidance on the import and export of radioactive sources. It would like to see all countries informing the Director General of their political commitment to the Code.

122. Given the dual-use nature of the technologies involved in uranium enrichment and spent fuel reprocessing, the European Union considered it important to encourage the provision of guarantees of access to nuclear fuel-related services or to the nuclear fuel itself under appropriate conditions. It would like the Secretariat to initiate discussions on implementing the recommendations of the Expert Group on Multilateral Approaches to the Nuclear Fuel Cycle, with particular emphasis on nuclear fuel supply assurances.

123. The Agency needed not only the political support of its Member States, but also their financial support. The European Union, whose 25 Member States accounted for a substantial part of the Regular Budget, would like to see all Member States paying their assessed contributions in full and in a timely manner. The European Union, whose 25 Member States also accounted for a significant proportion of the contributions to the TCF, would like the Secretariat to ensure that the TCF resources were used first and foremost in developing countries that had contributed to the TCF and did not have APC or NPC arrears.

124. The European Union, which was engaged in many technical cooperation programmes contributing to the peaceful uses of nuclear energy in developing countries party to the NPT,

welcomed the Agency's efforts to address the growing problem of cancer in developing countries through PACT.

125. The European Union welcomed the Agency's education and training programmes aimed at updating nuclear knowledge so as to meet the needs of both developing and developed countries. Also, it appreciated the role of the Agency as a founding supporter of the World Nuclear University.

126. The European Union, which was closely following INPRO and other current projects relating to innovative nuclear reactors and fuel cycles, attached great importance to the outcome of the Agency-organized International Ministerial Conference on Nuclear Power for the 21st Century held in Paris in March. In his Final Statement, the President of the International Ministerial Conference had concluded that, in the view of the vast majority of participants, nuclear power could make a major contribution to meeting energy needs and sustaining development in the many developed and developing countries which wished to exercise the nuclear power option but that certain conditions would have to be met, including conditions relating to non-proliferation, safety and security.

127. In his eight years at the head of the Agency, the Director General had been called upon to deal with several challenging situations. On each occasion, he had striven to uphold the best traditions of the Agency and to respond in a balanced and measured manner to the demands placed upon him. The European Union welcomed the Conference's approval, by consensus, of his appointment by the Board as Director General for a further four years. It was confident that, under his leadership, the Agency would continue to meet the high standards which he had set.

128. Mr. SCHULTE (United States of America) said that his country's Secretary of Energy, Mr. Samuel Bodman, was unable to attend the General Conference session and had asked him to speak on his behalf after the following videotaped message from Mr Bodman:

"I regret that I cannot be with you in Vienna due to the extraordinary events related to the recent hurricanes in the United States — and the continuing recovery efforts that are addressing devastation on our gulf coast.

"These two storms have claimed hundreds of lives, destroyed whole communities, and displaced large numbers of Americans.

"As you know, our gulf coast region is home to a very significant percentage of America's oil and natural gas facilities.

"Because of the severity of the most recent storm, Hurricane Rita, and the importance of this region to America's energy supply, my duties as Secretary of Energy require my continued presence in Washington.

"On behalf of President Bush, the leadership in Congress and the American people, I want to thank you, your governments and your citizens for the tremendous outpouring of support over the past several weeks.

"In response to tight energy markets, many of our countries were able to work cooperatively to calm nervous energy markets across the globe.

"And the generosity of your governments and your citizens in the form of financial pledges, personnel, equipment, and disaster supplies is an incredible display of international solidarity.

"We are gratified by these actions — actions that exemplify the great spirit of international cooperation that is the engine for institutions such as the IAEA.

“In 1953, President Eisenhower, in his famous Atoms for Peace speech, noted that a ‘special purpose’ of atomic energy ‘would be to provide abundant electrical energy in the power-starved areas of the world.’

“Over the past 50 years he has been proved right. Nuclear power brought electricity to many corners of the globe.

“It helped fuel the post-war economic expansion in the United States, in Europe, and in Japan.

“As important as nuclear power has been to the 20th century, however, it will be far more critical to meeting the world’s energy needs in the 21st century.

“Energy is a necessary engine of economic growth, a key to raising living standards — indeed, a key to raising nations and regions out of poverty.

“Our Administration firmly believes that all responsible nations should have access to peaceful uses of the atom.

“To ensure this access, while minimizing the threat of proliferation, our nations must work together to phase out the use of highly enriched uranium in commercial reactors. But while doing so, we must also create an environment in which nations are confident in the availability of nuclear fuel.

“That is why I am pleased to announce that the United States Department of Energy will reserve up to 17 metric tons of highly enriched uranium for an IAEA verifiable assured supply arrangement. Through this arrangement, I believe we can advance our common goals of fighting proliferation while expanding the use of nuclear power around the globe.

“The wide expansion of nuclear energy can only come if the world fully embraces this vision.

“This is why the mission of the IAEA is such a worthy one.

“Our Government applauds the efforts and contributions of the IAEA — and pledges to help ensure that this important body has the tools to continue this critical mission.

“Ladies and gentlemen, again, please accept my sincere apologies for not joining you today. We have important work to do and important challenges to address. I wish you a successful and productive conference.”

129. Mr. Bodman had, in his message, underlined how important nuclear power was going to be in the 21st century. With estimates indicating that world net electricity demand would almost double during the next two decades, more than half of the growth taking place in the world’s emerging economies, his Government believed that nuclear power would — and must — play a greater role in meeting the global demand for clean, affordable, safe and reliable energy.

130. In the United States, dramatic steps were being taken to prepare for an expansion of nuclear power. The Energy Policy Act, signed by President Bush in August 2005, would facilitate the first significant addition to the country’s nuclear power capacity in decades. By streamlining licensing processes and creating incentives for industry, the United States aimed to have new, advanced LWRs in operation by the end of the decade. Also, through the Generation IV International Forum it was endeavouring to accelerate the development of advanced nuclear energy systems which would offer significant improvements in energy efficiency, sustainability, safety and proliferation resistance and provide tangible benefits to the developing world.

131. The United States was committed to helping responsible governments to develop and implement peaceful nuclear programmes. It had nuclear cooperation agreements with

some 45 countries, and it was the largest contributor to the Agency's technical cooperation programme, having provided \$130 million since 2000 for projects in over 100 Member States.

132. The groundwork had to be laid for an orderly, secure and safe expansion of nuclear power. States needed infrastructures for operating nuclear power plants in a way that minimized the risks of accidents, of sabotage and nuclear material diversion by terrorists, and of State-sponsored proliferation.

133. It was necessary to establish a dialogue among States both advanced in the field of nuclear power generation and wishing to launch nuclear power programmes about the prerequisites for nuclear power development. With a view to advancing such a dialogue, the United States would be joining INPRO. Also, the United States Nuclear Regulatory Commission was inviting countries to join in a multinational design approval programme for the purpose of facilitating their licensing processes.

134. Earlier in the year, the leaders of the United States and India had issued a joint statement in recognition of the important contribution which a closer relationship between two great democracies could make to global stability, democracy, prosperity and peace. All stood to benefit from increased cooperation with India's civil nuclear community, for India had developed an advanced nuclear power programme from which all could probably learn. At the same time, bringing India into the mainstream of the international nuclear non-proliferation community would strengthen the overall non-proliferation regime.

135. As the peaceful utilization of nuclear energy grew, Member States needed to focus increasingly on the second responsibility of the Agency — preventing the proliferation of nuclear technologies, materials and know-how that might be used by terrorists. Promotion and prevention were intertwined — one could not have the first without the second. A special onus lay on all Member States to strengthen the non-proliferation regime, which had worked well for 50 years but in some respects not well enough, as the cases of the DPRK, the Islamic Republic of Iran and the A.Q. Khan network had shown. Their pernicious and defiant misuse of nuclear technology — in direct violation of the non-proliferation regime — posed the greatest challenge to the Agency and the NPT.

136. As regard the Islamic Republic of Iran, the Board's 24 September finding of non-compliance had shown that the actions of its leadership were isolating a great country from the international community. The finding sent a clear message that the onus was on the Islamic Republic of Iran to come into compliance with its international obligations and take the steps necessary in order to give the world confidence that its nuclear programmes were truly peaceful. The United States was backing the efforts of its European Union partners to arrive at a long-term agreement with the Islamic Republic of Iran. As President Bush had stated on 14 September, it respected the desire of the Islamic Republic of Iran to use nuclear energy for civil purposes; it merely wanted that country to forgo the development of enrichment and reprocessing capabilities. In the case of the Islamic Republic of Iran, such capabilities were neither necessary — given that country's massive oil and gas reserves — nor acceptable — given its long record of safeguards violations. Its leaders should take immediate steps to re-suspend all enrichment-related activities, including uranium conversion, and return to negotiations with the EU-3. Also, they should cooperate proactively and transparently with the Agency.

137. The United States hoped that, building on the resolution adopted by the Board on 24 September, the General Conference would call on the Islamic Republic of Iran to be fully cooperative and transparent and to choose a course of negotiation and confidence-building rather than one of continued confrontation with the international community.

138. There was a need for action now in order to make it harder for terrorists and proliferators to turn the peaceful fruits of Member States' labours into nuclear or radiological weapons. One goal of the nuclear security agenda was to strengthen controls on enrichment and reprocessing technology, and his

country would continue to work for agreement on that point in the Nuclear Suppliers Group. Also, it would endeavour to ensure that States renouncing enrichment and reprocessing had reliable access to fuel for civil nuclear power reactors. It was working with the major suppliers and the Agency on the creation of a back-up supply mechanism for States that abstained from investing in enrichment and reprocessing capabilities, and the United States Department of Energy had announced that it would reserve up to 17 metric tons of HEU for such a mechanism. The United States would like to see other nations to joining in the initiative.

139. Another goal of the nuclear security agenda was to improve controls on materials of greatest interest to terrorists and proliferators. The partnership between the United States and Russia for improving such controls was strong. Earlier that year, in Bratislava, Presidents Bush and Putin had agreed to accelerate security upgrades at Russian sites holding weapons-usable materials and warheads, and progress was being made with regard to the elimination of surplus stocks of HEU and military plutonium. Also, the United States was consulting with governments around the world to ensure that the security of fissile materials was accorded the highest priority.

140. The recent adoption of an amendment to the CPPNM had been an important step. His Government hoped that all States parties to the CPPNM would ratify the amendment soon and act in accordance with its purposes pending its entry into force.

141. A further goal of the nuclear security agenda was to phase out the commercial use of HEU. Already considerable progress had been made — nearly 40 research reactors supplied by the United States had been converted from the use of HEU to that of a low-enriched form of fuel that could not be used in weapons, and a similar initiative relating to research reactors supplied by the Russian Federation had been launched. The United States, which was prepared to join in establishing international guidelines for the management of HEU, believed that such guidelines should be followed by all HEU users and the Agency, should make accounting for and reporting on national stocks of civilian HEU a requirement, should call for strict standards of physical protection, should require that all reactors still using HEU be converted — where feasible — to the use of LEU, and should require that all new civilian research reactors be designed to use only LEU. His country looked forward to consulting with other Member States on that issue.

142. A final goal of the nuclear security agenda was the full exercise by States of their responsibility to regulate the nuclear activities under their jurisdiction. That was one purpose of United Nations Security Council resolution 1540, which required States to introduce strict controls and to secure nuclear facilities and weapons-usable nuclear materials. Universal implementation of Security Council resolution 1540 was an immediate priority.

143. The agenda was ambitious, and it would be accomplished only if the Agency's Member States acted with unity of purpose. The alternative — a global proliferation of nuclear weapons, weapons-usable nuclear materials and critical technologies — was something which no Member State should tolerate and which all must work tirelessly to avoid. Historians would in due course judge whether enough had been done by the present generation to ensure a safe and secure nuclear future, but he was confident that, if all Member States worked together and redoubled their commitment to what was a necessary task, their judgement would be a favourable one.

144. Mr. OH Myung (Republic of Korea) said that the world's nuclear community was responsible for promoting the safe and peaceful utilization of nuclear energy in the interests of global prosperity and that his country was committed to that task.

145. In fulfilling its mission, the Agency had become the world's foremost organization for promoting international scientific and technical cooperation in the nuclear sector, in no small part

thanks to the dedication of its present Director General, who was to be congratulated on his reappointment.

146. Nuclear power had emerged as a pivotal resource in the international community's endeavours to prevent global warming and at the same time ensure stable energy supplies. In that context, the Republic of Korea hoped that the Agency, whose support for the development of innovative nuclear reactors and fuel cycles and of nuclear hydrogen production technology was greatly appreciated, would continue to assist Member States interested in making use of nuclear power.

147. His country, which believed that the peaceful utilization of nuclear technology depended on transparent participation in the international nuclear non-proliferation regime, was firmly committed to that regime and would continue to cooperate with the rest of the international community in preserving its integrity. It was supporting the current efforts to strengthen the Agency's safeguards system and welcomed the establishment of an advisory committee on safeguards and verification by the Board. It also welcomed the growing adherence to the Model Additional Protocol, which should in its view be universalized as an Agency safeguards standard.

148. Following the disclosures in 2004 regarding nuclear materials experiments which had been carried out in his country, its SSAC had been strengthened and its relevant legislation overhauled. The Republic of Korea greatly appreciated the support provided by the Agency in that connection, including the International SSAC Advisory Service mission to Seoul that had taken place in July 2005.

149. The fourth round of the six-party talks on the DPRK nuclear issue had ended on 19 September 2005 with a joint statement in which all parties had affirmed that the DPRK was committed to abandoning all nuclear weapons and existing nuclear programmes and to returning at an early date to the NPT and Agency safeguards. The Republic of Korea welcomed the commitments made by the DPRK and hoped that all the parties would implement the agreed measures referred to in the joint statement, with a view to the attainment of the ultimate goal — the verifiable denuclearization of the Korean Peninsula.

150. The Republic of Korea welcomed the Agency's plan for a global nuclear safety and security regime and hoped that all Member States would support the Agency in its efforts to implement it expeditiously. It also welcomed the unanimous agreement on safety measures achieved at the Third Review Meeting of Contracting Parties to the Convention on Nuclear Safety and the improvements in the efficacy, transparency and consistency of the review meeting process.

151. In his country's view, the Asian Nuclear Safety Network was an effective mechanism for improving nuclear safety in Asia as it allowed Member States in that region to share technical knowledge and experience. His country would like to see similar networks established in other regions and cooperation between the various networks.

152. In the Republic of Korea, there were currently 20 nuclear power plants with a total generating capacity of 17 000 MW(e). His country, whose first nuclear power plant had become operational in 1978, was now ranked sixth globally in terms of nuclear power generating capacity. Nuclear power plants were providing 40% of the country's electricity, thereby contributing to energy supply stability. Two nuclear power plants were currently under construction, and they were due to be completed in 2010 and 2011.

153. The desalination of seawater using nuclear energy was one of the most promising solutions for the problem of water scarcity, and his country therefore welcomed the study which the Agency had conducted on its cost-effectiveness. It would like to see Member States sharing information about multipurpose small and medium-sized reactors through an Agency technical cooperation project.

154. The Republic of Korea, which attached great importance to regional cooperation in the peaceful utilization of nuclear energy, was pleased to be hosting the RCA Regional Office, which had gone into full operation in 2005 after a three-year trial period. It had contributed \$700 000 in support of the RCA Regional Office's activities, and it was planning to direct more resources into nuclear knowledge management programmes and the education of nuclear professionals.

155. An enlargement of the membership of the Board of Governors was long overdue, and the Republic of Korea attached great importance to the early entry into force of the amendment to Article VI of the Statute which the General Conference had unanimously adopted in 1999. A more democratic and more representative Board would significantly increase the Agency's effectiveness. All Member States that had not yet ratified the amendment should ratify it as soon as possible.

156. With soaring oil prices, an increasing demand for energy and escalating concerns about the environment, nuclear power was becoming ever more important. The Republic of Korea was prepared to share its expertise and experience with other Member States. It had made distinctive contributions in the nuclear field, and it would stand with its friends and partners in facing the challenges that lay ahead.

157. Mr. SHICHIJO (Japan) said that the Agency's role in the non-proliferation field and in promoting the peaceful uses of nuclear energy was becoming increasingly important and, in that context, Japan greatly appreciated the contribution of the Director General to the development of the Agency during the past eight years and welcomed his appointment for a further term in office.

158. The year 2005 marked the 60th anniversary of the first use of nuclear weapons in the history of mankind. However, the threat posed by nuclear weapons was not just a thing of the past. The international nuclear non-proliferation regime was currently facing a number of serious challenges. The DPRK nuclear issue had become still more critical, clandestine networks trafficking in nuclear weapons materials had come to light, and the risk of the acquisition of nuclear weapons and materials by non-State actors such as terrorists had grown. Strengthening the non-proliferation regime was therefore one of the most urgent tasks facing the international community. One encouraging thought in that context was that no country had questioned the importance of the NPT in May, at the 2005 NPT Review Conference, although the Review Conference had been unable to adopt a consensus document on substantive issues. It was now up to the international community to firmly renew its commitment to nuclear disarmament and non-proliferation. For its part, Japan, the only country to have suffered the tragedy of atomic bombings, would never abandon its 'three non-nuclear principles' of 'not possessing nuclear weapons, not producing them and not permitting their introduction into Japan'. On the 60th anniversary of the atomic bombings, it was determined to continue participating in the nuclear disarmament and non-proliferation efforts of the international community.

159. In Japan's view, it was the responsibility of the entire international community to close any loopholes in the international nuclear non-proliferation regime. Japan was therefore participating in the current discussions about multilateral approaches to the nuclear fuel cycle. It believed, however, that in those discussions careful consideration should be given to how such approaches could strengthen the international non-proliferation regime and to whether they might not unduly affect the peaceful utilization of nuclear energy in non-nuclear-weapon States which had earned the trust of the international community by conscientiously fulfilling their NPT obligations and being very transparent in their nuclear activities.

160. In order to strengthen the Agency's safeguards system, States should conclude additional protocols to their safeguards agreements with the Agency. Japan was conducting outreach activities in order to encourage other States to conclude additional protocols, notably the Asian Senior-level Talks

on Non-proliferation (ASTOP). Also, Japanese experts would be participating in a seminar to promote the Model Additional Protocol due to be held in Australia in October 2005.

161. Additional protocols had now been brought into force by half of the Agency's Member States. That indicated an acceleration of the universalization process, but Japan was still urging all those States which had not yet concluded an additional protocol to conclude one soon. In that context, his country attached great importance to the committee on safeguards and verification recently established by the Board.

162. Since September 2004, integrated safeguards were being implemented in Japan, which intended to continue cooperating fully with the Agency and thereby set an example for other States. In Japan's view, the implementation of integrated safeguards made for the efficient use of scarce Agency resources, and Japan hoped that integrated safeguards would come to be implemented in more States with a good safeguards track record.

163. Any State wishing to exercise its right to use nuclear energy for peaceful purposes should be completely transparent in its nuclear activities and conscientiously fulfil its safeguards obligations in order to gain the confidence of the international community. However, the nuclear programme of the DPRK, conducted without the application of Agency safeguards, posed a serious challenge to the international nuclear non-proliferation regime.

164. The international community as a whole should resolve to DPRK nuclear issue soon and in a peaceful manner. Japan welcomed the fact that, in the fourth round of the six-party talks taking place in Beijing, agreement had been reached on a joint statement indicating what the final goal of the talks was to be and that the DPRK had committed itself to abandoning all nuclear weapons and existing nuclear programmes.

165. That agreement was the first step towards a peaceful resolution of the DPRK nuclear issue, and the six parties should follow up on it promptly with a constructive dialogue on particular questions such as dismantling procedures and verification measures.

166. As to the Iranian nuclear issue, in its resolution GOV/2005/77 of 24 September 2005 the Board of Governors had sent a clear message from the international community to the Islamic Republic of Iran, calling on it to — inter alia — renew the suspension of all its enrichment-related and reprocessing activities. Japan, which considered the adoption of the Board resolution to be an important step towards resolving the Iranian nuclear issue through continued negotiations, hoped that the Islamic Republic of Iran would take that resolution and all other relevant resolutions of the Board seriously and resume negotiations with the EU-3.

167. Since the tragic events of 11 September 2001 in the United States, the threat of nuclear terrorism had become an important issue, which the international community must tackle through close cooperation. For its part, Japan had recently signed the International Convention for the Suppression of Acts of Nuclear Terrorism adopted by the United Nations General Assembly in April 2005, and it welcomed the amendment to the CPPNM adopted by a diplomatic conference in July 2005. It hoped that both would enter into force soon.

168. Japan, which would continue contributing to the Nuclear Security Fund, planned to host an Agency seminar in 2006 on improving nuclear security in the Asia-Pacific region.

169. Given the importance of the control of radioactive sources, Japan would like to see all States committing themselves to the Code of Conduct on the Safety and Security of Radioactive Sources and the Guidance on the Import and Export of Radioactive Sources.

170. Non-power applications of nuclear energy in fields such as medicine, agriculture and industry were important for socio-economic development, and Japan therefore supported the promotion of those applications through the Agency's technical cooperation programmes. It was one of the few Member States which had consistently paid its full TCF target share, and it would like to see more other Member States paying their full shares. It would also like to see all recipient countries fulfilling their responsibilities vis-à-vis the Agency's technical cooperation programmes.

171. Japan, which had been providing considerable support for regional activities conducted within the RCA framework, would be hosting a ministerial-level meeting of the Forum for Nuclear Cooperation in Asia in December 2005.

172. Japan, which was continuing to develop its nuclear fuel cycle, was doing so with a high degree of transparency. It was currently preparing a nuclear energy policy framework describing its nuclear fuel cycle development for the next ten years.

173. Since the General Conference's 2004 session, Japan had taken several important steps in the nuclear fuel cycle development area. For example, pre-commissioning testing with uranium had begun at the Rokkasho reprocessing facility and improvement work had begun at the Monju fast breeder reactor. Japan would continue to develop its nuclear fuel cycle with safety as the major consideration.

174. The ITER project had made significant progress in the past year, with Japan becoming what might be called the 'sub-host country', in which capacity it would be an important centre for nuclear fusion research. His country would continue to cooperate closely with the other ITER project participants.

175. Japan, which would do its best to continue improving its nuclear safety record, considered international cooperation in the field of nuclear safety to be very important. It would therefore continue to support the Agency's activities in that field.

176. The international transport of radioactive materials was based on the right of freedom of navigation established by international law. In engaging in such transport, Japan was applying the strictest safety measures in accordance with the standards set by the relevant international organizations and had an excellent track record going back 30 years. At the same time, in order to build mutual confidence, it was prepared to continue participating in the dialogue between shipping States and coastal States. Also, it would later in the year be hosting a TranSAS team, which would evaluate its regulatory practices relating to safety in the transport of radioactive materials.

177. His country, which believed that the Agency should be provided with the financial resources necessary for the performance of the tasks expected of it, had supported the regular budget proposals for 2006, including the proposed safeguards budget increase. However, it would like the Secretariat to continue its efforts to make budget management more efficient through project prioritization and cost reductions. It would also like the Secretariat to cooperate with it in increasing the number of Japanese staff serving the Agency.

178. The Agency was being required to tackle more and more important issues. In tackling them, the Agency could count on Japan's continuing full support.

179. Mr. AGHAZADEH (Islamic Republic of Iran) said that it was, in his country's view, important to have an overall assessment of what the Agency stood for and of whether its performance matched its original objectives in a reasonably balanced manner.

180. It was an established position of the NPT membership that the NPT rested on three pillars — disarmament, non-proliferation and peaceful nuclear activities. The Agency's role was limited to the latter two — the Agency should serve as provider, or facilitator of the provision of, nuclear material

and technology for peaceful uses while ensuring that they were not diverted to military purposes. However, the ability of the Agency to fulfil its role with regard to peaceful nuclear activities had been minimized over the years as a result of severe restrictions applied by technology holders through export controls. On the other hand, its monitoring functions had expanded systematically, to the point where the Agency was now being referred to as the ‘United Nations nuclear watchdog’, indicating a total lack of recognition of its obligations towards States with regard to peaceful nuclear activities.

181. Even in the area of safeguards, there was scepticism about the work of the Agency. The NPT membership had agreed that the application of additional protocols provided ‘credible assurances’ about the exclusively peaceful nature of nuclear programmes, but their applicability in specific situations was questioned. Iran represented a clear example.

182. Over the years, Iran had been deprived of access to nuclear material, equipment and technology. The Agency had been prevented, throughout that time, from fulfilling its obligation to provide such access. As a result of unlawful, arbitrary and full-scale sanctions, some failures had been unavoidable in order to avert the total collapse of Iran’s peaceful nuclear activities.

183. Iran had embarked on remedying those failures through, inter alia, the rigorous and sustained implementation of additional protocol measures. Now that matters were nearing total resolution, however, it was being claimed that the additional protocol did not provide the Agency with sufficient authority to arrive at a conclusion. That situation called into question the validity and viability of the Agency as a provider, facilitator and observer in the peaceful nuclear field.

184. The resolution passed by the Board of Governors on 24 September 2005 demonstrated how issues could reach the boundaries of absurdity when politics overwhelmed the work of the Agency. That resolution was based on an invalid legal precept, unjustified technical grounds and a misguided political forecast.

185. The Statute and Iran’s safeguards agreement contained very restricted provisions regarding the United Nations Security Council’s involvement, which was envisaged only in rare cases. A correct and objective reading of those documents left no opening for referral to the Security Council in the case of Iran.

186. As stipulated in Article 19 of Iran’s safeguards agreement, the Board of Governors would be empowered to consider engaging the Security Council only if the Agency established that it was unable to verify that no diversion for military purposes had occurred in Iran. Since the Agency had concluded, more than once, that no evidence of such diversion existed, the Board was not in a position to decide to report the matter to the Security Council.

187. The Agency’s technical evaluation, as reported by the Director General, confirmed that: a number of issues had been fully resolved, and the Esfahan uranium conversion facility, the Arak heavy water plant, and fuel fabrication and laser enrichment activities were therefore now subject to routine safeguards; the HEU issue — the only issue with the potential to raise proliferation concerns — had been resolved, as it had been established that the HEU particles which had been detected were the result of contamination; and progress had been made on the few remaining questions, the resolution of which did not hinge on the cooperation of Iran alone but also on that of certain European States where individuals involved in clandestine network activities were either in custody or under surveillance.

188. Given that technical situation, there was no objective reason for being alarmed and involving the Security Council, particularly as matters were approaching a final settlement and credible assurances as to the absence of undeclared material and activities were imminent. In fact, the only cause for alarm was the political motivation behind what had been taking place in the Board.

189. What was the reason for the strong urge to resort to the Security Council? By what magical means could the Security Council bring about a settlement? Would involving the Security Council do anything other than exacerbate an already fragile political environment, intensify an unnecessary impasse and provoke an unwanted crisis? The submission of a report to the Security Council would undoubtedly initiate a chain of actions and reactions that would breed tension and add volatility to the already vulnerable political situation in the region.

190. With the Tehran Declaration and the ensuing Paris Agreement, Iran had provided its European interlocutors with an excellent opportunity to move — over a two-year period — towards a mutually acceptable agreement. The European proposal, however, explicitly betraying Iran's inalienable right under the NPT, had in effect nullified the Paris Agreement. Iran had therefore no longer been bound by its provisions, including those that pertained to the Esfahan uranium conversion facility. Operations there had consequently been resumed, but under full Agency safeguards and with monitoring of the sealed products. It made no sense to claim concern about — and to call for the suspension of — an activity that was subject to routine inspection by the Agency.

191. The EU-3's action involving the Security Council negated the provisions of the Tehran Declaration, the quid pro quo constituting the basis of which was therefore no longer in existence. That meant that Iran had no obligation to continue with the measures voluntarily implemented pursuant to the agreements arrived at in Tehran.

192. Those countries which had vigorously pressed for a decision in the Board — and had voted en bloc in favour of the resolution adopted by the Board on 24 September — were essentially the western nuclear-weapon States and their NATO allies, which relied on nuclear weapons for their security. Those countries which had gone along with them had included a recent violator of Agency safeguards and a country under the nuclear umbrella which had massive stocks of enriched uranium and plutonium. Those countries which had not joined in the Board's decision, on the other hand, were nuclear-weapon States which had been forthcoming on nuclear disarmament and non-nuclear-weapon States party to the NPT with impeccable non-proliferation records. The political wrangling was bound to intensify and the pressures were bound to increase in the following weeks and months, but the conclusion would remain the same: the concerns expressed over Iran's peaceful nuclear programme were highly exaggerated and politically motivated.

193. The proposal for phased action put forward by Iran remained on the table. Also, Iran's President had in the United Nations General Assembly made a generous proposal regarding the opening-up of Iran's nuclear programme to participation by public and private companies from other countries — a move that would offer the best possible guarantee against diversion. The proposal was fully in line with the recommendations of the Expert Group on Multilateral Approaches to the Nuclear Fuel Cycle, which had been mandated to come up with feasible ways of maintaining nuclear fuel production and supplies while averting proliferation concerns.

194. Iran had done enough to bring about a settlement, but its confidence in the good will and good faith of its counterparts had been shattered. It had already demonstrated its determination to arrive at an agreement, but it was not yet convinced of the EU-3's intention to reverse the dangerous trend towards confrontation or of the EU-3's wish to work, on the basis of the fully recognized inalienable right to use nuclear energy for peaceful purposes, towards an arrangement regarding Iran's nuclear fuel cycle programme. Only when it was convinced would crisis and confrontation give way to understanding and conciliation.

– **Restoration of voting rights**

195. The PRESIDENT drew attention to the Statement of Financial Contributions to the Agency as at 23 September 2005 contained in document GC(49)/INF/11, which included a table indicating those Member States which had lost their voting rights by virtue of the application of Article XIX.A of the Statute.

196. He said that a communication had been received from Iraq, which was one of those States to which Article XIX.A of the Statute applied, requesting that its voting rights be restored. The communication was contained in the document GC(49)/INF/13.

197. He proposed that, in accordance with past practice, the request be referred to the General Committee for initial consideration.

198. The President's proposal was accepted.

The meeting rose at 1.05 p.m.