With compliments

of the

Director General

## Director General's Intervention on Iran during the IAEA Board of Governors Meeting 18 June 2003

From the discussion today I draw three conclusions, which I believe we all share.

Firstly, our implementation of obligations under the NPT and comparable instruments needs to be very conspicuous. The non-proliferation regime has changed in the past ten years and the world has become more sensitized to non-proliferation issues. We therefore need to have robust implementation of the verification component of the regime — in Iran and everywhere else. It is the sense of the meeting today that when we speak of 'failures' we are talking about failures of reporting that should be corrected because they should not have happened.

Secondly, there is a need to encourage Iran to co-operate fully and demonstrate full transparency. The objective is not to cling to legalities; it is to build confidence through transparency.

Thirdly, we need to resolve this issue as soon as we can.

We will continue to work diligently over the next few months to ensure that the verification system is effective and comprehensive and creates the necessary confidence. For that we need full transparency. I have often referred — not only in the context of Iran but also more generally, and in particular with regard to countries with significant nuclear activities — to the importance of additional protocols. I have made it clear that without these protocols our hands are tied, particularly with regard to the verification of the absence of undeclared activities. But in addition to the protocols I would like to see as much transparency as possible. The point was made during this meeting that if a country has nothing to hide, there is no reason not to provide access. It is really in the interest of each country to be as transparent as possible, because that is the way to create confidence. The greater the transparency, the greater the confidence.

As I mentioned in my report, we are going to have technical discussions in Tehran in a few weeks time, particularly on Iran's enrichment programme in order to understand the full dimensions of that programme and the research and development involved. We are also going to do more environmental sampling. We are meanwhile waiting for the results of past environmental sampling. We will discuss the results with the Iranian authorities and request explanations where necessary. We will also continue to carry out thorough inspections.

In addition, I hope that we will obtain clarification regarding the other issues that have been raised, such as how the heavy water programme fits within the overall fuel cycle and what the need for uranium metal is. We require a complete understanding so that the Secretariat can submit to the Board as objective, transparent and comprehensive a picture as possible.

I can promise that we will continue to be completely insulated from political speculation. We make technical assessments based on facts and, as you have seen from our report, we do not jump to conclusions.

I assume that we will be reporting to you in September, as we need time in order to get the results of the environmental sampling, to complete the technical discussions, to carry out our own analyses and write the reports. Obviously, however, if there is a need to report earlier than that we will do so; we are fully aware of our legal responsibilities in that regard.

Regarding these responsibilities, I would say that we prefer to rely on co-operation and transparency rather than on legal rights. This is a confidence building operation and, as I said in my opening statement, I appeal to the Government of Iran for as much transparency as possible in permitting sample collection and in explaining the dimensions of the programme, rather than the Agency having to invoke specific articles of a safeguards agreement.

Our work today is "work in progress". We are completely open as to the final outcome. I hope that by September we will have made very good progress and indeed that we will have a final report by that time, but that depends very much on the co-operation of the Government of Iran. For our part, we will make every effort to fulfil our responsibility to you for verifying the correctness and completeness of our understanding of Iran's nuclear programme, in order to make sure that all nuclear material and activities have been declared to us. Let me point out here that what we do in Iran is what we do everywhere else. We treat Iran exactly as we treat all other Member States.

We are in a new phase of non-proliferation, which has become a primary global security issue. All of us must work together, and this issue is very much linked to what I have been saying for so long: that for the Agency to be able to do its job, it needs all the necessary tools.

This means, firstly, information from the inspected country and from other countries. Secondly, it means legal authority. And here I re-emphasize the importance of the protocol. And thirdly we need resources. We need human resources and resources for environmental sampling, satellite monitoring and other components of the tool kit that help us to do our job effectively.

On the question of analytical laboratories that was raised by the Non-Aligned Movement, let me say that we are doing our best to diversify our network. The laboratories involved have different capabilities. Some, for example, do environmental analysis of bulk samples and others do particle analysis. These latter are very sophisticated laboratories that cost millions of dollars. There are very few countries in the world that have laboratories with such capabilities. However, our laboratory at Seibersdorf is helping in many ways to ensure Agency independence and quality assurance in the analytical field. I shall be happy to continue expanding our network and to see whether we can assist some developing countries to upgrade their capabilities. This is a question that I am very well aware of, and I can assure you that we will continue in our efforts to both maintain quality and ensure independence.