

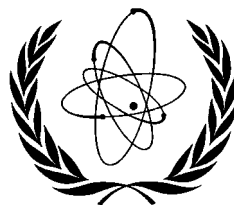
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STATEMENT BY THE DIRECTOR GENERAL

INTRODUCTORY STATEMENT TO THE
BOARD OF GOVERNORS

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Director General



INTERNATIONAL ATOMIC ENERGY AGENCY

INTRODUCTORY STATEMENT TO THE BOARD OF GOVERNORS

Our agenda for this meeting includes topics related to all areas of Agency activity — technology, safety and security, and verification.

NUCLEAR TECHNOLOGY

Nuclear Power Innovation

The Board has before it an update on the Agency's activities related to developing innovative technology. Through the International Project on Innovative Nuclear Reactors and Fuel Cycles (INPRO), the primary contribution has been to ensure that the future needs of all countries (including developing countries) — related to reactor size, economics and infrastructure, as well as safety, security, proliferation resistance and waste management — are considered when innovative nuclear systems are evaluated. The INPRO user methodology, revised on the basis of feedback from a variety of test projects, is now being applied in a number of countries.

With France, Morocco and Ukraine having joined in the past year, INPRO is now 23 members strong.

NUCLEAR SAFETY AND SECURITY

Radiation Protection of the Environment

The Board has before it a draft plan of activities on the radiation protection of the environment. Safety standards for radiation protection are based on human health considerations; the objective of this new effort is to also explicitly take into account the protection of plant and animal life. The action plan is based on extensive consultation with other relevant international bodies. The focus of work will be to support any additional research and scientific work needed, and to determine the need for revising or adding new standards.

Safety of Transport of Radioactive Materials

The Secretariat has continued to meet with commercial carriers, regulatory authorities and the modal organizations of the United Nations, to determine how to address the increasing denial of shipments of medical radioactive materials. Based on these efforts, the International Federation of Air Line Pilots' Associations has published a pamphlet to provide pilots with basic information on the safety of transporting such materials by air.

I am pleased to note that, in July, a group of eight coastal and shipping States met in Vienna for informal discussions on transport related communications. I should also note that, based on a request from the Government of Japan, we will be conducting a Transport Safety Assessment Service (TranSAS) mission to Japan in December.

Radioactive Waste Management

The *Joint Convention on the Safety of Spent Fuel Management and on the Safety of Radioactive Waste Management* will hold its 2nd Review Meeting next May. The Convention still has only 34 Contracting Parties, despite the fact that nearly all countries have radioactive waste and could benefit from participation. The Secretariat has been working to promote ratification by more countries — most recently through meetings held in Africa, Asia and Latin America.

After years of work, consensus has recently been reached on the safety requirements for the geological disposal of radioactive waste, and the draft text is before you for consideration. The use of this standard and its supporting guidance will facilitate the licensing process for geological disposal facilities.

We are continuing to work on harmonizing approaches and guidance on assessing the safety of disposal facilities for low level radioactive waste. With new facilities under development, and the safety of existing facilities being re-evaluated, many Member States are taking considerable interest in this effort.

The Agency is organizing an international conference on the safety of radioactive waste disposal, to be held in Tokyo next month.

Chernobyl Forum

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

I am pleased to note that earlier this month, at a conference here in Vienna, a report on “Chernobyl’s Legacy” was issued, based on the extensive work of the Chernobyl Forum. Authoritative documents on the health, environmental and social impacts of the accident were agreed upon, reflecting the consensus achieved among the relevant United Nations agencies and programmes and the Governments of Belarus, the Russian Federation and Ukraine. A press campaign was undertaken to publicize the report’s conclusions, and the organizations involved are discussing cooperation on new initiatives related to assistance with safe food production and improved health care.

Nuclear Security and Protection Against Nuclear Terrorism

Few areas of activity have undergone such major expansion, in so short a period, as our nuclear security programme over the past four years. Since September 2001, the Agency has conducted more than 100 nuclear security field missions. Approximately 1500 individuals from all regions have received Agency training in measures related to preventing nuclear and radiological terrorism. The results of implementing the nuclear security plan are tangible: increased security awareness among responsible national officials; strengthened physical protection at nuclear facilities; recovery and enhanced security for hundreds of high intensity radioactive sources; better cooperation among international law enforcement organizations; enhanced detection capabilities at border crossings; more and better trained personnel; improved preparedness for responding to incidents; and broader participation in the Agency’s Illicit Trafficking Data Base, which serves as a key mechanism for the analysis of global and regional trends.

A new Nuclear Security Plan for 2006–2009 — which draws on the insights gained over the past four years — is before you for approval. The mechanisms in the new plan are familiar: the development of additional nuclear security guidance; assistance with the application of that guidance; evaluation services; human resource development; and R&D

on enhanced security technology. The plan includes a detailed outline of nuclear activities to be carried out over the next four years, subject to the availability of funds.

Of these planned activities, the vast majority will be funded from the Nuclear Security Fund, and will therefore be dependent on your continued generous support. With nuclear security clearly established as a core Agency activity, I would advocate the need to ensure the long term reliability and flexibility of the associated funding.

As we evolve towards a more mature global nuclear security approach, it is important that we develop a clearer overall picture of remaining security vulnerabilities. For example, we need to improve our understanding of the patterns that characterize illicit trafficking activity, in order to provide Member States with the information needed to effectively combat such activity.

Parties to the *Convention on the Physical Protection of Nuclear Material* met in July and agreed on major changes to strengthen the Convention. These changes make it legally binding for States Parties to protect nuclear facilities and material in peaceful domestic use, storage and transport. They will also provide for expanded cooperation among States on measures to recover stolen or smuggled nuclear material, to mitigate the consequences of sabotage, and to prevent and combat related offences. These changes will come into effect once they are ratified by two-thirds of the States Parties. I would urge all Parties to the *Convention* to take this action as rapidly as possible, and in the meantime to act as if these changes were in force.

VERIFICATION OF NUCLEAR NON-PROLIFERATION

Status of Safeguards Agreements and Additional Protocols

The Board has before it a comprehensive safeguards agreement with Botswana, as well as additional protocols with Botswana, Singapore and Thailand. If approved, this would bring the total number of States with protocols approved to 111. The Agency now implements additional protocols in 71 States. I am also pleased to note that, earlier this month, we were able to reach all conclusions needed for the implementation of integrated safeguards in Canada, the country in which the Agency's verification effort is the second largest.

Small Quantities Protocols

In June, the Board endorsed the Secretariat's view that Small Quantities Protocols constitute a weakness of the safeguards system. In response to requests by some States for more information on the two options proposed by the Secretariat for addressing the issue, we conducted a seminar earlier this month to provide detailed answers to relevant technical, legal and financial questions. I would urge the Board to come to a decision on this issue as early as possible and hopefully during this session of the Board.

Implementation of Safeguards in the Democratic People's Republic of Korea

Since 1993, the Agency has been unable to implement fully its comprehensive NPT safeguards agreement with the Democratic People's Republic of Korea (DPRK). And since December 2002, the Agency has not been able to perform any verification activities in the DPRK — and therefore cannot provide any level of assurance about the DPRK's nuclear activities.

As I have stated before, the Secretariat remains ready to work with all parties towards a comprehensive settlement that would both address the security needs of the DPRK and provide assurance to the international community that all nuclear activities in the DPRK are exclusively for peaceful purposes. The news coming from Beijing this morning — after two years of complex negotiations — about an initial agreement at the six-party talks on the principles that should govern a comprehensive settlement, is encouraging. It is particularly welcome that the DPRK has expressed its commitment “to abandon all nuclear weapons and existing nuclear programmes and [to return], at an early date, to the Treaty on the Non-Proliferation of Nuclear Weapons and to IAEA safeguards.” I note also that “the DPRK stated that it has the right to peaceful uses of nuclear energy. The other parties expressed their respect and agreed to discuss, at an appropriate time, the subject of the provision of light water reactor to the DPRK.”

A successfully negotiated settlement of this longstanding issue would be a significant accomplishment for international peace and security. I would also take this opportunity to underline the constructive role played by the People's Republic of China throughout this negotiation process.

Implementation of the NPT Safeguards Agreement in the Islamic Republic of Iran

As requested, you have before you a comprehensive report on the implementation of safeguards in the Islamic Republic of Iran. I do not intend to cover the report in detail, but will limit my comments to the broad picture.

The objective of the Agency's verification activities in Iran is to clarify all aspects of Iran's past undeclared nuclear activities — with a view to assuring ourselves that all past activities have now been declared to the Agency, and that all nuclear material and activities in the country are under safeguards. The more thoroughly we are able to clarify all of Iran's past nuclear activities, the more we will be in a position to understand and confirm the nature of the programme.

Since October 2003, good progress has been made in terms of Iran's corrections of past breaches and in terms of the Agency's ability to verify certain aspects of Iran's nuclear programme. As a result, some aspects of that programme — such as those related to uranium conversion, laser enrichment, fuel fabrication and heavy water — are now being followed up as routine safeguards implementation matters.

Since November of last year, the Agency's verification activities in Iran have been primarily focused on two questions related to Iran's centrifuge enrichment activities. With respect to the first question, concerning the origin of low enriched uranium (LEU) and high enriched uranium (HEU) particle contamination found at various locations in Iran, we have made good progress, with the active cooperation of Pakistan. The results of our environmental sample analysis tend, on balance, to support Iran's statements about the foreign origin of most of the observed HEU contamination.

With respect to the second question, regarding the chronology of Iran's centrifuge enrichment activities, some progress has been made since last November. However, this progress has been slow, and the Agency has made repeated requests for additional information. This additional information requires, inter alia: clarification of the 1987 and mid-1990s offers from the procurement network; access to the dual use equipment related to the Lavisan-Shian site; additional access to the Parchin site; and access to a number of additional individuals. The Agency's successful verification of the scope and chronology of Iran's centrifuge enrichment activities will also be essential to the resolution of the remaining LEU contamination issues.

As the report makes clear, Iran continues to fulfil its obligations under the safeguards agreement and additional protocol by providing timely access to nuclear material, facilities and other locations. This is, however, a special verification case that requires additional transparency measures. Two decades of concealed activities have created a situation that makes it imperative for the Agency's investigation to go beyond the confines of the safeguards agreement and the additional protocol. This is a prerequisite for the Agency to be able to reconstruct the history and nature of all aspects of Iran's past nuclear activities, and to compensate for the confidence deficit created. I therefore call on Iran to expand the transparency and confidence building measures it has already provided. By promptly responding to these Agency requests, Iran would well serve both its interests and those of the international community.

Regarding the status of Iran's voluntary suspension of all enrichment related and reprocessing activities, as the report indicates, Iran has since 8 August been conducting conversion activities at the Isfahan Uranium Conversion Facility, under Agency verification. Other aspects of Iran's suspension remain intact.

Application of IAEA Safeguards in the Middle East

Pursuant to the mandate given to me by the General Conference, I have continued my consultations with the States of the Middle East region on the application of full scope safeguards to all nuclear activities in the Middle East, and on the development of model agreements as a necessary step towards the establishment of a Middle East Nuclear-Weapon-Free Zone. However, I regret to say that no progress has been made on either front.

The General Conference has also asked me to organize a forum on the relevance of the experience of other regions with existing nuclear-weapon-free zones — including confidence building and verification measures — for establishing such a zone in the region of the Middle East. Extensive consultations with concerned States of the region failed, however, to produce an agreement on an agenda for such a forum. Naturally, I remain ready to convene such a forum, if and when the concerned States are able to reach agreement on the agenda.

CONCLUSION

The Agency continues to assume growing responsibilities in nearly all areas of its work. Your continuing support remains key to our success and I trust it will continue to be forthcoming.