International Atomic Energy Agency

Statement at the General Debate NPT Preparatory Committee: 1 May 2007 *[Check against delivery]* by

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Given the close relationship of the NPT to the International Atomic Energy Agency (IAEA), we are pleased that the NP't States parties decided to hold the first meeting of the Preparatory Committee for the 2010 Review Conference, here in Vienna, in this year, in which the IAEA is commemorating its 50th anniversary. There is much to be learned for the future by looking back on the half century of Atoms for Peace in its many aspects. As we commemorate this anniversary, our goal is to broaden awareness of the scope of the IAEA' s mission and activities - its contributions to development, nuclear safety and security, and nuclear non-proliferation and disarmament - and to provide fora to review the challenges and opportunities that lie ahead.

Much like the NPT, the IAEA promotes the objectives of security and development - and its activities are based on the premise that progress in any one of those strengthens the integrity of the whole. More specifically, the IAEA's work can be described in terms of three pillars, namely, facilitating the development and transfer of nuclear technology for peaceful purposes; building and maintaining a global nuclear safety and security regime; and verifying that States honour their commitments to the exclusively peaceful use of nuclear energy.

There is a wide expectation in the international community that States parties to the NPT will work towards a review conference of the Treaty in 2010 which, contrary to the review conference of 2005, will be able to agree to work towards a world free of nuclear weapons, to prevent the acquisition of nuclear weapons by other States and to make the peaceful applications of nuclear energy available to all. While addressing the NPT Review Conference in 2005, the IAEA
Director General has pointed to the vulnerabilities of the NPT regime which includes the acquisition by more and more countries of sensitive nuclear know

how and capabilities; the uneven degree of physical protection of nuclear materials from country to country; the limitations in the IAEA's verification authority - particularly in countries without additional protocols in force; the continuing reliance on nuclear deterrence; the ongoing perception of imbalance between the nuclear haves and have-nots; as well as the sense of insecurity that persists unaddressed in a number of regions, most worryingly in the Middle East and the Korean Peninsula.

This first PrepCom session may begin laying the groundwork for the review in 2010 of the implementation of the Treaty and address these vulnerabilities while also bearing in mind the package of decisions and resolution adopted in 1995, the final document agreed in 2000, and all other relevant documents and agreements. In this context, my statement today focuses on the activities of the IAEA relevant to its role in the implementation of the treaty.

Verification of Nuclear N on- Proliferation Commitments

In the 2000 Final Document, State Parties recognized that IAEA safeguards are a fundamental pillar of the nuclear non-proliferation regime, play an indispensable role in the implementation of the Treaty and help to create an environment conducive to nuclear disarmament and to nuclear cooperation. It also reaffirmed that the IAEA is the competent authority responsible for verifying and assuring, in accordance with its Statute and the IAEA's safeguards system, compliance with States' obligations under Article Ill.! of the Treaty.

The IAEA' s recent verification experience underlined that international obligations of direct relevance to national and international securitY must be strictly complied with, and be seen to be complied with, if the required assurance is to be obtained. And, ideally, assurance of compliance, and early warning in case of non-compliance, should be extended to cover all the obligations embodied in or emanating from the NPT. As we move towards 2010, discussions will, among other things, focus on questions of verification and States' compliance of their undertakings. On the more positive side, the IAEA's verification work has shown that when international inspectors are provided adequate authority, are aided by all available information, backed by an effective compliance mechanism, and supported by international consensus, the current verification system is able to provide reliable, impartial information to decision makers that would not otherwise be available. However, our experience has also demonstrated in the recent years that, in the absence of one or more of these elements, the quality of such information and the associated level of assurance that the IAEA can provide may diminish considerably.

Since our last statement to the NPT Review Conference in 2005, in August 2006, at the request of the Conference on Disarmament (CD), the IAEA made a presentation on the IAEA' s safeguards and verification activities for the information of States in the CD and identified activities that could be of relevance to a discussion on verification of a future FMCT.

Comprehensive safeguards agreements and additional protocols

The effectiveness and efficiency of the IAEA' s safeguards system to provide credible assurance about peaceful use of nuclear material and activities in a State depends on various factors - the most important of which being whether the State has brought into force a comprehensive safeguards agreement and an additional protocol. I should underline in this connection the continued validity of the Director General's call in 2005 for the acknowledgement by the NPT States Parties that the additional protocol is an integral part of IAEA safeguards in every country party to the NPT.

Comprehensive Safeguards

In view of the vital importance of conferring upon the IAEA the legal authority that is indispensable to carry out its verification mission, I encourage the 31 NPT State Parties that have not yet done so, henceforth to conclude and bring into force the safeguards agreements required from them by the treaty. In order to facilitate conclusion of these agreements, the IAEA is organizing a seminar in Vienna on 14-16 May for those NPT States parties without such agreements and I invite again the relevant States present here today to take part in this event and follow it up by concluding the required agreements.

In connection with safeguards agreements, I would also point to the importance of a new safeguards strengthening measure adopted by the IAEA since the 2005 NPT Review Conference. The IAEA succeeded to close a historical loophole in its safeguards system by modifying the standard text of the so called small quantities protocol (SQP) to comprehensive safeguards agreements under which many important safeguards measures have been held in abeyance. The IAEA Board of Governors decided that, in future, SQPs would no longer be available to States with an existing or planned facility, States that continue to qualify for an SQP would be required to provide initial reports on nuclear material and notify the IAEA as soon as a decision has been taken to construct or authorize the construction of a nuclear facility; and allow for IAEA inspections. Since so far only 11 States out of 98 States with SQPs have accepted the modified standardized SQP text, I would also call on all NPT parties with SQPs to respond positively to the letters they have received from the Director General proposing to amend or rescind SQPs in accordance with the Board's decision.

Strengthened Safeguards

Under NPT safeguards agreements, the IAEA has the right and the obligation to ensure that safeguards are applied to all nuclear material in all peaceful nuclear activities of the State. Wider access to infonnation and locations provided by States under additional protocols significantly increase the IAEA's ability to provide assurances regarding the absence of undeclared nuclear material and activities in the State. Only in respect of States that have both a comprehensive

safeguards agreement and an additional protocol in force, can the IAEA conclude that *all* nuclear material remained in peaceful activities.

Therefore, it is a source of continuing disappointment that overall progress in signing and bringing additional protocols into force remains slow. Since the 2005 NPT Review Conference, only 17 NPT States signed additional protocols and 11 brought additional protocols into force. This means that as of today we have 112 NPT States with additional protocols signed but not yet in force, and 78 NPT States with additional protocols in force.

A Robust IAEA Verification System

The process towards the 2010 review of the NPT gives a new opportunity to examine and discuss ways in which IAEA verification under the NPT can further be strengthened. I confine my statement in this respect to some of the technical measures by which the Secretariat seeks to strengthen the IAEA' s safeguards system.

In the area of provision of additional information on nuclear technologies, the review of Annexes I and 11 of the Model Additional Protocol could assist the IAEA in obtaining a fuller picture of States' nuclear activities. Similarly, the provision of relevant information on exports of specified equipment and nonnuclear material, procurement enquiries, export denials, and relevant information from commercial suppliers would improve the IAEA' s ability to detect possible undeclared activities by enhancing the IAEA's State evaluation process and could also improve the IAEA' s ability to respond to the challenges of clandestine nuclear trade.

With regard to the expansion of the IAEA 's *technical capabilities,* the technical capabilities of the IAEA' s Safeguards Analytical Laboratory in Seibersdorf and the sample analysis capacity of the IAEA's Network of Analytical Laboratories are insufficient to process the environmental samples collected for safeguards verification purposes in a timely and fully independent manner. As a consequence, the Secretariat urgently requires new resources to maintain and expand the number of its qualified network laboratories and enhance the IAEA' s own analytical laboratory in Austria. *Also regarding the expansion of the IAEA's technical capabilities,* the IAEA requires access to new types of satellite imagery, such as high-resolution optical imagery, and the associated human resources for effective analysis of satellite images in an effort to contribute to effective and efficient safeguards.

Adequate Financing of the Safeguards System

The amount at the IAEA' s disposal to verify compliance with the different non-proliferation undertakings by applying safeguards at over 900 facilities in some 70 countries is currently about 130 million euros. Clearly, this is not sufficient for the IAEA to meet those challenges that the IAEA' s safeguards system is

facing. In particular the IAEA needs resources for special verification equipment and instrumentation. Investments of 11.4 million Euro in 2008/2009 will be required in order to effectively respond to the increasing complexity of the lAEA's verification mission. In addition, new facilities expected to come under safeguards in 2008/2009 will also require significant additional resources. In view of these steadily increasing and high costs of safeguards applications, instead of the current approach, in future, new and innovative financial solutions appear to be needed.

Safeguards Implementation

The safeguards implementation report for 2006 is currently being finalized. The Secretariat's findings and conclusions are based upon an evaluation of all the information available to the IAEA in exercising its rights and fulfilling its obligations. The report will cover 77 States that have both comprehensive safeguards agreements and additional protocols in force; 78 States with comprehensive safeguards agreements in force, but without additional protocols. Five NPT nuclear-weapon-States with voluntary offer safeguards agreements in force and for three States that have concluded item-specific safeguards agreements. As regards, Iran, as of February 2006, the IAEA continued to apply safeguards under Iran's comprehensive safeguards agreement and the verification of the correctness and completeness of Iran's declarations remained ongoing. As for the Democratic People's Republic of Korea the IAEA was not able to perform any verification activities and therefore could not reach any conclusions.

Nuclear-Weapon-Free Zones (NWFZs)

With the notion in mind that nuclear-weapon-free zones constitute important first steps to achieve a nuclear-weapon-free world, the 40th anniversary of the adoption and opening for signature of the Treaty of Tlatelolco was marked earlier this year. As the world's first nuclear-weapon-free zone, this treaty has been an inspiration for other NWFZ treaties in Africa, Southeast Asia and the South Pacific. Last September, the five Central Asian States signed a treaty establishing a nuclear-weapon-free zone in their region. I should note that the treaty is the first to make the additional protocol to safeguards agreements a requirement.

New Framework for the Nuclear Fuel Cycle

The increase in global energy demand and concerns over climate change are driving a potential expansion in the use of nuclear energy. At the same time, concerns continue to exist regarding the potential proliferation risks that may be involved in the further spread of sensitive nuclear technology, such as uranium enrichment and spent fuel reprocessing.

The convergence of these realities points to the need for the development of a new framework for the nuclear fuel cycle. For the last two years, the IAEA

Director General has been highlighting the need to develop anew, multilateral approach to the nuclear fuel cycle, as a key measure to strengthen nQnproliferation and cope with the expected expansion of .nuclear power use. The establishment of a framework that is equitable and accessible to all users of nuclear energy acting in accordance with agreed nuclear non-proliferation norms will be a complex endeavour that needs to be addressed through progressive steps.

The first step would be to establish mechanisms for assurances of supply of fuel for nuclear power reactors - and, as needed, assurance of supply for the acquisition of such reactors. The second step would be to encourage all enrichment and reprocessing operations to be under multilateral control. It is clear that, to be acceptable to States, any assurance of supply of nuclear fuel should be formulated in a manner that is equitable and accessible to all users of nuclear energy.

A broad range of ideas, studies and concrete proposals by a number of governments have been put forward on this topic. At its General Conference in September 2006, the lAEA organized a special event, in which experts from all relevant fields discussed ways and means to move forward. A report on this special event was submitted to the lAEA General Conference, and the Director General plans to submit a document to the IAEA' s Board in June 2007 on modalities and criteria for possible assurance mechanisms.

The IAEA's Role in Facilitating Access to Nuclear Technologies

For fifty years, technical cooperation has been a principal mechanism for implementing the IAEA's basic Atoms for Peace mission. The IAEA's Technical Cooperation Programme (TCP) has evolved to a partnership that hinges on cooperation - the sharing of knowledge and expertise to promote sustainable growth and human security. Many Member States that were once recipients of IAEA assistance and expertise are now taking the lead in helping other countries in their regions to make use of the wide variety of peaceful nuclear applications. Today the Technical Cooperation Programme delivers nuclear based solutions to development problems of 115 countries in 51 areas of activity. It contributes in myriad ways to the achievement of the targets of five of the eight Millennium Development Goals in the areas of environmental sustainability, hunger and poverty, maternal and child health as well as combating disease.

Human health continues to be the largest single area of TC activity, accounting for more than a quarter of the programme. The other important areas include food and agriculture, specifically mutation breeding, soil management and livestock health, nuclear power and desalination, industrial applications such as non-destructive testing and radiation sterilization, water resource management and the full range of safety and security aspects. The IAEA also has projects that

are designed to support regional priorities, such as the New Partnership for Africa's Development (NEPAD).

IAEA assistance in the field of radiotherapy is a good example of how such efforts are making a difference. The IAEA' s Programme of Action for Cancer Therapy (PACT) is designed to integrate radiotherapy into a broader "cancer control" framework encompassing cancer prevention, diagnosis and treatment. Over the past year, relationships have been built with the leading organizations in the field of cancer control and research in order to assist Member States with comprehensive cancer control programmes.

Since access to reliable and adequate sources of energy is essential for development, the IAEA provides energy assessment services, considering all energy sources, that help build a State's capability for energy analysis and planning. Increasing global demand for energy, and increased emphasis on energy security has led to growth in demand for such services. 112 countries and 6 international and regional organizations are using the IAEA' s energy assessment tools.

Another good example is water resources management. With IAEA assistance, Member States are using isotope hydrology to address problems of water shortages and the depletion of groundwater resources through overuse. An excellent example is the active participation of Chile, Colombia, Costa Rica, Ecuador, Nicaragua, Peru and Uruguay last year in a regional TC project for managing groundwater resources in Latin America. As a result of this project, hydro-geological maps were developed, conceptual models were validated, and associated databases were made available and are now in use in participating institutions.

The resources available for the technical cooperation programme are around US$ 100 million annually. The increasing demand for the IAEA's technical cooperation activities, however, makes it necessary that they continue to be enhanced, while also being assured on a regular basis. The IAEA is building enhanced partnerships with both governmental and non-governmental organizations as well as non-traditional partners with a view to enhancing effectiveness of its assistance and attracting additional resources.

Nuclear Safety and Security

The safety and security of nuclear activities around the globe remain key elements of the IAEA' s mandate. While it is evident that the sustained effort to build a global nuclear safety regime is paying off - with strong operational safety perfonnance at nuclear power plants and occupational radiation protection indicators that have continued to improve - sporadic events of concern make clear that the promotion of a strong safety culture, for both operators and regulators, should always be viewed as a "work in progress".

The IAEA safety standards represent international consensus based on best practices and are increasingly used by States as the reference for the high level

of safety required for the use of nuclear energy. Following the publication of the Fundamental Safety Principles in 2006, the IAEA has now started to discuss the long term vision for possible integration of various thematic safety requirements in one consolidated Safety Requirements covering the ten fundamental safety principles.

The lAEA' s nuclear security programme continues to progress at a rapid pace. Its current Nuclear Security Plan covers prevention, detection and response activities underpinned by needs assessments. Capacity building activities continue to be a cornerstone in the IAEA' s efforts to help States improve their nuclear security, with over 80 Member States receiving assistance in areas such as nuclear security training courses; supply of detection and monitoring equipment, procurement of physical protection equipment to improve the security of nuclear power plants and assistance .in protecting locations containing highly radioactive sources. The IAEA nuclear security work is taking place against the background of increased commitment by Member States to the expanded range of relevant international instruments in this field, such as the Amendment to the Convention on the Physical Protection of Nuclear Material (CPPNM) and the Code of Conduct on the Safety and. Security of Radioactive Sources.

Through its nuclear security related activities, the IAEA assists States in preventing nuclear material and related technologies from falling into the hands of non-State actors and, accordingly, helps States fulfil *their* international obligations, including under resolutions 1540 and 1673. The most practical way to make optimal use of IAEA assistance continues to be for the 1540 Committee to encourage those States requiring IAEA assistance to work directly with the lAEA.

Fifty Years of the IAEA

Wherever we turn in today's world, it is evident that the intertwined issues of security and development continue to be the most daunting challenges facing humanity. And it is becoming more evident that the International Atomic Energy IAEA has an increased and more important role to play in both fields. In October 2005, the IAEA and its Director General were awarded the Nobel Peace Prize. The citation read, in part, that the Nobel was awarded "for their efforts to prevent nuclear energy from being used for military purposes and to ensure that nuclear energy for peaceful purposes is used in the safest possible way".

All the IAEA staff and the Director General are strongly committed to continue to do their utmost to make the IAEA more effective and efficient in continuing carrying out their mission in an objective and impartial manner and will, in all areas of IAEA activity, continue to rely on the shared commitment and partnership of the Member States.