

IAEA BOARD OF GOVERNORS, 21 NOVEMBER 2003

AGENDA ITEM 3B - IMPLEMENTATION OF THE NPT SAFEGUARDS AGREEMENT IN THE ISLAMIC REPUBLIC OF IRAN

'AS DELIVERED' UK STATEMENT

Mr Chairman, intense scrutiny of the extent and nature of Iran's nuclear programme has come to dominate our discussion of safeguards issues since February. In the view of my delegation, this scrutiny, and appropriate action as a result, is vital to the integrity of the IAEA's safeguards regime and the NPT.

We would first like to join with others in thanking the Director General for his latest report on implementation of Iran's comprehensive NPT safeguards agreement; and expressing our particular appreciation for the work of the Department of Safeguards which it records. The wealth of new information contained in the report means that the Board now has a much better understanding of the extent of Iran's hitherto undeclared nuclear activities.

The UK's reactions to the Director General's report are as follows:

First, we warmly welcome the decision of Iran at last 'to provide a full picture of its nuclear activities' and to provide 'any additional clarifications the Agency may deem necessary', as set out in its letter of 21 October; to sign, and act forthwith in accordance with, the Additional Protocol, as set out in its letter of 10 November; and to suspend enrichment-related and reprocessing activities, as reported by the Director General;

Second, we want to see these commitments implemented fully, to see any ambiguities in them clarified, and the Agency able to resolve all outstanding questions. This must include verification by the Agency of the suspension of enrichment related and reprocessing activities and the completeness of this suspension;

Third, we condemn the multiple serious breaches of safeguards, including many which concern 'the most sensitive aspects of the nuclear fuel cycle, including enrichment and reprocessing' and which have only recently come to light, and deplore what the Director General has carefully described in his report as Iran's 'concealment' of 'many of its nuclear activities'.

We believe it is crucial that the Board now responds to the Director General's latest report in a way which does two things. On the one hand we must make very clear the seriousness of the Board's concern at Iran's past failures. On the other hand we must set a framework for future co-operation between Iran and the Agency. It is essential for the integrity of the NPT that past breaches of safeguards obligations are condemned in appropriate terms. At the same time it is essential that the Board does not undermine the framework of co-operation that is now being established. Indispensable elements of such a framework are, as the Director General says, a 'particularly robust' system of Agency verification and 'full transparency and openness on the part of Iran'. Such a framework must be in place if the Agency is to be able to move towards a position where it can report a conclusion about whether 'Iran's nuclear programme is exclusively for peaceful purposes' – a conclusion which the Director General has explicitly declined to draw in his report of 10 November.

I would like first to deal with past failures before going on to the future. A mass of information is contained in the Director General's latest report and its Annexes. I believe it is important to illustrate briefly the extent and nature of what the Board now knows about Iran's failures to meet the obligations in its Safeguards Agreement. Amongst the most blatant and serious examples of such breaches are the following:

First, the undeclared testing of centrifuges at the Kalaye Electric Company using imported UF6. This had been denied by the Iranian authorities prior to their letter of barely a week before the deadline adopted by the Board at its September meeting;

Second, an undeclared and very substantial laser enrichment programme. Initial information on the programme (and the undeclared uranium metal used in it) was provided only during the last month, and even then incrementally.

Third, undeclared irradiation of targets, containing uranium that the Iranian authorities had previously declared as a process loss, followed by the undeclared extraction of plutonium from these targets in an undeclared hot cell facility. Again, initial information on these activities has only been provided to the Secretariat in the last month;

Fourth, further extensive and undeclared work on processes for uranium conversion, also including the use of material that had previously 'been declared to the Agency as a process loss', and covering production of 'practically all of the materials important to uranium conversion ... in kilogram quantities' – combined with an admission that the uranium metal to be produced in significant quantities at the Esfahan Uranium Conversion Facility (UCF) 'had been intended not only for the production of shielding material, as previously stated, but also for use in the laser enrichment programme'.

All in all, the report provides an impressively concentrated recitation of the extent to which Iran has now had to concede that the information and explanations offered hitherto, regarding essentially every aspect of its nuclear fuel cycle activities on which the Agency has probed, have been incomplete or incorrect.

We do of course recognise that, in respect of each of these newly acknowledged breaches, Iran has now agreed to provide the missing accountancy reports and facility design information, and make all the nuclear materials concerned available for verification. Naturally we welcome Iran's decision in this respect and the process of verifying these reports and materials which is due to have started during inspections scheduled for last week

At the same time other issues that were identified in September remain open. For example, the Secretariat is using recently provided information on the centrifuge components which Iran claims were contaminated with high enriched uranium in its continuing investigation of the source of the high and low enriched uranium particles found at both Natanz and the Kalaye Electric Company. Questions also remain about the planned Heavy Water Research Reactor, the numbers of hot cells associated with it, and the research and development work on which the programme is based.

My delegation therefore believes that the body of the report and its supporting Annexes amply justify the Director General's concluding remarks about Iran's 'pattern' and 'policy of concealment', about Iran's co-operation being 'limited and reactive' and about information from the Iranian authorities being 'slow in coming, changing and contradictory'. As the Director General has noted, a number of the many breaches of Iran's safeguards obligations have concerned 'the most sensitive aspects of the nuclear fuel cycle, including enrichment and reprocessing' - processes that are of course so sensitive because of the production of direct use nuclear material.

Moreover, I emphasise to colleagues that whilst the Director General states that 'to date' he has no proof that the very extensive range of clandestine activities described in the report is related to a weapons programme, he adds that 'given Iran's past pattern of concealment, it will take some time before the Agency is able to conclude that Iran's programme is exclusively for peaceful purposes'.

My Government considered carefully the question of what action should be taken against Iran, including vis a vis the UN Security Council, in the light of the serious Iranian failures set out in the Director General's report. We concluded that our immediate priority was to build on Iran's new approach and to ensure it was sustained.

We are proceeding on the assumption that the Iranian declaration of its past activities is complete, and that they will fully cooperate with the IAEA from now on. Should there be any further [significant] Iranian breaches reported by the IAEA, or evidence of further concealment, we shall then have no option but to support a report from the IAEA to the Security Council.

Accordingly, the UK believes that:

- First, Iran must take all the corrective measures that are anticipated in the Director General's latest report, and give full and sustained cooperation to the Agency in implementing its declared new policy of full disclosure and unrestricted access so that there can be no doubt about the transparency and openness necessary for the Agency to undertake the considerable work required to provide and maintain safeguards assurances;
- Second, the Board's authorisation of the Additional Protocol for Iran must be quickly followed by Iran's formal ratification of the protocol, and in the meantime Iran must act fully in accordance with the protocol's provisions – both in terms of urgent provision to the Secretariat of the specified information, and ensuring access on the basis of the Secretariat's assessment of all of the information then available to it;
- Third, the continued complete suspension of all enrichment-related and reprocessing activities must be verified by the Agency.
- Finally, Mr Chairman, it is clear that a great deal of work will be involved in: resolving all the outstanding issues (e.g. the process of verifying declarations about Iran's newly acknowledged breaches); answering unresolved questions (e.g. about enriched uranium contamination); Iran's provision of comprehensive declarations according to the Additional Protocol; the Agency's evaluation of these declarations and other relevant information; and then the completion of appropriate follow-up actions. It will indeed take some considerable time for Iran to rebuild a track record of compliance, and thus restore international confidence in its nuclear activities. We believe it is essential that, while this process is going on, the suspension of enrichment-related and reprocessing activities is maintained in a complete and verified way.

Indeed, we believe that this suspension must be maintained until such time as a long-term solution can be found that will provide all parties with satisfactory assurances about their concerns.

Successful rehabilitation of Iran's nuclear reputation should then in turn 'open the way to a dialogue on the basis for longer term co-operation'.

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