

**IAEA BOARD OF GOVERNORS, 16-20 JUNE 2003**

**AGENDA ITEM 6B - DIRECTOR GENERAL'S REPORT ON IRAN**

**UK STATEMENT**

Madam Chair

The United Kingdom endorses the statement made by the distinguished representative of Greece on behalf of the European Union. In view of the importance of this matter, we wish to make our own national statement as well. My delegation is grateful to the Director General for his clear account of the discussions between the Secretariat and Iran. This is a valuable, detailed and disturbing report. We commend the Agency for its work in recent months to pursue the issues flagged in the Director General's report to the March Board.

The United Kingdom notes the clear finding in paragraph 32 of the Director General's report that 'Iran has failed to meet its obligations under its Safeguards Agreement with respect to the reporting of nuclear material, the subsequent processing and use of that material and the declaration of facilities where the material was stored and processed'.

We note also that some actions have now been taken by Iran to correct these failures. This is welcome. But it appears that Iran has only taken these actions in response to enquiries from the Agency. The Agency was only able to pursue these enquiries once it had received confirmation from a supplier State of nuclear material that had been delivered to Iran in 1991.

We also note that paragraph 32 indicates that there are still further actions that Iran needs to take to correct these failures fully, and that paragraph 33 says clearly that 'while these failures are in process of being rectified by Iran, the process of verifying the correctness and completeness of the Iranian declarations is ongoing'.

Madam Chair, the United Kingdom urges Iran to complete the process of rectifying these failures as rapidly as possible.

As the Director General's report says, 'the number of failures by Iran to report the material, facilities and activities in question in a timely manner as it is obliged to do under its Safeguards Agreement is a matter of concern'. My delegation strongly endorses this concern. We have regularly expressed our concern about the degree of transparency and openness demonstrated by Iran in relation to its very extensive nuclear activities, beginning with Iran's repeated claims to have notified the Agency of the Natanz enrichment facility in June 2002. These claims are not borne out by paragraph 3 of the report.

The report suggests that this situation is not improving. Where new information has been provided by Iran, this has been belated, in some cases partial, and only after material has been brought to light in other ways. In some areas, Iran has still not responded to the Agency's enquiries and requests for access. This is not the way to build confidence. We should be grateful if future reports would comment on the quality of Iranian co-operation - is information provided in a timely and complete manner, or is it piecemeal, subject to correction and does it have to be asked for?

This background has the effect of heightening our concern about what the Agency says are 'open questions' it is still pursuing, namely:

- first, research and development activities carried out prior to the construction of the enrichment facilities at Natanz;

- second, allegations of undeclared enrichment of nuclear material, and notably the role of the 'Kalaye Electric Company' facility;
- third, the role of uranium metal in Iran's nuclear fuel cycle; and
- fourth, Iran's programme related to the use of heavy water.

Let me explain our concern about these four 'open questions'.

As regards enrichment R & D activities, we note the Iranian statement that there have been 'no operations in connection with its centrifuge enrichment development programme involving the use of nuclear material'. This is, to say the least, surprising, given the very large investment evidenced by the facility at Natanz. We are not aware of any other nation that has started construction of centrifuge enrichment facilities on this scale without prior R&D activities involving the use of nuclear material. We urge Iran to submit to the Agency as soon as possible the 'complete chronology of its centrifuge and laser enrichment efforts' for which the Agency's report calls and to fulfil promptly the agreement cited in paragraph 34(a) for visits by Agency experts to Natanz and other relevant locations.

I turn now to the allegations about undeclared enrichment of nuclear material, including, in particular at the Kalaye Electric Company. We understand from the Director General's introductory statement on Monday that Iran has not yet agreed to the Agency's request to take environmental samples at this facility. We have, difficulty in understanding why Iran has not been more forthcoming in meeting the Agency's requests to visit and take environmental samples at this facility, which the Iranian authorities themselves acknowledge has a connection with the centrifuge programme. Given Iran's clear statement that no enrichment of nuclear material has taken place, even on an experimental basis, it should be straightforward to let the Agency verify that by visiting the facility and taking samples. Failure to do so can only increase our concern about Iran's lack of transparency and the reasons for it

Madam Chair, as regards the role of uranium metal in Iran's nuclear fuel cycle, we share the Agency's puzzlement about this. As the Agency report says, 'neither its light water reactors nor its planned heavy water reactors require uranium metal for fuel'. Iran has apparently also stated that 'no enrichment-related laser activities (which could use uranium metal as its feed material) have taken place'. We believe it is important that Iran should clarify this matter and we would welcome any detailed comments which Iran might wish to offer.

Additionally, we are puzzled as to why the JIH Multipurpose Laboratories, or JML, were not declared to the Agency as they should have been. Such lack of transparency can only raise more concerns about the Iranian government's intentions.

The fourth question is Iran's programme related to the use of heavy water. It seems strange that Iran is apparently embarking simultaneously on trying to master both light water reactors using enriched uranium fuel and heavy water reactors using natural uranium. We find it difficult to understand how a programme designed to produce 7000MW of generating capacity over the next twenty years adequately explains this two-pronged strategy. So we certainly look forward to hearing the outcome of the further enquiries which the Agency is making. Madam Chair, we note the report's references in paragraphs 8 and 11 to the taking of samples at the pilot enrichment facility and to the expectation of additional samples being taken. We look forward to hearing more about the results of these as soon as the Agency has had time to make a proper assessment of them. We believe that nuclear material should not be introduced into the pilot plant at Natanz at least until the safeguards methodology is finalised, related questions have been resolved and satisfactory environmental sampling has been completed. We therefore urge Iran to delay the introduction of feed material at Natanz until such time as the Agency is satisfied that its concerns in this area have been fully resolved.

Madam Chair, I have been frank about our concerns — both about Iran's past failures to meet its obligations under its Safeguards Agreement as detailed in the Director General's report and about the 'open questions' which need to be pursued. I do not do so from a desire for confrontation, but because my delegation believes that there are genuine and important questions raised by this report which call for answers. We would be the first to welcome it if the Government of Iran were now to demonstrate complete transparency, and in a spirit of co-operation gave the Agency the access it needs to resolve all the outstanding issues.

I have referred in this statement to the need for confidence. At present, Iran faces a confidence deficit. The longer these questions remain unresolved, the greater that deficit will become. My delegation believes that many others share our concerns. It is essential and urgent that Iran answers fully all the Agency's questions, provides all the access the Agency requires, and permits the Agency to take all the samples it requires — in other words, demonstrates the often stated commitment to transparency and a peaceful programme. I would also repeat what we have said many times before. It would be a significant step towards restoring the balance of confidence if Iran undertook now to sign, bring into force, and implement an Additional Protocol to its Safeguards Agreement, as the Director General has proposed. Again, we urge Iran to do so without delay.

Madam Chair, we welcome the Director General's intention to keep the Board informed of developments and urge him to submit a further comprehensive report as soon as possible for consideration when the Board next meets.

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