

## EXCERPT FROM THE RECORD OF THE 1094<sup>th</sup> MEETING OF THE BOARD OF GOVERNORS

### 4. Nuclear verification

#### (a) Implementation of the NPT safeguards agreement in the Islamic Republic of Iran: Report by the Director General (GOV/2004/11 and 20)

1. The CHAIRMAN said that the Board now had before it, in document GOV/2004/20, a draft resolution which had been subject to review and revisions during the previous several days. Many divergent views and possible different interpretations with regard to parts of the draft resolution continued to exist. However, the time had now come to take a decision, and as Chairman he had put the draft resolution before the Board for action.
2. He proposed that Rule 31 of the Board's Rules of Procedure be waived in order for action to be taken in a timely manner.
3. It was so agreed.
4. The CHAIRMAN took it that the Board wished to adopt the draft resolution contained in document GOV/2004/20 without a vote.
5. It was so decided.
6. Mr. ZAMANINIA (Islamic Republic of Iran)\* said that the Director General's report contained in document GOV/2004/11 illustrated a positive trend of active cooperation by Iran as a result of which issues had been resolved or were on the verge of being resolved. The report, and in particular Section C (Assessment and Next Steps), also clearly reflected the approach that should have been adopted in producing a draft resolution for adoption by the Board — leaving aside the question of whether a resolution had been necessary. A large number of countries had not considered the present session, where only an interim report by the Director General had been presented, to be an appropriate occasion for a substantive text to be adopted. However, a resolution had been imposed on the Board by a single country and a few associates.
7. The author of the resolution might argue that it reflected the points and issues addressed in the Director General's report, but it was merely a tool designed to serve a narrow-minded, increasingly isolated conviction which was in no way supported in the report.
8. The Director General had repeatedly stated in the Board that: the actions being taken by the Agency were work in progress; extensive active cooperation was being provided; there had been no impediments to access; the additional protocol had been signed and was being applied voluntarily; Iran's rightful enrichment activities had been suspended voluntarily as a confidence-building measure; all essential and urgent requirements had been met; corrective measures had been, or were being, taken; and outstanding issues were being resolved one by one.
9. Although the Director General had referred to a few shortcomings, they could not — to a fair-minded observer — imply a reversal of, detour in or threat to the process now under way. However, the resolution just adopted sought to portray a rather benign situation with progress taking place as a state of high alert. Some minor modifications had been made to the earlier version, thanks to the position of principle of many countries, but the version adopted still represented a serious setback. In

that connection, his delegation was grateful to the Vienna Chapter of the Non-Aligned Movement (NAM), and in particular its Chairman, and to, the Troika for their efforts to bring the draft text into line with the Director General's report.

10. To dispel doubts and promote transparency and confidence in its peaceful nuclear programme, Iran had been called upon to sign and verify an additional protocol to its safeguards agreement, and to apply the additional protocol provisionally pending its ratification. The additional protocol was now fully in place.

11. The same was true for the suspension of enrichment-related and reprocessing activities, the voluntary decision on which had not been an easy one for Iran to take given the right of NPT parties to use nuclear technology for peaceful purposes. In paragraph 72 of his report, the Director General had welcomed that decision as a confidence-building measure. Regrettably, however, the author of the draft resolution just adopted had, in order to avoid acknowledging a positive trend, resorted to linguistic distortion in operative paragraph 3, vehemently rejecting an amendment proposal made by NAM with a view to bringing the text somewhat more into line with the Director General's report.

12. Three months previously, the Agency had been saying that Iran had made a quantum leap in the construction of the Uranium Conversion Facility (UCF) at Isfahan and that the UCF issue was unlikely to be resolved with ease. Now the Agency was acknowledging that Iran's declaration regarding the UCF appeared to be credible. When Agency inspectors next visited Isfahan, they would need only to compare some documents in order to determine that the issue was resolved.

13. Iran's laser enrichment activities had also been regarded as a major outstanding issue. In the Director General's report, however, it was stated that the information provided by Iran about its MLIS programme appeared to be coherent. As regards its AVLIS programme, Iran was not expected to do anything more.

14. As far as Iran was concerned, the laser enrichment issue had also been resolved, although the Agency needed to obtain confirmation from third countries regarding deliveries of equipment related to the AVLIS programme.

15. The question of plutonium had been highlighted as an issue of concern and contention at the November meetings of the Board. Now, the only debatable point was the accuracy of produced plutonium weight calculations performed by an Iranian scientist, who had estimated that 200 µg of plutonium had been produced while the Agency had estimated that approximately 200 mg could have been produced. The Agency was awaiting the results of sampling in that connection, but his delegation was confident that the issue would be resolved the next time Agency inspectors focused on it.

16. With regard to the question of polonium-210, Board members might care to consult the Iranian comments and explanatory notes contained in document INFCIRC/628. The work being done in Iran in connection with polonium-210 was pure research, and his country had provided the Agency with 41 pages of information about it — information that was still to be analysed by the Agency. His delegation was confident that Iran's explanations would be confirmed by the Agency's analysis of that information. Suffice it to say that beryllium was indispensable for research geared primarily to military programmes, but beryllium had never been on Iran's shopping list. Moreover, if Iran had 13 years previously had a military application in mind for its research on polonium-210, what had prevented it from repeating the research during the past 13 years? Why had the project in question been abandoned? In any case, neither its safeguards agreement nor the additional protocol thereto required that Iran report on its research on polonium, which, as a neutron source, had widespread civilian applications — particularly in oil well and gas well logging.

17. The only outstanding issue that might prove somewhat difficult to resolve, given the involvement of a foreign source, was that of uranium enriched to beyond 1.2 %. However, even the question of contamination might be resolved sooner rather than later following recent revelations emanating from third countries. For its part, Iran would reconstruct the movements of components imported into Iran in order to isolate contamination to the extent possible and thereby enable the Agency to resolve the issue through further swipe sampling. In Iran's view, as the results of further swipe sampling became available more pieces of the puzzle would fall into place.

18. On the other hand, Iran believed that the question of the P-2 centrifuge design drawings had been blown up out of all proportion, as indicated in document INFCIRC/628. On 13 February 2004, prominent newspapers in Europe and the United States had claimed that Agency officials had discovered that Iran was producing nuclear weapons. They had been very creative in their stories, which they had attributed to Agency officials. For example, in an article entitled "Blueprints prove Iran is pursuing nuclear weapons", *The Times* had stated that "Several IAEA officials said they believed Iran had bought the same nuclear warhead design that Libya handed over to the IAEA." The Agency uranium enrichment expert who had inspected Iran's P-2 centrifuge design drawings, observed associated experiments and testing activities and interviewed the contractor in question was best placed to say whether the various reports had been justified or exaggerated.

19. Besides the question of exaggeration by the media and the Agency, there was the question of confidentiality; the confidentiality provided for in the Agency's Statute and the additional protocol to Iran's safeguards agreement had been breached.

20. All research and manufacturing activities relating to P-2 centrifuges had been done by a small private workshop, which had made components for only one set of centrifuges. Those components were now in a storage facility visited by Agency inspectors.

21. As regards the omission from Iran's 21 October 2003 declaration of any reference to P-2 centrifuge design drawings, he said that the explanation could be found in document INFCIRC/628 and in paragraph 47 of the Director General's report. Referring to paragraph 46 of that report, he said that the Iranian authorities had never meant to state that they had neglected to include the P-2 design and related information in the 21 October declaration due to time pressure. The crux of the matter appeared to be a difference of view between Iran and the Agency with regard to timing. Those who had provided the information for the declaration of 21 October 2003 had thought that they were expected to provide a full picture of those nuclear activities, including centrifuge R&D involving nuclear material, which represented a failure of Iran to fulfil the obligations arising out of its safeguards agreement; it had been their understanding that the P-2 design was to be reported on pursuant to the additional protocol. Iran had not stood to gain by reporting on the P-2 design pursuant to the additional protocol rather than in the declaration of 21 October 2003. It had been a matter of a judgement made in good faith.

22. What should be important for the Agency and the Board was the fact that Iran had provided complete information on the nature and scope of its activities relating to the P-2 centrifuge and would provide any clarifications that the Agency might require in order to be able to confirm that Iran's gas centrifuge programme — now suspended — had been based entirely on the P-1 centrifuge.

23. Iran's agreement with three European countries had laid the foundations for a new chapter in the cooperation between Iran and the Agency, opening the way for further Iranian commitments. Iran had been faithful to those commitments, making every effort to ensure that the process of cooperation was efficient, expeditious and exhaustive and would lead to a definitive conclusion. A fair and balanced review of the substantive progress made in resolving major issues since October 2003 attested to that fact.

24. Iran had no doubt that, if the process of cooperation was allowed to continue in a positive context of mutual understanding and cooperation, the questions referred to in the Director General's report would be settled by the next session of the Board. Also, by that time Iran would have provided, to the best of its ability, the additional information requested by the Secretariat to help clarify the complex issue of contamination — an issue identified in the Director General's opening statement as one calling for further cooperation on the part both of Iran and of other parties.

25. In the opinion of Iran, by the Board's next session its obligations and commitments would have been met and the necessary corrective measures completed. That opinion was supported by the opening statement of the Director General, despite his characterization of the P-2 centrifuge issue as 'a setback' — a characterization which the Iranian delegation believed would ultimately prove to be incorrect.

26. The fundamental conclusion constituting the essence of the safeguards system was a conclusion of non-diversion of nuclear material and activities for military purposes. Since November, when the Director General had reported no evidence of diversion, a robust system of verification had been in place in Iran. There was still no evidence of diversion, and there would be no such evidence in the future.

27. It was difficult for some to accept the fact that Iran's nuclear programme was exclusively peaceful; those who had for so long based their policies and approaches on the false perception that Iran was seeking weapons of mass destruction could not change course with ease. However, they might ultimately come to accept the truth, which would be gradually confirmed by the Agency's inspectors.

28. The now public attempts being made to disrupt a healthy process were clearly out of order. There existed a fervent unjustified desire to maintain undue pressure on Iran through the misrepresentation of facts, exaggeration of the importance of minor mistakes and unjustifiable prejudgements. The move to force through a tough resolution had been fuelled primarily by ideological emotions. A great deal of damage had been done, and recovery would required enormous efforts. However, his delegation hoped for a change in the thinking of those with obstinate minds and cold hearts, so that a different spirit would prevail in June and the Board's March session would become just a bad memory.

29. Mr. GULAM HANIFF (Malaysia)\*, speaking on behalf of the Vienna Chapter of the Non-Aligned Movement (NAM), said that the Director General's report in document GOV/2004/11 clearly pointed to increased cooperation between Iran and the Agency — cooperation which Iran had continued to intensify by taking necessary corrective measures.

30. The Secretariat was to be commended for the extensive verification activities carried out by it since November 2003, but NAM would like it to expedite its efforts — particularly the analysis of environmental samples — in order to resolve outstanding issues as soon as possible.

31. NAM welcomed the progress made by Iran with regard to actions called for in the resolution contained in document GOV/2003/81, which had been adopted without a vote by the Board in November 2003. It was particularly pleased that Iran had signed an additional protocol to its safeguards agreement on 18 December 2003, was already acting as if the additional protocol was in force and had expressed its full commitment to submitting the required declarations on the basis of the timetable envisaged in the additional protocol, starting on 18 December.

32. NAM also welcomed Iran's active cooperation in providing information, making people available for interviews and granting the Agency access to and permission for environmental sampling at all locations in respect of which the Agency had made requests. Especially noteworthy had been the

granting to Agency inspectors of complementary access to six additional locations at short notice, including workshops at military sites, and the provision of information for the purpose of resolving the outstanding issue of contamination.

33. In addition, NAM welcomed: the fact that Iran had voluntarily suspended its enrichment and reprocessing activities and had invited the Agency to verify the suspension; the fact that Iran had, in January 2004, provided drawings, technical reports and other information regarding the conduct of uranium conversion experiments, enabling the Agency to reach a preliminary conclusion that earlier Iranian statements appeared to be credible; and the fact that Iran had declared all nuclear material to the Agency for verification and had provided all inventory change and material balance reports and physical inventory listings requested by the Agency.

34. NAM had noted the confirmation by Iran that the declaration submitted to the Agency on 21 October 2003 had covered all the items required under Iran's comprehensive safeguards agreement and that subsequent declarations would be made in accordance with Iran's obligations under the additional protocol and verified routinely thereafter.

35. NAM had also noted that Iran had suspended its enrichment and reprocessing activities and had agreed to monitoring of the suspension by the Agency. Given the inalienable right of all Member States to develop atomic energy for peaceful purposes, Iran's voluntary gesture should be seen as a confidence-building measure aimed at bringing about prompt closure of the issue.

36. In welcoming the transparency and cooperation of Iran, NAM believed they would lead to a new chapter in the relations between Iran and the Agency.

37. NAM, which attached great importance to the Board's taking decisions by consensus, strongly advocated positive engagement and dialogue between Member States. In that connection, it commended the efforts of certain European and other Member States to foster an environment of cooperation and would like to see other Member States joining in those efforts.

38. With regard to the adoption without a vote of the draft resolution contained in document GOV/2004/20, NAM, which had proposed several amendments to an earlier text, understood operative paragraph 9 to mean that the Board would reach appropriate conclusions at its June meetings on the basis of the Director General's next report.

39. NAM, like the Director General, looked forward to a time when all outstanding issues had been resolved and international confidence restored.

40. Mr. MURPHY (Ireland)\*, speaking on behalf of the European Union, said that the acceding countries Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia and Slovenia, the candidate countries Bulgaria, Romania and Turkey, the countries of the Stabilization and Association Process and potential candidates Albania, Bosnia-Herzegovina, Croatia, The Former Yugoslav Republic of Macedonia and Serbia and Montenegro, the EFTA countries Iceland and Norway, and members of the European Economic Area associated themselves with his statement.

41. The European Union had noted that Iran had improved its cooperation with the Agency, presenting material for verification, and welcomed the now improved access to locations. It supported the Director General's request for the prompt provision of detailed information.

42. The European Union welcomed the signing by Iran on 18 December 2003 of an additional protocol. It understood that Iran had been acting in accordance with the additional protocol's provisions since 10 November 2003 — something which it also welcomed. It expected Iran to submit an expanded declaration before the June session of the Board.

43. The European Union was continuing to look for ways to achieve full international confidence regarding Iran's commitment to non-proliferation, and particularly the peaceful nature of Iran's nuclear programme. In that connection, it welcomed Iran's decision, as recorded in paragraph 62 of the Director General's report, to voluntarily suspend the assembly and testing of centrifuges and the domestic manufacture of centrifuge components. That decision was a step in the right direction, and the European Union hoped that Iran would immediately suspend all activities related to enrichment and reprocessing at all locations in Iran, including the domestic manufacture of centrifuge components even when covered by existing contracts.

44. It was essential that the declarations made by Iran provide a correct, complete and final picture of its past and present nuclear programme. The European Union had therefore noted with great concern that, in addition to the revelations in previous reports and to the related unanswered questions, the Director General's latest report revealed a number of further omissions by Iran and raised new questions about its nuclear programme. Of particular concern were:

- \* The still unresolved issue of the LEU and HEU contamination discovered at the Kalaye Electric Company workshop and at Natanz. The Director General had stated that, until that issue had been satisfactorily resolved, it would be very difficult for the Agency to certify that there had not been any undeclared nuclear material or activities. The European Union had in particular noted with great concern that in the Director General's view the level of contamination suggested the presence of more than just trace quantities of HEU;
- \* The issue of the omission from Iran's declaration — a document characterized by Iran as providing "the full scope of Iranian nuclear activities" and "a complete centrifuge R&D chronology" — of any reference to Iran's possession of P-2 centrifuge design drawings and to associated research, manufacturing and mechanical testing activities. Such omissions undermined credibility;
- \* The issue of the purpose of Iran's activities relating to the production and intended use of polonium-210. The Director General had concluded that further clarification was necessary.

45. The European Union, which endorsed the Director General's assessments regarding those issues, urged Iran to cooperate fully and proactively with the Agency in resolving all outstanding issues in a spirit of full transparency.

46. The European Union had noted the Director General's conclusion that the conversion and centrifuge programmes of Iran and Libya shared common elements and that the basic technology had been obtained largely from the same foreign sources. It endorsed the Director General's call for full cooperation on the part of all Member States in identifying the supply routes and sources of the technology and related equipment and nuclear and non-nuclear materials.

47. The resolution of outstanding issues depended to a great extent on the cooperation of countries where items imported into Iran were believed to have originated. The European Union therefore urgently called on all countries to cooperate fully with the Agency in the clarification of the issues involved.

48. The European Union, which welcomed the adoption of the draft resolution in document GOV/2004/20 by consensus, regarded the Director General's report in document GOV/2004/11 as an interim report and was looking forward to the submission of a further report by the Director General to the Board for consideration at its June session.

49. Ms. HALL (Canada) said that the disturbing record of Iran with regard to the implementation of its safeguards agreement had first come to the attention of the Board in March 2003. Since that time, further revelations had increasingly called into question the assurances given by the Iranian Government about the nature of and intentions behind Iran's nuclear programme.

50. In November 2003, despite clear evidence of non-compliance by Iran with its safeguards agreement, the Board had decided against finding Iran in non-compliance, because the Iranian Government had insisted that it did not have ill intentions and that it had made a full declaration of its nuclear activities. In the resolution adopted by it on 26 November 2003, the Board had stated that it considered it "essential that the declarations that have now been made by Iran amount to the correct, complete and final picture of Iran's past and present nuclear programme".

51. In his latest report, the Director General informed the Board that Iran's previous declarations had been neither correct nor complete — and apparently not final either. For example, Iran had failed to inform the Agency of its possession of an advanced P-2 gas centrifuge design and its conduct of related development activities — a failure which the Director General had described as "a matter of serious concern, particularly in view of the importance and sensitivity of those activities."

52. That failure was not an isolated one, but part of a pattern of concealment which reached back nearly 20 years, being punctuated by bursts of cooperation only when the Agency presented the Iranian authorities with evidence of further undeclared activities.

53. Also, that failure was not the only disturbing thing to emerge since November. Iran's claim that the HEU contamination discovered by the Agency was of foreign origin — a claim yet to be substantiated — appeared to be incompatible with the HEU concentration found in one particular room.

54. Iran had also failed to inform the Agency about its experiments with polonium and to provide it with a plausible explanation for them. In his report, the Director General had expressed concern that those experiments might have a military purpose, since polonium could be used as a detonator in some nuclear weapon designs.

55. Moreover, the fact that Iran had under-reported the amount of plutonium which it had separated in undeclared processes by a factor of approximately a thousand was astonishing.

56. On 25 February 2004, Mr. Hassan Rowhani, Secretary of Iran's Supreme National Security Council, had been reported by the Iranian News Agency as stating that Iran was harbouring other undeclared activities and facilities and that it had no intention of reporting them to the Agency. Such a statement was not in keeping with Iran's claims of full transparency. If the pattern of concealment by Iran persisted, Iran would presumably admit omissions and failures to the Agency only when evidence of the undeclared activities in question was discovered through the persistent efforts of the Department of Safeguards.

57. In his report, the Director General had pointed to similarities between the nuclear programme of Iran and that of Libya. Given those similarities and the fact that Iran had been involved in the same black market network as Libya, the question arose as to whether Iran, like Libya (as reported by the Director General), had acquired a design for a nuclear weapon.

58. In November, the Board had welcomed Iran's decision to suspend all enrichment-related activities. However, Iran had not followed through on that decision. Instead, it had proceeded to assemble 120 more centrifuges. Furthermore, when offering on 24 February 2004 to suspend centrifuge assembly, Iran had indicated that it would continue manufacturing and stockpiling centrifuge components, and suspending assembly "to the furthest extent possible". In her country's view, only a total suspension of Iran's enrichment programme, verified by the Agency, would create

an atmosphere in which Iran could hope to regain the trust which it had lost as a result of concealing sensitive aspects of its nuclear programme.

59. The resolution adopted in November 2003 had put Iran on notice that further safeguards violations would not be tolerated and that the Board would consider “all options at its disposal” in accordance with the Statute “should any further serious Iranian failures come to light”. In Canada’s view, the Iranian omissions reported by the Director General constituted further serious failures and the Board should act accordingly. However, Canada recognized that the prevailing opinion in the Board was to reserve judgement until its meetings in June, giving Iran a further last chance to cooperate fully and transparently with the Agency and completely suspend its enrichment-related activities. She hoped that all Governors agreed that, if Iran did not take that last chance, the Board would have no option but to fulfil its responsibility under Article XII.C of the Statute.

60. Mr. JENKINS (United Kingdom) said his delegation welcomed the signing by Iran of an additional protocol to its safeguards agreement and hoped that Iran would ratify the additional protocol without delay. A lengthy delay would not help Iran to rebuild international confidence in its intentions. In the meantime, Iran should comply with all the provisions of the additional protocol, in accordance with its November 2003 communication to the Director General.

61. Immediate full suspension of all enrichment-related and reprocessing activities in Iran was of the utmost importance for confidence-building. Iran’s extended commitment of 24 February had been a useful step in that direction.

62. His delegation welcomed the clarification provided by Iran of its position regarding the suspension which it had announced, and particularly the assurance that the suspension applied to the manufacturing, testing and assembly of centrifuges and their components, “including those relating to the existing contracts, to the furthest extent possible”, and to the whole of Iran. The Secretariat should now consider carefully, together with Iran, how the suspension could be effectively and demonstrably verified.

63. It appeared from the report by the Director General that key information had not been volunteered by Iran; the Agency had had to extract it. That was in contrast to the Agency’s experience in the case of Libya, which had proactively offered information and had responded promptly whenever new questions had arisen. Iran needed to intensify its cooperation and become more proactive.

64. Failure to mention the P-2 centrifuge programme in a declaration that Iran had claimed to be a “full picture of its nuclear activities” was a matter of very serious concern. Other things that Iran had failed to mention included two mass spectrometers used in its laser enrichment programme and designs for the construction of hot cells at Arak.

65. The still unclear origin of the LEU and HEU contamination found at the Kalaye Electric Company and at Natanz was a very significant outstanding question. Other outstanding questions related to the history of centrifuge development in Iran, the proposed heavy water reactor, the purpose of polonium-210 experiments and the extent of laser enrichment work. In order to regain the trust of the international community, Iran would have to do everything within its power to resolve those questions by — inter alia — providing detailed and accurate information about every aspect of its past and present nuclear activities.

66. The recent revelations that a network of suppliers had been able and willing to provide Libya with nuclear weapons designs, in addition to centrifuge designs, were very disturbing. Thus, it was more imperative than ever for the Agency to be given every opportunity to form a comprehensive picture of the technology, materials and equipment procured by Iran from foreign sources.

67. The Board should discuss all the aforementioned issues in June in the light of a further report by the Director General, which his delegation looked forward to receiving in good time.

68. If that report indicated full cooperation on the part of Iran, good progress towards resolving all outstanding issues and the absence of any further significant Iranian failures, the Board could in June consider whether the conditions existed for it thenceforth to deal with the question of safeguards in Iran in accordance with the normal practice pertaining to the implementation of safeguards agreements and additional protocols.

69. Ms. STOKES (Australia) said that the report by the Director General showed that Iran was still far from dispelling international concerns about its nuclear programme. Iran had yet to provide satisfactory explanations about some of that programme's most sensitive aspects.

70. The report also raised further questions of serious concern, relating to — inter alia — the manufacture and testing of a P-2 centrifuge and efforts to produce polonium-210. Iran had failed to mention the activities in question in its 21 October 2003 declaration, which it had described as providing “the full scope of Iranian nuclear activities” and “a complete centrifuge R&D chronology”.

71. The Iranian authorities, which had indicated that they recognized the need to establish confidence within the international community regarding the peaceful intent of Iran's nuclear programme, should realize that the continuing discovery of significant undeclared nuclear and nuclear-related activities would undermine their efforts to establish confidence.

72. The report by the Director General also revealed that two undeclared mass spectrometers had been used at Karaj for isotope enrichment measurements within the framework of Iran's laser enrichment programme. The matter was one of serious concern to Australia since it had exported a mass spectrometer to Iran for use at Iran's Agricultural and Medical Research Centre. Australia's Foreign Minister had informed the Australian Parliament on 10 March 2004 that one of the mass spectrometers mentioned in the report was an instrument supplied by an Australian company. Iran had informed Australia that it had used that instrument on one occasion for analysing samples from the AVLIS programme. Such use conflicted with explicit export conditions limiting the use of the mass spectrometer to agricultural and medical research. The Australian Government had sought a full explanation from Iran and was evaluating the information that had been made available so far.

73. Countries wishing — like Iran — to benefit from access to advanced technologies needed to be able to assure suppliers that the equipment supplied by them would not be used in a manner contrary to the conditions of supply. As long as serious concerns about Iran's nuclear programme remained, it would be difficult for suppliers to be confident that advanced technologies provided by them would not be used to support nuclear activities.

74. The declarations to be provided by the Iranian authorities pursuant to the additional protocol that Iran had signed would need to be complete. Moreover, Iran should not wait until those declarations were provided before bringing further significant matters to the Agency's attention; it should act promptly in order that the Agency's verification activities might proceed expeditiously. Iran had accepted Australia's offer of assistance in matters relating to the implementation of its additional protocol, and Australia stood ready to send an expert to Iran as soon as the Iranian authorities proposed suitable dates.

75. The report by the Director General mentioned a number of outstanding issues, such as the origin of the HEU particles found at Kalaye and Natanz and aspects of Iran's laser enrichment programme. Her delegation noted that the Director General had called on Iran to intensify its cooperation with the Agency, particularly by providing detailed information promptly.

76. There had been positive developments since the Board had last considered the issue of Iran's nuclear programme, particularly the signing by Iran of an additional protocol — which Iran had undertaken to implement in full — and the broadening by Iran of its suspension of enrichment-related activities. It was important that the suspension be broadened to encompass the manufacture of centrifuge components.

77. Agency inspectors had made good progress in Iran, and the close scrutiny of Iran's nuclear programme by the Board had been fundamental to that progress. However, the Board would have to maintain its close scrutiny until Iran had fully met the international community's concerns.

78. Given the range and nature of the nuclear activities that had come to light in Iran, the significant outstanding issues under investigation and the new concerns raised in the latest report by the Director General, it was clear that much more work needed to be done before the international community could be confident that Iran's nuclear programme was for exclusively peaceful purposes. Iran and other relevant States should cooperate to the fullest extent with the Agency in its investigations.

79. Mr. SREENIVASAN (India) said that his delegation had agreed to the adoption without a vote of the draft resolution in document GOV/2004/20 because the draft resolution expressed appreciation to Iran for its cooperation and its proactive implementation of the measures suggested by the Agency and the Board, thanked the Agency for its thorough and painstaking investigations — including investigations relating to sources of equipment — and encouraged Iran and the Agency to proceed on the present path until all issues had been resolved.

80. Developments since the November 2003 session of the Board justified optimism regarding continued cooperation between Iran and the Agency. Iran had delivered on its commitments to the Board by signing and implementing an additional protocol to its safeguards agreement, by suspending enrichment-related and reprocessing activities and by providing the Agency with access to facilities, materials and personnel. For its part, the Agency was to be commended for dealing with all the complex tasks involved both diligently and impartially.

81. His delegation, which looked forward to the Director General's next report, believed that any action taken by the Board in June should be based on that report.

82. Mr. THIEBAUD (France) said that some recent developments relating to the Iranian nuclear programme were grounds for continued concern. Moreover, there had been no progress in respect of several key issues — in particular, the origin and quantity of the HEU traces detected at the Kalaye Electric Company and Natanz, the nature and extent of the laser enrichment programme, and the heavy water reactor programme with associated hot cells. Iran should respond fully to the Board's request that it take all necessary measures to resolve the outstanding issues.

83. It was even more disturbing that Agency investigations had resulted in the Iranian authorities revealing previously undeclared activities, including a P-2 centrifuge development programme and polonium-210 experiments.

84. However, the Iranian authorities had, by submitting declarations and providing access, enabled the Agency to gain a better understanding of Iran's past nuclear activities. Also, they had signed an additional protocol to Iran's safeguards agreement and had already begun implementing it provisionally pending its entry into force — something which the international community had long been waiting for.

85. While welcoming the decision of the Iranian authorities to suspend Iran's enrichment-related activities and the positive step which they had taken on 24 February by broadening the scope of the suspension, the international community still believed that they should, in order to regain its

confidence, unreservedly commit themselves to a comprehensive and unrestricted suspension throughout Iran.

86. Despite the serious failings reported by the Director General, the French authorities believed that the main priority at present was encouragement of the cooperation to which the Iranian Government had committed itself. They hoped that Iran's future actions would justify that belief. His country welcomed the positive steps taken by Iran in accordance with the policy of cooperation and transparency to which it had committed itself in the joint declaration made in Tehran by the Iranian Government and the Ministers of Foreign Affairs of Germany, the United Kingdom and France. Iran should continue taking such steps in order to fully meet the requests made by the Board.

87. The Iranian authorities needed to demonstrate increased cooperation and transparency, submit necessary information without awaiting Agency requests and — before the meetings of the Board in June — provide an exact, complete and final description of Iran's past and present nuclear programme.

88. In addition to the complete suspension of Iran's enrichment-related and reprocessing activities, the Iranian authorities should demonstrate their commitment by ratifying the additional protocol as soon as possible.

89. Pending the submission of information and declarations which Iran still had to submit, the Director General and the Board of Governors had not yet drawn any conclusions about Iran's nuclear activities. Before the Board's June session, the Iranian authorities should provide all the details necessary for resolving the outstanding issues and evaluating the overall compliance of Iran with its commitments. The draft resolution just adopted envisaged that in June the Board would examine the progress made in verifying Iran's declarations. At that time, the Board would have to assess the efforts made by Iran in that connection. If the report which the Director General had been requested to provide in May stated that there had been full cooperation on the part of the Iranian authorities, satisfactory progress towards the resolution of outstanding issues and no significant new failings, the Board could then consider whether the conditions existed for it to deal in future with the question of Iran's nuclear activities in accordance with its normal practice regarding the implementation of safeguards agreements and additional protocols.

90. Mr. HONSOWITZ (Germany) said that, although the Board now had a clearer picture of Iran's nuclear programme, some important questions were still unresolved.

91. Germany welcomed the steps taken by Iran to enhance the confidence of the international community, particularly its signing of an additional protocol to its safeguards agreement and its declaration of willingness to implement the additional protocol provisionally pending its entry into force — a willingness already demonstrated by, inter alia, improvements as regards the granting of access for Agency inspectors. However, Iran should ratify the additional protocol without delay.

92. Iran's increasing cooperation with the Agency was appreciated, but Iran needed to be more forthcoming. It should further intensify its cooperation and speed up the delivery of information requested by the Agency.

93. The immediate full suspension of all enrichment-related and reprocessing activities was of utmost importance for enhancing confidence. His country welcomed the extended commitment made by Iran on 24 February 2004 as an important step in the right direction.

94. Germany deplored the failure of Iran to declare its possession of a P-2 centrifuge design and related R&D activities. That failure was inconsistent with Iran's declared commitment to full transparency. His country was equally concerned about the still unclear origin and quantity of the LEU and HEU contamination found at the Kalaye Electric Company and Natanz. In addition, there were

important open questions relating to — inter alia — the experiments leading up to the production of polonium-210, heavy water technology and laser enrichment experiments.

95. Iran needed to act promptly and in a spirit of full transparency and proactive cooperation so that the Agency might resolve all outstanding issues before the June session of the Board.

96. If the report to be provided by the Director General in May indicated full cooperation on the part of Iran, good progress towards resolving all the outstanding issues and no further significant failures, the Board could in June consider whether the conditions existed for it to deal with the question of Iran's nuclear activities in accordance with its normal practice regarding the implementation of safeguards agreements and additional protocols.

97. Meanwhile, Germany would like to see all countries cooperating fully with the Agency in the clarification of the outstanding issues.

98. Mr. TAKASU (Japan) said that his country welcomed: the decision of Iran to sign an additional protocol to its safeguards agreement and its intention to act in accordance with the additional protocol pending its entry into force; the provision by Iran of information on all declared nuclear material for Agency verification; Iran's active cooperation with the Agency, including the provision of requested access; and the decision of Iran to expand the scope of its suspension of enrichment-related activities. It looked forward to further proactive behaviour on the part of Iran.

99. Nevertheless, the failure of Iran to mention its possession of P-2 centrifuge design drawings and its activities relating to polonium-210 was a matter of serious concern in the light of Iran's claim to have provided "a full picture of its nuclear activities" in the declaration made by it on 21 October 2003.

100. Further analysis would be required in order to clarify the HEU contamination issue. However, Iran's stated determination to cooperate with the Agency in clarifying that issue was encouraging.

101. It was essential that Iran respond sincerely to requests made by the Board in the resolutions adopted in September and November 2003. In order to dispel the international community's serious concerns, Iran should speedily move to ratification of the additional protocol, provide explanations acceptable to the Agency regarding all outstanding issues and further intensify its cooperation with the Agency — particularly through the prompt provision of detailed information.

102. Because of its experience as the only victim of nuclear weapons, Japan had a strong position of principle on nuclear non-proliferation issues and strengthening of the NPT regime. In its view, it was indispensable that the Board send a clear and unified message to Iran and the international community regarding the issues under consideration, solution of which was essential for maintaining the NPT regime and strengthening the Agency's safeguards system. His delegation therefore welcomed the fact that the draft resolution in document GOV/2004/20 had been adopted by consensus.

103. Mr. ZHANG Yan (China) said that since the Board's November 2003 session Iran had signed an additional protocol to its safeguards agreement and undertaken to act in accordance with the provisions of the additional protocol pending the completion of the ratification process. Recently, it had announced that it would expand the scope of the suspension of its uranium enrichment-related activities. China believed that, with Iran's cooperation, the Agency was making good progress in its verification activities in Iran and that the situation was continuing to develop steadily in the right direction. The positive developments which had occurred showed that the actions taken by the Board since November had been appropriate and that the Iranian nuclear issue could very well be resolved through peaceful dialogue within the framework of the Agency. China greatly appreciated the cooperative spirit displayed by Iran and the constructive efforts made — in particular — by the Agency and the United Kingdom, France and Germany.

104. China, which consistently maintained that Iran should cooperate fully with the Agency, hoped that Iran would ratify the additional protocol at the earliest possible date.

105. In his report, the Director General had drawn attention to a number of issues — including some new ones — requiring clarification by Iran. China hoped that Iran would continue to cooperate fully with the Agency with a view to clarifying those issues as soon as possible.

106. The resolutions adopted by the Board on the Iranian nuclear issue had provided a basis for a peaceful solution. China would support the Director General and the Secretariat as they took further necessary actions under the authority of the Board. At the same time, it was of the view that, in addressing the remaining issues, the Board should encourage constructive dialogue, consultations and cooperation with Iran in order that the Iranian nuclear issue might be appropriately resolved within the framework of the Agency — an outcome that would be not only of great significance for preservation of the international nuclear non-proliferation regime and the Agency's credibility and for the promotion of international cooperation in the peaceful uses of nuclear energy, but also in the interests of the entire international community, including Iran, the right of which, as a party to the NPT, to use nuclear energy for peaceful purposes should be respected.

107. Mr. BERDENNIKOV (Russian Federation) said that his country welcomed the fact that Iran had signed an additional protocol to its safeguards agreement. Iran had thereby demonstrated its intention to move steadily towards ensuring full transparency of its nuclear programme. Russia would like to see many more Member States concluding safeguards agreements and additional protocols. The fact that Iran had been voluntarily implementing the additional protocol signed by it since the date of signing was also very welcome.

108. The Russian Federation greatly appreciated the Agency's efforts to carry out the verification activities provided for in the additional protocol. In its view, ratification of the additional protocol — after which all formalities connected with its entry into force should have been completed — would not take very long.

109. One of the most welcome decisions taken by Iran had been its voluntary decision to suspend all uranium enrichment-related and reprocessing activities. As stressed in the resolution adopted by the Board on 26 November 2003, the voluntary suspension by Iran of all such activities was “of key importance to rebuilding international confidence”.

110. A number of European countries had recently worked closely with Iran on a wide range of issues and had made significant progress. Russia, which greatly appreciated their efforts, had continued to engage with the Iranian leadership with a view to strengthening Iran's cooperation with the Agency, and it welcomed Iran's decision to suspend the assembly and testing of centrifuges and the production of centrifuge components and to accept Agency verification of the suspension.

111. Cooperation between the Iranian authorities and Agency inspectors had also significantly improved, as a result of which the Iranian nuclear programme was becoming increasingly transparent for the international community. Particularly noteworthy were the provision by Iran of information on all its declared nuclear material and the granting of access to all locations to which Agency inspectors had requested access, including workshops at military sites. Iran's cooperation had enabled Agency inspectors to gain a fuller picture of the Iranian nuclear programme and to obtain additional information about the work carried out on second-generation centrifuges.

112. As could be seen from the Director General's report, the Agency proposed to continue its verification work in Iran with a view to clarifying certain outstanding issues. The Russian Federation, which would support the Director General's approach, was sure that the Iranian authorities would continue their active cooperation with the Agency in a constructive manner, strictly observing the

provisions of Iran's safeguards agreements and, as a confidence-building measure, implementing the provisions of the additional protocol. It hoped that intensification of the process of successful cooperation between Iran and the Agency would soon enable the Board to draw appropriate conclusions and close the "Iran file".

113. It was in that spirit that his delegation understood operative paragraph 9 of the resolution just adopted.

114. Mr. ABDENUR (Brazil) said his delegation was pleased that the draft resolution in document GOV/2004/20 had been adopted without a vote and with strong and wide support from the Board's membership.

115. His Government welcomed the fact that Iran had been acting constructively in response to the serious and legitimate concerns expressed in the Board and within the international community at large. Also, it was pleased that Iran had gone so far as to sign and provisionally apply an additional protocol to its NPT safeguards agreement with the Agency. It hoped that the Iranian Government would continue to cooperate fully with the Agency, by — inter alia — providing access to all locations to which the Agency requested access and to all requested information, in order that all outstanding issues might be satisfactorily clarified.

116. The Director General and the Secretariat were to be commended for the way in which they were carrying out their important mission, and they had his Government's full support. Brazil attached particular importance to a successful completion by the Agency of its investigation of the supply routes and sources of technology, materials and equipment in question, as the existence of such an illicit trafficking network was a serious new challenge to the nuclear non-proliferation regime.

117. Brazil looked forward to seeing the issue of Iran's nuclear activities clarified at the earliest possible date, so that the application of safeguards in Iran might once again be based on the normal procedures consistent with Iran's commitments vis-à-vis the Agency.

118. Ms. BRIDGE (New Zealand), thanking the Director General for his report, said her delegation had noted that the report was of an interim character and that a number of issues still had to be clarified.

119. New Zealand was encouraged by the markedly great cooperation of Iran in recent months, including the signing by Iran of an additional protocol to its NPT safeguards agreement and Iran's undertaking to act in accordance with the provisions of the additional protocol. Also, her country welcomed the further information and access to sites — including workshops at military locations — and personnel provided by Iran and Iran's agreement to take further important steps with regard to the suspension of reprocessing and uranium enrichment-related activities as a confidence-building measure. They augured well for the future.

120. At the same time, New Zealand was disappointed at the further revelations about Iran's nuclear activities made and the still outstanding issues identified in the Director General's report. Her delegation had noted in particular the serious concern of the Director General about the omission of information about P-2 centrifuges from Iran's 21 October declaration — an omission which the Director General had described as a setback to Iran's policy of transparency. It had also noted that LEU and HEU contamination remained a major outstanding issue and that the purpose of Iran's production of polonium had been described as a concern.

121. New Zealand urged Iran to ensure full cooperation with the Agency and full transparency in order that the outstanding issues might be resolved as soon as possible.

122. Also, it strongly endorsed the Director General's call for full cooperation on the part of third countries with regard to foreign supply routes and sources of sensitive nuclear technology.

123. The current process of engagement between Iran and the Agency was the key to building confidence within the international community, and it must be maintained. Her country looked forward to the time when all outstanding issues would have been resolved and Iran's nuclear programme was no longer in question.

124. New Zealand, which had full confidence in the Director General and his staff, welcomed the fact that the draft resolution in document GOV/2004/20 had been adopted by consensus and that the international community had thereby spoken with a single voice.

125. Mr. GANDARIAS CRUZ (Cuba) said that his delegation had had the privilege to participate, together with the Chairman of the Vienna Chapter of NAM, in the negotiations which had led to the precarious consensus on the draft resolution just adopted. His delegation's basic concern had been to arrive at a text which precisely reflected the results of Iran's cooperation with the Agency. In its view, however, some parts of the draft resolution should have been worded differently.

126. His delegation hoped that an immediate consequence of the exercise just completed would be a strengthening of the multilateral regime of which the Agency was a part. It also hoped that closer cooperation between Iran and the Agency would permit a return to normality as regards the implementation of NPT safeguards in Iran.

127. Mr. Chung-ha SUH (Republic of Korea), having welcomed the adoption without a vote of the draft resolution in document GOV/2004/20, commended the Director General and his verification staff on the strenuous efforts made and unique professionalism displayed by them in achieving significant progress in the implementation of Iran's NPT safeguards agreement.

128. His country welcomed the continued commitment of Iran to cooperation with the Agency in resolving the various outstanding safeguards issues, and particularly the granting to the Agency of access to all locations to which the Agency had requested access, including a number of workshops at military sites. It also welcomed the signing of an additional protocol by the Iranian Government, and it hoped that the additional protocol would be ratified soon.

129. His country had noted the decision of Iran to expand the scope of the suspension of its enrichment-related and reprocessing activities. Full implementation of that decision would be an important confidence-building measure. It was to be hoped that Iran would continue to cooperate fully with the Agency, providing the additional information necessary for effective monitoring and verification of the expanded suspension.

130. At the same time, his delegation had noted with concern the questions raised by the Director General in his report and his introductory statement.

131. Above all, Iran should, as it had committed itself to doing, provide further clarifications regarding its possession of P-2 centrifuge designs and related R&D work in order that the Agency might gain a complete picture of its nuclear activities.

132. In addition, the discrepancies between Iran's explanations and the results of environmental sample analyses relating to HEU and LEU contamination had still to be resolved, and the issue of the production of polonium-210 called for further clarification. As the Director General had emphasized, it was vitally important that Iran promptly provide all the information which the Agency requested in order to verify the correctness and completeness of the declaration made by Iran regarding its nuclear material and activities.

133. His delegation endorsed the Director General's appeal for full and prompt cooperation on the part of all third countries, which should help the Agency to clarify the outstanding issues with regard to foreign sources of nuclear technology and equipment. It hoped that those countries would offer the Agency their unrestricted cooperation.

134. The importance which the international community attached to nuclear non-proliferation could not be overemphasized. In that connection, his Government had consistently advocated a strong and credible nuclear non-proliferation regime and extended its unwavering support to the Agency's safeguards system. In line with that commitment, the Republic of Korea attached great importance to the principle of engagement and to the resolution of contentious issues through dialogue and cooperation.

135. His country hoped that Iran would intensify its cooperation with the Agency, so that the issue under consideration might be resolved to the benefit of Iran and of the international community and the common goal of nuclear non-proliferation and greater peace and security in the region and beyond achieved.

136. Mr. MINTY (South Africa) commended the Agency for its highly professional efforts and expressed appreciation for the cooperation extended by Iran to the Agency.

137. The Director General's report and introductory statement reflected the substantial progress made with regard to the implementation of Iran's NPT safeguards agreement. In addition, however, they highlighted a number of issues of concern that required further clarification.

138. For over a decade, since the dawn of democracy in South Africa, his Government had been consistently stating its position of principle regarding the peaceful uses of nuclear energy in conformity with the NPT. While recognizing the importance of promoting international cooperation in the field of peaceful nuclear activities and the exchange of scientific information for the further development of applications of atomic energy for peaceful purposes, it believed that the possession of capabilities which could be utilized in the development of nuclear weapons placed a special responsibility on the States with such capabilities.

139. The Agency — as the only internationally recognized, credible and competent authority for verifying compliance with safeguards agreements — must be able to verify with full confidence that nuclear capabilities were being used for peaceful purposes only, and to do so through mechanisms such as the implementation of additional protocols. The States possessing capabilities which could be used in the development of nuclear weapons bore a concomitant responsibility to build confidence within the international community in their peaceful uses of nuclear energy, particularly those States which had developed full nuclear fuel cycles.

140. Regarding the nuclear capabilities being developed in Iran, his delegation had noted from the Director General's report that the Iranian authorities had provided additional information to the Agency in order to resolve some of the outstanding issues.

141. His delegation welcomed the signing of an additional protocol by Iran on 18 December 2003 as an important confidence-building measure and looked forward to early implementation of the additional protocol. Also, it had noted Iran's active cooperation with the Agency in providing access to all locations to which the Agency had requested access, and it believed that Iran's decision to expand the scope of the suspension of enrichment activities to cover remaining enrichment activities would further contribute to confidence-building.

142. A matter of concern that would require further clarification was the reported omission from Iran's letter dated 21 October 2003 of any reference to Iran's possession of P-2 centrifuge design drawings and to associated research, manufacturing and mechanical testing activities. Also, the major

outstanding issue of the LEU and HEU contamination found at the Kalaye Electric Company workshop and Natanz also needed to be resolved. Furthermore, the reported discovery that Iran had produced and experimented with polonium required clarification. South Africa would like all third countries whose cooperation was essential to provide their fullest assistance in support of the Agency's work.

143. His delegation welcomed the fact that the draft resolution in document GOV/2004/20 had been adopted without a vote. It interpreted operative paragraph 9 to mean that the Board would reach appropriate conclusions at its June meetings on the basis of the Director General's next report.

144. His delegation believed that the Board should continue acting in a coordinated and unified manner in order to resolve all the outstanding issues on the basis of consensus. It was grateful to the Director General and his staff for keeping the Board informed of developments related to implementation of Iran's NPT safeguards agreement and hoped that the outstanding issues would be resolved soon.

145. His delegation hoped that all members of the Board would remain committed to working by consensus and acting on a basis of collective unity. Genuine unity had eluded the Board on the present occasion, although it had, in his delegation's view, been within reach. Perhaps the Board would be able to build on its positive experience during the current session and work as a whole for consensus from the very outset. South Africa believed that in future all Board members would succeed in working in a cooperative and transparent manner and, through genuine negotiations and compromise, achieving unity and consensus.

146. Mr. BRILL (United States of America) said that three days previously the Board had addressed the issue of safeguards implementation in the Libyan Arab Jamahiriya and had discharged its statutory responsibilities. At the present meeting, the Board was considering another critically important nuclear non-proliferation issue — that of Iran. Although the Director General had rightly referred to some "common elements" in the Libyan and Iranian programmes, the two cases were more remarkable for their present differences than for their past similarities.

147. Libya was a Member State that had in December 2003 taken a far-sighted and courageous decision to turn voluntarily away from the pursuit of weapons of mass destruction. The Libyan Government had recognized that the pursuit of — and even the possession of — such weapons would have eroded the security of its people and would have had a crippling effect on the economic development of Libya and on Libya's prospects for integration into the international community. The decision taken in December and the many steps which Libya had taken since then to implement it had moved the issue quickly towards resolution, had increased security in the region and the world and had set a constructive example for others to follow.

148. Iran, in contrast, was continuing to pursue a policy of denial, deception and delay. Time after time, when Agency inspectors had confronted the Iranian Government with verified facts which it could no longer contest, Iran had revised its story and blamed others for its duplicity. From the beginning, however, the responsibility for prolonging the Agency's investigations had lain solely with Iran.

149. Regrettably, the months during which Agency inspectors had been trying to uncover the full facts about Iran's nuclear programme were now beginning to turn into years. In August, it would be two full years since the public revelations which had given the Agency the initial leads it had needed in order to start peeling away the layers of concealment put in place by Iran over a period of many years.

150. On 21 October 2003, finding itself under increasing pressure due to the Secretariat's inspections and the adoption by the Board of a strong resolution in September. Iran had reached a political agreement with France, Germany and the United Kingdom. In that agreement, it had committed itself to "full cooperation with the IAEA" and "full transparency" in resolving all outstanding issues. Two days later, the Agency had received a declaration which Iran had characterized at that time as "the full scope of Iranian nuclear activities".

151. At the November meetings of the Board, the Iranian Ambassador had given an explicit assurance that his country had gone to unprecedented lengths in trying to secure the trust and win the confidence of the international community by disclosing all its past peaceful nuclear activities. That explicit assurance had not been qualified by any reference to what Iran was legally required to disclose under either its comprehensive safeguards agreement or the additional protocol. Iran's point of reference had been the trust and confidence of the international community, which Iran had claimed to have earned by having finally "come clean" about "all" its past and present nuclear activities.

152. At its present meeting, the Board had witnessed an attempt to substitute new assurances for the assurance given in November, which had proved to be less than credible, so that the new assurances did not deserve much credence.

153. Most Governors had been present when the Iranian Ambassador had given that assurance. Some had been skeptical; others had been ready to take Iran at its word. Common ground had been found in a resolution in which the Board had strongly deplored "Iran's past failures and breaches of its obligation to comply with the provisions of its Safeguards Agreement", had noted with the gravest concern Iran's pattern of concealment and the contradictions in the varying explanations given by Iran of its activities, had requested the Director General to confirm that the information which Iran had provided in October 2003 was correct and complete and had decided that, if further serious Iranian failures came to light, it would meet to consider "all options at its disposal".

154. Four months later, the Director General's latest report provided a basis on which the Board could assess the value of the assurance given to it in November. The report set out facts that — by any measure — were remarkable, making it clear beyond question that the assurance that Iran had revealed "all" its nuclear activities was just another measure in its ongoing policy of deception. To cite but two examples from the report:

- \* When Agency inspectors had confronted Iran in January 2004 with new information, Iran had had to admit that it had failed to declare the P-2 centrifuge design drawings which it possessed and the associated research and testing which it had conducted — and that it had not previously acknowledged even the existence of a P-2 programme. There was no reason to believe that, if Agency inspectors had not followed up leads discovered during their work in Libya, Iran would have declared the P-2 programme. His delegation shared the Director General's "serious concern" about Iran's concealment and agreed with the Director General that the explanations which Iran had offered to date were "difficult to comprehend";
- \* Agency inspectors had had to discover for themselves that Iran had carried out experiments for the purpose of producing polonium-210, a rare and fairly toxic substance that could serve as a neutron initiator in nuclear weapons but had very few civilian applications, none of which was plausible in the Iranian context given the alternatives available. Iran had not been able to document or otherwise persuasively explain why it had carried out the experiments in question.

155. The Director General's report detailed numerous cases of information provided by Iran in explanation of its nuclear activities turning out, once again, to be either not complete or not

persuasive. For example, still no credible answer had been given to the question why one room at the Kalaye Electric Company had been contaminated with uranium enriched to the 36% level. Indeed, no credible answer had yet been given to the broader question how the evidence of nuclear activities in Iran, confirmed by environmental sampling, could be squared with the assurance given by Iran that it had never enriched uranium to more than 1.2% — an assurance which itself ran counter to the initial insistence of Iran that it had never enriched uranium at all. The issue was one which continued to pose a challenge both to Agency inspectors and to the broader international community.

156. In paragraph 75 of his report, the Director General indicated that the enrichment issue remained “the major outstanding issue” faced by the Secretariat despite all the intensive work which it had done since November. It was extraordinary that the Director General had had to state that “the Agency is still waiting for Iran to provide requested information” not only about the origin of centrifuge equipment and components but also about “the locations in Iran to which such equipment and components were moved and the associated details of timescales, and the names of individuals involved.”

157. As the months passed, the Board should once again ask whether it could really be so difficult for Iran to provide the information which the Agency needed in order to round off that aspect of its investigations. The Board should consider whether the real reason for the continuing delays was the reason why Iran had in 2003 refused for months to permit environmental sampling at the Kalaye Electric Company — the carrying out of extensive modifications intended to prevent the Agency from verifying the activities previously conducted there.

158. Was it possible that, even as the Board was meeting, squads of Iranian technicians were at still undeclared sites tiling over, painting over, burying, burning or carting away incriminating evidence before those thus sanitized sites were finally notified to the Agency in a demonstration of full cooperation and transparency? Was it possible that nuclear activities were continuing at facilities which Iran had no intention of declaring?

159. Regarding the facts which the Director General’s report revealed about the manufacturing of centrifuge components in military–industrial workshops, the Agency was to be commended for its conscientious pursuit of the truth about Iran’s nuclear programme, including the extent to which that programme involved the Iranian military. In a country like Iran, with a sophisticated and well–capitalized energy sector, it was more than curious that a nuclear programme said to be purely civilian in nature and purely for power generation purposes seemed to have much closer ties to the Iranian military than to the rest of the civilian energy sector. His delegation looked forward to learning whether the declarations to be made by Iran pursuant to the additional protocol clarified the nature and extent of military involvement in the Iranian nuclear programme. Also, the Agency should follow up on any indications that A.Q. Khan might have provided nuclear weapons design information to Iran.

160. The statement made by the Iranian representative earlier in the present meeting and the willingness of Iran to endorse only those aspects of the Director General’s report with which it agreed spoke volumes about Iran’s attitude towards the Agency.

161. The United States hoped that robust implementation of the additional protocol in Iran would help to throw much–needed light on a number of outstanding issues. In that connection, however, all Board members had no doubt been troubled by the recently reported public statement of a senior Iranian governmental official that, in addition to the P–2 centrifuge programme, Iranian experts were engaged in other types of research which Iran had not reported to the Agency and did not intend to report. Such statements hardly increased the international community’s confidence in the commitment of Iran to its safeguards agreement and the additional protocol.

162. The United States had supported the efforts of France, Germany and the United Kingdom — announced in October — to reach an accord with Iran on an internationally verifiable suspension and then cessation of Iran’s enrichment-related and reprocessing activities. It had said at the time that implementation of such an accord by Iran, combined with full, verifiable transparency, would be the best way for Iran to build international confidence regarding the nature of its nuclear programme. However, Iran had, through its actions and repeated public statements, made a mockery of that accord. Far from suspending all enrichment-related activities on the path to cessation, Iran had continued until January 2004 to manufacture, assemble and test centrifuges and to engage in construction work at the massive Natanz site.

163. The United States was concerned that the announcement by Iran in February 2004 that it would suspend centrifuge assembly and testing and centrifuge component manufacture “to the furthest extent possible” might prove to be yet a further tactical diversion and that Iran might intend to continue its programmes in defiance of the Board’s resolutions. In that regard, it was deeply troubled by statements made by senior officials in Tehran — issued almost at the time when Iran was announcing a new commitment to suspending the assembly of centrifuge components — to the effect that Iran intended to produce and export nuclear fuel and by more recent statements to the effect that Iran definitely intended to resume its enrichment activities when its relations with the Agency returned to normal. Also, the United States found it difficult to comprehend what commercial obligation could outweigh a sovereign decision by Iran to suspend the domestic manufacture of centrifuge components — something that, as the Director General had reported, was taking place mostly at military-controlled workshops. Did Iran see suspension and cessation as a route to better relations with the world community or merely as a short-term manoeuvre intended to forestall a Board report to the United Nations Security Council or other criticism by the Agency? The fact that, after months of resistance, Iran’s latest partial step regarding suspension had come only just before the issuing of the Director General’s report spoke volumes.

164. Whatever Iran’s motives might be, the resolution adopted by the Board at the present meeting made it clear, as had the resolutions adopted in September and November 2003, that only a prompt and comprehensive suspension of all enrichment-related and reprocessing activities could begin to build international confidence in Iran’s intentions after the breaches, failures and deception that had come to light during the past year. Iran must respond positively and fully to the Board’s concerns about the suspension issue.

165. The resolution which the Board had just adopted contained no definitive judgements, but it made it clear that Iran had yet to discharge the obligation of full cooperation, compliance and transparency essential to the fulfilment of its legal commitments — not to mention its more recent political commitments. That clear statement of the facts was common ground on which all Board members stood. As stated in the resolution, the Board would in June consider how to respond to Iran’s omissions of important information and to other relevant issues. Although Iran was continuing to press in Vienna and in many other capitals for its file to be closed in June, there was no indication that the work of the Secretariat — or the Board — would have been completed by then. No member of the Board should lend support to efforts to impose artificial restrictions on the authority and responsibility of the Board and the Secretariat to perform their duties under the Statute and safeguards agreements. Doing so would be inconsistent with the responsibilities of Board members.

166. Libya had demonstrated that a country genuinely committed to reversing its course could move swiftly and proactively in eliminating a weapons of mass destruction programme. In Iran’s case, in contrast, as at every Board session during the past year, Board members were once again finding it necessary to call on Tehran to intensify its cooperation with the Agency. The “Iran file” could and would not be closed until all the facts were known and an appropriate finding of the Board had been made regarding them.

167. In the light of the very troubling news reports of the past 24 hours about Iran's sudden decision to halt inspections for at least a number of weeks, his delegation believed that Board members would benefit from information from the Secretariat about what impact that decision might have on the Agency inspectors' work. Could the Secretariat tell the Board whether the inspections which had been postponed were to have been essentially routine inspections, or had inspectors been planning to visit new sites and facilities? Had Iran said how long the postponement would last? How would the delay affect inspection plans and schedules? Given Iran's record of "sanitizing" sites before allowing inspectors to carry out environmental sampling, could the postponement provide time for work that would affect the inspectors' ability to address all relevant outstanding issues and draw closer to conclusions about the Iranian nuclear programme?

168. Referring to document INFCIRC/628, entitled *Communication of 5 March 2004 from the Permanent Mission of the Islamic Republic of Iran concerning the Report of the Director General contained in GOV/2004/11*, he said that his delegation — and no doubt all other delegations — would appreciate from the Secretariat a written statement of its reactions to Iran's continued assertions that the Director General's report was full of mistakes and omissions.

169. Mr. HALPHEN PÉREZ (Panama), having commended the Director General on his report, said that the Board's adoption without a vote of the draft resolution contained in document GOV/2004/20 had been an event of the utmost importance.

170. Mr. KANGAI (Zimbabwe)\* said that his country welcomed Iran's increased cooperation with the Agency. Iran was to be commended for signing an additional protocol to its NPT safeguards agreement with the Agency and for deciding to implement the additional protocol provisionally pending its ratification. It was also to be commended for its decision to suspend uranium enrichment-related and reprocessing activities in order to build international confidence in its nuclear programme.

171. His delegation was convinced that, if the verification process in Iran was allowed to continue unimpeded, international confidence would be restored and closure achieved in the matter under consideration.

172. Mr. ZAMANINIA (Islamic Republic of Iran)\* said that the Governor from the United States of America had, in the statement just made by him, presented arguments relating mainly to the past — to reports submitted to the Board by the Director General in 2003. To use an expression used by the Governor from the United States, that "spoke volumes". For its part, the Iranian delegation had a forward-looking approach to the matter under consideration.

173. The Governor from the United States had suggested that in his first statement he had been selective, focusing exclusively on resolved issues. However, he had by no means been selective — he had referred to the contamination issue, the P-2 centrifuge issue and the questions of plutonium and polonium.

174. As had been stated on previous occasions, there was nothing sinister about the involvement of Iran's defence industry in the nuclear programme under consideration. The defence industry, which had the precision equipment necessary for making centrifuge components, was manufacturing also other things for the civilian sector — for example, cellular phones and even cooking oil. The situation in Iran in that respect was similar to that in many other countries.

175. Although Iran was cooperating more and more with numerous other countries and with the Agency, which were following the issues connected with its nuclear programme very closely, relations between Iran and the United States seemed to be based very much on what was reported in the media, which tended to speculate a great deal. If the United States were to consult more with those countries and with the Agency, it would find itself less isolated in its stance.

176. The DIRECTOR GENERAL, responding to the last point made by the Governor from the United States of America, said that a Secretariat reply to Iran's note verbale dated 5 March 2004 would be circulated in due course.

177. As regards the Governor's questions about the decision of Iran to halt inspection for some time, clearly inspection delays were unwelcome — a point he had made to Iran. What would be affected by the decision were a technical visit to follow up on P-2 centrifuge and other issues and an ad hoc inspection. He hoped that the Iranian authorities would reconsider the decision soon and that Agency inspectors could then return to Iran within a few days.

178. He was grateful to the Board for adopting a resolution that reflected the essence of what he would like to see. As he had noted, marked progress had been made. For further progress to be made so that the Agency could finish its job, intensified, proactive and prompt cooperation would be required from Iran, particularly in the provision of information. He had made it clear to the Board that Iran was providing the Secretariat with satisfactory access. Also, the suspension of enrichment activities was a good confidence-building measure, which he hoped would be comprehensive and verifiable. He looked forward to receiving a declaration made by Iran pursuant to the additional protocol to its safeguards agreement. The earlier he received it, the better able he would be to report progress in June. Also, it was his understanding that information on exports and imports would be forthcoming shortly.

179. He hoped that all the information which the Secretariat needed would be made available in the following few weeks. He expected an intensification of inspection activities, and he would view any delays with concern.

180. He looked forward to the day when the issue of the implementation of NPT safeguards in the Islamic Republic of Iran was no longer on the Board's agenda, but that day would not arrive until the Agency had finished its job. He would continue working closely with Iran to that end.

181. Mr. JENKINS (United Kingdom) requested that the resolution just adopted be placed on the Agency's website.

182. The CHAIRMAN suggested to the Board that, in line with what had been done on previous occasions, the resolution just adopted be made public as document GOV/2004/21.

183. Mr. ZAMANINIA (Islamic Republic of Iran)\* requested that the Chairman's introductory statement to the agenda item also appear on-line.

**The meeting was suspended at 3:40 p.m. and resumed at 3:50 p.m.**

184. The CHAIRMAN said that, having consulted the Secretariat's Legal Adviser, he understood that there were two separate issues: firstly, making public the text of a Board resolution — for which Board approval had been given previously; and secondly, making public the text of part of the official record of a Board meeting — namely, the part containing his introductory statement — for which Board approval was needed.

185. Mr. BRILL (United States of America) proposed that the whole official record of the discussion of the present agenda item be made public.

186. The CHAIRMAN said that, if he heard no objection, the text of the official record of the Board's deliberations under the present agenda item would be made public.

187. It was so decided.

188. Mr. BRILL (United States of America) further proposed that, in the interests of full transparency, the texts of the Director General's reports on Iran and Libya be made public.

189. The CHAIRMAN said that, if he heard no objection, the texts of the Director General's reports on implementation of the NPT safeguards agreement in the Islamic Republic of Iran, contained in document GOV/2004/11, and on implementation of the NPT safeguards agreement of the Socialist People's Libyan Arab Jamahiriya, contained in document GOV/2004/12, would be made public.

190. It was so decided.

191. Mr. ZAMANINIA (Islamic Republic of Iran)\* proposed that the Director General's introductory statement of 8 March 2004 also be made public.

192. The CHAIRMAN informed him that it had already been made public.