



European Union

IAEA Board of Governors

7 - 11 March 2011, Vienna

Statement of Hungary on Behalf of the European Union

Item 4 (c): Implementation of the NPT safeguards agreement and relevant provisions of United Nations Security Council resolutions in the Islamic Republic of Iran

Mr. Chairman,

1. I have the honour to speak on behalf of the European Union. The Candidate Countries Croatia, Iceland¹, Montenegro and the former Yugoslav Republic of Macedonia, the Countries of the Stabilization and Association Process and potential candidates Albania, Bosnia and Herzegovina and Serbia, the EFTA countries Lichtenstein and Norway, member of the European Economic Area, as well as Ukraine and the Republic of Moldova associate themselves with this statement.

Mr. Chairman,

2. The European Union would like to thank the Director General for his report in document GOV/2011/7 on the implementation of the NPT Safeguards Agreement and all relevant Security Council resolutions on the Islamic Republic of Iran. The EU also thanks Deputy Director General Nackaerts and his colleagues for the technical briefing organised on 2 March. The EU once again commends the Director General and the Secretariat for their continuing efforts to seek clarifications from Iran and to verify the nature of its nuclear programme.

¹ Croatia and the Former Yugoslav Republic of Macedonia continue to be part of the Stabilization and Association Process. Iceland remains an EFTA country and member of the European Economic Area.

3. The EU welcomes and endorses the emphasis laid by the Director General in his new report on highlighting the legal obligations of the Islamic Republic of Iran to cooperate with the UN Security Council and comply with its decisions, including the call to implement the resolutions of the Board of Governors of the IAEA. Moreover, the Director General reiterates in the clearest terms that the Security Council has affirmed that the steps required by the Board of Governors in its resolutions are binding on Iran.²
4. The EU welcomes the presentation of the report, in particular the attachment, both clearly setting out areas where Iran complies with its international obligations and those where it does not.
5. We note that the Director-General points out that, while the Agency continues to verify the non-diversion of declared nuclear material at declared facilities, many activities being undertaken by Iran in these facilities are contrary to relevant resolutions of the Board of Governors and the Security Council.

Mr. Chairman,

6. The UN Security Council, in its Resolution 1929, reaffirmed that Iran must take the steps required by the Board of Governors and fully cooperate with the Agency, that it must suspend all enrichment-related and reprocessing activities, as well as work on all heavy water related activities, not begin construction on any new uranium-enrichment, reprocessing, or heavy water-related facility and discontinue any ongoing construction, that it must without delay comply fully and without qualification with its IAEA Safeguards Agreement, ratify the Additional Protocol it signed in 2003 and cooperate fully with the IAEA on all outstanding questions.

UN Security Council Resolution 1929 further requires, that Iran apply the modified Code 3.1 of its Subsidiary Arrangements regarding design information. By not implementing the provisions of modified Code 3.1, Iran

² UNSC Resolution 1929 of 9 June 2010

fails to fully implement its Safeguards Agreement. In this regard, the EU supports the IAEA's request to receive an unequivocal assurance from Iran that no undeclared nuclear materials and no new nuclear facilities, including research laboratories or manufacturing facilities exist or are being built in Iran.

7. Regrettably, the report confirms that Iran is not implementing the aforementioned obligations, and has not provided the required clarification of the outstanding issues which give rise to concerns about possible military dimensions to its nuclear programme.

Mr Chairman,

8. With regard to the possible military dimensions to Iran's nuclear programme it is due to Iran's continued lack of cooperation that there still is no clarifications to Iran's nuclear programme and the EU notes with serious concern that "[s]ince August 2008, Iran has declined to discuss these outstanding issues with the Agency, or to provide any further information, or access to locations or persons necessary to address the Agency's concerns."
9. The EU notes the comment by the DG that "[i]n resolution 1929 (2010), the Security Council reaffirmed Iran's obligations to take the steps required by the Board of Governors in its resolutions GOV/2006/14 and GOV/2009/82, and to cooperate fully with the Agency on all outstanding issues, particularly those which give rise to concerns about the possible military dimensions, including by providing access without delay to all sites, equipment, persons and documents requested by the Agency".
10. The EU notes the assessment of the Director General that "although most of the actions identified in the 2007 work plan agreed between Iran and the Agency (INFCIRC/711) have been completed, there remain issues that still need to be addressed." The Agency is notably still waiting for a substantive

response as regards the assessment requested from Iran of documentation related to the alleged studies.

11. The EU, therefore, notes with serious concern the DG's statement that based on additional information that has come to the Agency's attention since August 2008, "including new information recently received", "there are further concerns which the Agency also needs to clarify with Iran" and that for these reasons the issue of the alleged studies as referred to in the work plan cannot be considered as closed.

12. The EU notes with growing concern the DG's statement that "[b]ased on the Agency's continued study of information which the Agency has acquired, not only from many Member States but also directly through its own efforts, the Agency remains concerned about the possible existence in Iran of past or current undisclosed nuclear related activities involving military related organizations, including activities related to the development of a nuclear payload for a missile, in particular, since, there are indications that certain of these activities may have continued beyond 2004."

Mr Chairman,

13. The EU notes that the Agency has yet to receive a reply to its letter dated 29 October 2010, in which it provided a list of the matters that needed to be addressed. In the Annex to the report, the Director General sets out, the outstanding issues that give rise to concern. They include refusal to provide access and to reply to questions related to procurement, as well as to engage in substance on issues concerning the allegation that Iran is developing a nuclear payload for its missile programme. As the Report points out, the passage of time and possible deterioration in the availability of some relevant information increase the urgency of this matter.

14. The EU urges Iran to heed the Agency's request for engagement on this issue and to grant access to all relevant sites, to all relevant equipment and documentation, and allow interviewing all relevant persons, without further delay.
15. The EU calls upon the Director General to continue his efforts to resolve the outstanding issues which give rise to concerns. It might be helpful if the DG could provide the Board with a comprehensive analysis on possible military dimensions to Iran's nuclear programme.

Mr. Chairman,

16. Further findings in the Director General's new report, which are in violation of the relevant resolutions of the Security Council and the Board of Governors, give cause for grave concern:

- The continued operation of the Fuel Enrichment Plant (FEP) at Natanz, which is estimated by Iran to have produced so far a total of 3606 kg of LEU enriched to up to 5% since February 2007;
- The continued production of UF₆ enriched up to 20% U-235 at the Pilot Fuel Enrichment Plant (PFEP) at Natanz, with total production now estimated by Iran to be close to 45 kg since February 2010, the operation of two inter-connected cascades;
- The announcement that two new cascades will be installed at the PFEP, fitted with newer types of centrifuges (IR-4 and IR-2m);
- The ongoing construction work at the Fordow Fuel Enrichment Plant (FFEP) near Qom, as well as the announcement by Iran about plans to begin feeding nuclear material into cascades by this summer;
- Iran's declaration that it had not suspended work on all its heavy water related projects, the fact that it has not provided the Agency access to the Heavy Water Production Plant (HWPP) and the heavy water stored at the Uranium Conversion Facility (UCF), as well as the ongoing construction of the heavy water reactor IR-40 at Arak;
- Iran's continued refusal to provide the Agency with information regarding public announcements about possessing laser enrichment

technology, plans to develop third generation centrifuges and the intention to construct 10 new enrichment facilities;

- Iran's lack of response to requests by the Agency for access to additional locations related, inter alia, to the manufacturing of centrifuges, and to R&D on uranium enrichment, which causes the Agency's knowledge about Iran's enrichment activities to continue to diminish;
- The fact that Iran is not implementing its Additional Protocol;
- Iran's refusal to reconsider its decision to request the Agency to withdraw the designation of Agency inspectors with experience in conducting inspections in Iran. In a letter dated 12 January 2011, Iran accepted the designation of three additional inspectors, who will now need to familiarize themselves with Iran's nuclear programme and gain experience in implementing safeguards in Iran.

Mr Chairman,

17. The EU continues to stand by its long-standing commitment to work for a diplomatic solution to the Iranian nuclear issue. The objective continues to be a comprehensive long-term settlement, which would restore international confidence in the exclusively peaceful nature of Iran's nuclear programme, while respecting Iran's legitimate right to the peaceful uses of nuclear energy. Such a negotiated solution would pave the way for establishing a comprehensive relationship between the EU and Iran, involving cooperation in all fields (economic, nuclear energy for peaceful purposes, political and security) and benefiting both sides.

18. The EU High Representative, together with the Political Directors of China, France, Germany, the Russian Federation, the United Kingdom and the United States, have met with Iranian chief nuclear negotiator Dr. Jalili in Istanbul in January 2011 in order to make proposals for concrete confidence building measures, which would allow to enter into a phased approach of confidence building. These measures included an updated Teheran

Research Reactor fuel supply scheme, which would bring immediate benefits to both sides, and other transparency measures. However, it became clear that the Iranian side was not ready for this, unless pre-conditions relating to enrichment and sanctions were agreed.

19. The EU's key objective remains to reach a long-term settlement on Iran's nuclear issue and other issues of mutual concern, which can be reached by gradually building confidence. The EU, therefore, finds Iran's approach during the Istanbul talks highly disappointing. Our proposals remain on the table and the door for dialogue remains open once Iran is ready to enter talks without pre-conditions. This was confirmed during the recent meeting of the EU High Representative with the Iranian Foreign Minister Dr. Ali Akbar Salehi. We once again urge Iran not to miss this opportunity in order to prevent further international isolation.

Mr Chairman,

20. The IAEA has the full support of the European Union to continue its verification efforts in Iran and resolve all outstanding questions which give rise to concerns about possible military dimensions in Iran's nuclear programme. We call on Iran to comply with its international obligations, including the resolutions of the Board of Governors and the UN Security Council, and to engage in a meaningful process aimed at building confidence in the exclusively peaceful nature of the Iranian nuclear programme.

Thank you Mr Chairman.