

Introductory Statement to Board of Governors

by IAEA Director General Yukiya Amano

Mr. Chairman,

I would like to begin by congratulating Rwanda on becoming the 155th Member State of the Agency.

I will now update the Board on recent developments in nuclear safety and security, starting with implementation of the *IAEA Action Plan on Nuclear Safety*.

One year after its adoption, significant progress has been made. Possible safety weak points at nuclear power plants have been identified, IAEA peer review services have been strengthened and emergency preparedness and response capabilities have been improved. We undertook a systematic review of IAEA Safety Standards, taking into account lessons learned to date from the Fukushima Daiichi accident.

Three international expert meetings have been held. They covered reactor safety and spent fuel safety, transparency and communication in an emergency, and protection against extreme earthquakes and tsunamis. A fourth expert meeting, on decommissioning and remediation after a nuclear accident, will take place in January 2013.

The Fukushima Monitoring Database, which is a record of radiological monitoring data received by the Agency following the accident, has been made available through the IAEA website. And we are in the process of establishing an *Emergency Preparedness and Response Expert Group*.

Contracting Parties to the *Convention on Nuclear Safety* met last month to discuss the Fukushima Daiichi accident and to review the effectiveness of the *Convention*. They approved revisions to the guidance documents to enhance reporting and the review process, taking into account lessons from the accident. They also considered a set of action-oriented objectives for strengthening nuclear safety. A working group is being established which will consider actions to strengthen the Convention.

In December, the *Fukushima Ministerial Conference on Nuclear Safety*, organised by the Government of Japan and the IAEA, will take place in Fukushima Prefecture. It will provide another opportunity to share further knowledge and lessons learned from the Fukushima Daiichi accident.

A considerable amount of work remains to be done under the *Action Plan*. It is essential that *all* of us - Member States, the IAEA and other key stakeholders - maintain our sense of urgency and our commitment to implementing the Action Plan in full. We must not relax our guard or lose sight of the ultimate goal, which is to make nuclear power as safe as humanly possible throughout the world and to restore public confidence.

Nuclear Security

Mr. Chairman,

I will now turn to nuclear security. In the year to June 30, our *Illicit Trafficking Database* received reports of 163 incidents involving nuclear and radioactive materials. Eleven incidents involved illegal possession of small amounts of nuclear material or attempts to sell it. Such incidents are a reminder of the need for all countries to continue to give high priority to nuclear security.

The *Nuclear Security Report 2012* details the Agency's activities in assisting States. We are putting more emphasis on capacity-building, for example through the development of *Integrated Nuclear Security Support Plans*. Increased use is being made of our peer review and advisory services. The *Nuclear Security Guidance Committee*, a standing body of senior experts which I established this year to promote greater Member State involvement, has reviewed a document entitled *Nuclear Security Fundamentals: Objective and Essential Elements of a State's Nuclear Security Regime*. It is before the Board for endorsement.

Later this month, I will attend the *UN Secretary-General's High-Level Event on Nuclear Terrorism* in New York. I welcome the fact that Member States continue to address this issue at a very high level. I am confident that, following up on the Nuclear Security Summits in Washington and Seoul, the New York meeting will further underline the Agency's central role in strengthening global nuclear security, which is based on our unique technical competence in this area. In July 2013, the Agency will organise an *International Conference on Nuclear Security*. I encourage all IAEA Member States to participate in this event.

Nuclear Energy

Turning now to nuclear energy, it remains clear from the Agency's latest projections that nuclear power will remain an important option for many countries, despite the Fukushima Daiichi accident. Our new low projection is for nuclear power capacity to grow by nearly 25 percent from current levels to 456 gigawatts by 2030. Our *high* projection is 740 gigawatts, which is twice current levels.

Established users such as China, India, the Republic of Korea and the Russian Federation are expected to remain the main centres of expansion.

The United Arab Emirates recently became the first of the current newcomer countries to start construction of a nuclear power plant. Belarus has ordered its first reactors, while construction permits have been applied for in Turkey. In our work with all newcomer countries, the Agency puts special emphasis on ensuring the highest standards of safety.

The Agency's *International Project on Innovative Nuclear Reactors and Fuel Cycles (INPRO)*, which now has 38 participant countries, has conducted successful "Dialogue Forums" on regional cooperation and on long-term prospects for nuclear energy in the post-Fukushima era. The *International Ministerial Conference on Nuclear Energy in the 21st Century* in St Petersburg, Russia, next June, which I announced previously, will focus on the role of nuclear power in sustainable development.

Last month, during my visit to Finland, I had an opportunity to visit the ONKALO facility, where a repository for the final disposal of spent fuel is being built deep underground. It is an impressive site. The nuclear industry has been managing *interim* waste disposal successfully for more than half a century, but ONKALO is one of the most advanced *final* disposal projects in the world. Progress in this area, in Finland and a number of other countries, deserves to be better known.

Assurance of Supply

The IAEA LEU Bank project is making progress. As we proceed, we aim to ensure that the views of Member States are duly taken into account. Meetings with the Government of Kazakhstan to discuss a Host State Agreement have continued. The Agency is reviewing the site and the legislative and regulatory framework to ensure that the LEU Bank will operate in line with IAEA safety standards, security guidelines and safeguards requirements. Results of these reviews will be incorporated early next year into a plan which will guide the work of establishing the LEU Bank.

I will continue to keep the Board informed of developments.

Nuclear Applications

Mr. Chairman,

My report on *Strengthening the Agency's Activities Related to Nuclear Science, Technology and Applications* covers our work in a broad range of areas. Nuclear applications are also dealt with in the *Nuclear Technology Review 2012*.

Cancer control in developing countries remains a high priority for the Agency. We are presently considering ways of strengthening our Programme of Action for Cancer Therapy (PACT). I know I can count on the continued support of Member States for this very important programme. As part of our continuing efforts to build capacity in radiation medicine and diagnostic imaging among Member States, we have launched a series of online seminars as a cost-effective e-learning tool for training physicians.

This year, we are celebrating 50 years of the nuclear applications laboratories at Seibersdorf. These laboratories are unique in the United Nations system, providing R&D, capacity-building and analytical services which are greatly valued by Member States. We need to bring the laboratories up to the latest international standards in the coming years. I plan to hold a special event to mark the 50th anniversary later in the year.

At the *Rio+20 Conference* in June, the Agency announced the establishment of an *Ocean Acidification International Coordination Centre* at the IAEA Environment Laboratories in Monaco. This was in response to increasing concern among Member States about climate change, including the threat of ocean acidification due to increased carbon dioxide uptake by the oceans. The Centre is being financed through the IAEA Peaceful Uses Initiative. Seven countries have confirmed their funding commitments so far.

As you know, the Joint FAO/IAEA Division of Nuclear Techniques in Food and Agriculture helps developing countries to use nuclear techniques to improve food security. Last month, I had a meeting with Mr Graziano da Silva, Director General of the FAO, at which we agreed to further strengthen the long-standing partnership between our two organisations. Mr da Silva and I agreed to support a joint proposal for the IAEA to become a member of the *United Nations Secretary-General's High-Level Task Force on the Global Food Security Crisis*. This would represent additional recognition of the Agency's contribution in this area.

Next week's *Scientific Forum*, entitled *Food for the Future: Meeting the Challenges with Nuclear Applications*, will focus on the Agency's work in food production, protection and safety. In a world in which nearly a billion people do not have enough to eat, and rising food prices and climate change further increase poverty and hunger, the challenges are indeed enormous. The Scientific Forum promises to be an exciting and informative event, with strong participation from leading experts as well as governments. I hope that as many Member States as possible will take part.

Nuclear Verification

Conclusion of Safeguards Agreements and Additional Protocols

I will now turn to nuclear verification.

Since my last report to the Board, Bosnia and Herzegovina has signed a comprehensive safeguards agreement and an additional protocol. Togo has brought into force a comprehensive safeguards agreement, a small quantities protocol and an additional protocol. Nigeria has rescinded its small quantities protocol.

The number of States with additional protocols in force now stands at 117. I strongly hope that remaining States will conclude additional protocols as soon as possible. I also ask the 13 States without NPT safeguards agreements in force to bring such agreements into force without delay, and call on States with small quantities protocols that have not yet done so to amend or rescind their protocols.

Application of Safeguards in the Democratic People's Republic of Korea

Mr. Chairman,

I remain seriously concerned about the nuclear programme of the Democratic People's Republic of Korea. Statements by the DPRK about uranium enrichment activities and the construction of a light water reactor are deeply troubling. As you are aware, the Agency has not been able to implement any safeguards in the country since April 2009.

You have received my report on the application of safeguards in the DPRK. It appears that, since my previous report, significant progress has been made in the construction of a light water reactor, one of two undeclared facilities at Yongbyon. However, without access to the site, the Agency is unable to assess either the design features of the reactor, or the likely date for its

completion. With regard to an undeclared centrifuge enrichment facility, the Agency has no new information and remains unable to determine the facility's configuration or operational status.

The Agency is ready to play an essential role in verifying the DPRK's nuclear programme. I again call upon the DPRK to fully comply with its obligations under relevant Security Council resolutions, and with the NPT, and to cooperate promptly and fully with the Agency.

Implementation of Safeguards in the Islamic Republic of Iran

I will now turn to my report on the implementation of safeguards in the Islamic Republic of Iran.

Despite the intensified dialogue between the Agency and Iran since January 2012, no concrete results have been achieved so far. This is frustrating because, without Iran's full engagement, we will not be able to start the process to resolve all outstanding issues, including those concerning possible military dimensions to its nuclear programme. We consider it essential for Iran to engage with us without further delay on the substance of our concerns.

It is a matter of concern that activities which have taken place since February 2012, at the location within the Parchin site referred to in my report to the Board, will have an adverse impact on our ability to undertake effective verification there. In a letter dated 29 August 2012, Iran stated that the allegation of nuclear activities at the Parchin site was "baseless." However, the activities observed further strengthen our assessment that it is necessary to have access to the location at Parchin without further delay in order to obtain the required clarifications.

The Agency continues to verify the non-diversion of nuclear material declared by Iran under its Safeguards Agreement. However, Iran is not providing the necessary cooperation to enable us to provide credible assurance about the absence of undeclared nuclear material and activities, and therefore to conclude that all nuclear material in Iran is in peaceful activities.

I urge Iran to take steps towards the full implementation of all relevant obligations in order to establish international confidence in the exclusively peaceful nature of its nuclear programme. I hope that, as a result of our intensified dialogue with Iran, concrete, tangible results will be achieved without further delay.

Implementation of the NPT Safeguards Agreement in the Syrian Arab Republic

I have circulated a report on safeguards implementation in the Syrian Arab Republic. The Board will recall that, in May 2011, I reported that it was very likely that a building destroyed at the Dair Alzour site was a nuclear reactor which should have been declared to the Agency. Since then, the Agency has not received any new information that would affect that assessment. We remain unable to provide any assessment concerning the nature or operational status of three other locations allegedly functionally related to Dair Alzour.

I wish to make clear that no agreement was ever reached on a so-called action plan, although Syria expressed its readiness in May 2011 to agree on such a plan "to resolve the outstanding issues in regards to [the] Dair Alzour site". I reiterate my request to Syria to hold further discussions with the Agency to address all outstanding questions related to Dair Alzour and other locations.

Application of IAEA Safeguards in the Middle East

As my report on *Application of IAEA Safeguards in the Middle East* shows, there remain long-standing and fundamental differences of views among countries of the region with regard to the application of comprehensive Agency safeguards to all nuclear activities in the region. In these circumstances, it has not been possible to make further progress in fulfilling my mandate from the General Conference in this area. I will continue my consultations.

ECAS Project

Construction of the Nuclear Material Laboratory, which comprises more than half of the budget of the ECAS project - *Enhancing Capabilities of Safeguards Analytical Services* - remains on schedule. We continue to expect all analytical functions to be transferred from the existing laboratory to the new building before 31 December 2014. I recently approved an expansion of the scope of the ECAS project to include additional activities. This required a revision to the project's budget, the cost of which will be met through further extra-budgetary funding. A report on the ECAS project has been circulated to the Board.

Management Issues

Programme and Budget

Mr. Chairman,

I will now turn to a number of management issues.

As we prepare the *Programme and Budget for 2014-2015*, technical cooperation and nuclear safety and security remain the Agency's top priorities. I am keenly aware of the constraints which many Member States face in funding Agency activities. In my guidance to senior managers, I have therefore requested strict prioritization and efficiency measures. We will identify low-priority projects and areas where efficiencies can be realized. However, Member State needs are increasing. I will therefore reallocate resources to areas that will require attention during the next biennium, in response to emerging needs and priorities. As was the case in the current biennium, the proposal which I will submit to you early next year will strike a balance between the increasing needs of Member States for Agency assistance and their capacity to contribute.

AIPS

I am pleased to report that implementation of the second phase of the *Agency-Wide System for Programme Support (AIPS)*, has been successfully completed. Two new functions have been added. The first concerns budget planning. It enables managers to link their programmes and projects to the objectives laid out in the Medium-Term Strategy. They will also enter performance indicators for their programmes and projects and track progress towards meeting targets. The second new function provides for central management of information about contacts such as suppliers, customers, and meeting participants, using a single tool.

Medium-Term Strategy

Finally, Mr Chairman, you have before you the *Implementation Report on the Medium Term Strategy 2006-2011*. The report indicates how the goals set out in the Medium-Term Strategy have been achieved as the Agency continues to pursue its statutory objectives.

Thank you, Mr. Chairman.