Mr. Chairman,

Austria aligns fully with the statement held by Slovenia on behalf of the European Union. In addition, we have subscribed to a number of working papers, by the EU, as well as the Vienna Group of 10, a group of countries focussing on so called "Vienna issues". My intervention will therefore focus on a few items of particular importance to my delegation.

Nuclear co-operation requires mutual confidence: confidence by the supplier that the supplied items and technology will only be used for peaceful purposes and under robust verification by the IAEA, and confidence by the recipient that decisions on nuclear exports are based on clear, transparent, and predictable criteria.

1. Safeguards

Confidence on the supplier side is promoted first and foremost by the implementation of effective safeguards.

The NPT does not contain detailed provisions regarding the safeguards system. Its Art. III.1 rather assigns the task of developing the safeguards system to the IAEA. In 1970 the IAEA developed the comprehensive safeguards agreement, which, until the 1990ies, was to remain the standard for NPT non-nuclear weapon states: It was the only instrument available and therefore the only instrument whose ratification was – and could be – required by Art. III of the Treaty. It was also at the time perceived as sufficiently meeting the Treaty's security requirements.

In 1991, however, the International Community found out to its shocking surprise that the system did not enable the IAEA to detect clandestine nuclear activities. The answer to this revelation was a very significant strengthening of both safeguards and export controls.

The first, immediate, response was that suppliers of nuclear items strengthened their export control standards and introduced controls of so-called dual use items. The NSG came back into life.

The second reaction was a significant strengthening of the IAEA safeguards system, to which a number of new elements were added, some of which required additional legal authority to be given to the IAEA.

In March 1995, the IAEA Board of Governors decided that ‘...the safeguards system for implementing comprehensive safeguards agreements should be designed to provide for verification by the Agency of the correctness and completeness of States' declarations, so that there is credible assurance of the non-diversion of nuclear material from declared activities and of the absence of undeclared nuclear activities."
By this the Board confirmed that Article 2 of the comprehensive safeguards agreement already stipulated the Agency’s right and obligation to verify both correctness and completeness of States’ declarations.

However, the verification measures foreseen in the comprehensive safeguards agreement are not sufficient for the Agency to be able to provide credible assurances regarding completeness. The 2000 NPT Review Conference recognized this fact and stated that CSAs provide only a “limited level of assurance”.

That is why the Model Additional Protocol was created and adopted in 1997. Only for States with an AP in force the Agency can draw conclusions on the absence of undeclared nuclear material and activities.

Paragraph 11 of the 1995 Decision on Principles and Objectives calls for the strengthening of safeguards. ("IAEA safeguards should be regularly assessed and evaluated. Decisions adopted by its Board of Governors aimed at further strengthening the effectiveness of Agency safeguards should be supported and implemented and the Agency’s capability to detect undeclared nuclear activities should be increased"). The 2000 NPT Review Conference welcomed the Model AP in this context and stated that this instrument would “provide, in an effective and efficient manner, increased confidence about the absence of undeclared nuclear material and activities in a State as a whole and that those measures are now being introduced as an integral part of IAEA’s safeguards system.”

Mr. Chairman,

The NPT safeguards system created in 1970 has proven to be dynamic and subject to improvement where ever necessary. As a result of decisions taken collectively by the Member States of the IAEA as well as the States parties to the NPT, the current safeguards system created for NPT purposes is enshrined in two different legal instruments, the CSA and the AP, but it is still one system. The AP has become an integral part of this safeguards system foreseen by Art. III.1.

Non-nuclear weapon states parties to the NPT are therefore called upon to adapt their safeguards arrangements with the IAEA accordingly. We note with appreciation that a majority of States has already done so and accepted the verification standard by signing or ratifying an Additional Protocol. We urge all States Party that have not yet done so to bring into force additional protocols as soon as possible.

2. Export Controls

Nuclear export controls are necessary for suppliers to make sure that transferred items and technology will not be diverted to unsafeguarded nuclear programmes and do not fall into the hands of terrorists. To this end, nuclear items and material need to be under effective verification by the IAEA, under adequate physical protection, and subject to re-export controls and to measures to prevent illicit trafficking. Without such a “national system of nuclear security” in place, a recipient state will not be eligible to receive nuclear items or technology.

Nuclear export controls are a right and an obligation for each State party to the NPT. Still, they are still being met with reluctance by many developing States who perceive them as being too stringent, unfair, politically motivated, lacking transparency and
predictability, and therefore hampering the development of recipient States. Export control regimes are often regarded with particular mistrust, as they lack the participation of recipient states in the rule-making. On the other hand, they provide for a standardization of export control practices and thereby promote transparency and predictability.

The existing export control guidelines, developed originally by the Zangger Committee and later on further elaborated and expanded by the Nuclear Suppliers Group, can provide valuable guidance for setting up national export control legislation. Both the Zangger Committee and the Nuclear Suppliers Group have responded positively to demands for increased transparency by conducting outreach activities with interested countries. These outreach programmes are aimed at creating an on-going dialogue of equal partners, based on the understanding of a common responsibility. We would invite interested States parties to make use of such offers.

Mr. Chairman,

In conclusion, let me once again assure you once more that Austria will continue to contribute constructively to a successful outcome of this Preparatory Committee Meeting.