

New York
April 26 - May 7, 2004

**Cluster II: Implementation of the Provisions of the Treaty
Relating to the Non-Proliferation of Nuclear Weapons,
Safeguards and Nuclear Weapon Free Zones Issues**

Thank you, Chairman,

The various rights and obligations of States Party established in the NPT do not stand in isolation. They are interrelated and complementary, existing as part of an overarching Treaty system, in which each of the Treaty's provisions supports and reinforces the others. But the Treaty three pillars -- non-proliferation, disarmament, and peaceful uses -- are also ends in themselves, values which we all support.

Unlike those three pillars, the safeguards and export control obligations contained in Article III are means to an end, not an end in themselves, but they are no less essential to the Treaty. Without safeguards and export controls, full realisation of the Treaty's security and other benefits would not be possible. Safeguards and export controls are therefore an integral part of the Treaty regime.

The Treaty names the IAEA as the competent body to administer safeguards pursuant to Article III. These safeguards perform a double function: to provide assurances that States Party are complying with their obligations, while simultaneously providing the mechanism for States Party to demonstrate their compliance. They are therefore a fundamental element of the Treaty, and contribute to the accountability and transparency essential to our collective security and economic well-being. The assurance that others are respecting their international engagements is essential to sustaining the confidence that enabled each non-nuclear weapon State to reject nuclear weapons, and each nuclear weapon State to pursue in good faith the total elimination of their nuclear arsenals. Safeguards are likewise necessary to sustain the confidence required for mutually beneficial nuclear cooperation among States.

Given the critical importance of safeguards for the Treaty as a whole, it is therefore disturbing to my delegation that the global implementation of the safeguards system is far from complete. Article III.4 of the Treaty expressly requires States Party to commence the negotiation of safeguards agreements within 180 days of the deposit of their instruments of ratification or accession, and to complete those negotiations and ensure that the safeguards agreement has entered into force, within 18 months. Yet some 44 countries, nearly a quarter of the States Party to the NPT, have yet to come into compliance with this fundamental obligation of the Treaty. We invite the IAEA Secretariat to provide specific information on which States Party do or do not have safeguards agreements in force.

I would point out that in the case of States without significant nuclear activities, the conclusion of safeguards agreements is not an onerous burden, and can be accomplished through simplified procedures already established by the IAEA. We note that the Agency is working to facilitate the entry into force of such agreements, and commend the Agency's efforts, supplemented by some States, to implement a plan of action to encourage wider adherence to the Safeguards system.

Moreover, the safeguards system must be dynamic and flexible. Safeguards agreements based solely on document INFCIRC/153, concluded over three decades ago shortly after the Treaty itself, are extremely valuable, and provide the IAEA the tools required to give well-founded assurances of the non-diversion of nuclear material from *declared* facilities. But they provide only a modicum of assurance that a given State harbours no *undeclared* nuclear materials and activities. This is no longer sufficient, if it ever was.

It became obvious in 1991, after the revelation of extensive undeclared nuclear activities in Iraq, that the IAEA needed a stronger tool to verify compliance with the NPT. By 1997, the IAEA Board of Governors had approved the Model Additional Protocol, providing enhanced authority, complementing INFCIRC/153, to permit the Agency to conclude that there has been no evidence of undeclared activities in a given State. Even after the Additional Protocol was approved, some States continued to contend that INFCIRC/153 safeguards are quite sufficient to verify compliance with the Treaty. In light of recent revelations of undeclared nuclear activities in Iran and Libya, however, it defies reason to claim that verification should be confined to declared facilities.

We note, however, that only 83 States have concluded Additional Protocols, and that only 39 Protocols are in force. We therefore admonish all States that have not yet done so to conclude and to bring into force Additional protocols as soon as possible, and we welcome the efforts of the IAEA Secretariat and a number of IAEA Member States to promote universal adherence to the Additional Protocol, including their organising of well-attended regional seminars on the matter.

The Model Additional Protocol, together with a comprehensive safeguards agreement, now represents the verification standard pursuant to Article III.1, necessary to fulfil the obligations of that section of the Treaty, and hence necessary to the overall implementation of the Treaty. We urge the Preparatory Committee to recommend to the 2005 Review Conference that it take a decision to the effect that the Additional Protocol is mandatory under Article III of the Treaty.

Safeguards requirements have evolved over time and must continue to evolve to meet present and future challenges. The international community must remain vigilant, remembering that no non-proliferation tool is perfect. Canada welcomes the completion of the conceptual framework for integrated safeguards by the IAEA, which will usher in a system for verification that is more comprehensive, as well as being more flexible and effective than current

mechanisms. Attention needs to be drawn, however, to the fact that States Party must have both comprehensive safeguards agreements and Additional Protocols in place for the IAEA to be able to make full use of this improved safeguards system. Implementation of the integrated system can only proceed after Additional Protocols enter into force, and the IAEA is able to draw the a positive conclusion. We recognise the need for the safeguards system to have adequate resources, but believe these resources must be deployed in a way that better addresses the most pressing challenges.

The safeguards system is in place to verify compliance. Full compliance with all the provisions of the Treaty and with relevant safeguards agreements themselves, as well as with other subsidiary agreements, is critical to the preservation of the Treaty. The integrity of the Treaty depends upon full respect by States Party of their obligations under the Treaty and deriving from it. It is useful to reaffirm the statutory role of the IAEA Board of Governors and Director General in relation to States' compliance with safeguards agreements, and the importance of their access to the UN Security Council and to other relevant organs of the United Nations in cases of non-compliance. We are all conscious of the role of the Security Council, in accordance with the UN Charter, in maintaining and restoring international peace and security. The Council, in presidential statement S/23500 of 31 January 1992 and yesterday in resolution 1540, has recognised the proliferation of nuclear weapons as a threat to international peace and security. This relates to the mandate of the Council to ensure and uphold compliance with the Treaty and with safeguards agreements, and to take appropriate measures in cases of non-compliance with the Treaty and when notified by the IAEA of non-compliance with safeguards agreements.

Any States which do not comply with their obligations under the Treaty isolate themselves, through their own actions, from the benefits of constructive international relationships, and from the benefits which accrue from adherence to the Treaty, including *inter alia* from cooperation in the peaceful uses of nuclear energy, until they return to full compliance.

Along with safeguards, effective export controls are also central to the Treaty, and required by Article III.2. Stronger controls on exports by a wider range of states (along with enhanced information sharing and strengthened enforcement measures) are central to combatting clandestine supply networks that feed hidden weapons development programmes. We are pleased that the IAEA is now investigating the illicit trafficking network and will report to the Board of Governors on it. Export controls are likewise a necessary condition for co-operation in the peaceful uses of nuclear energy as they furnish a supplier state the requisite confidence to transfer technology. National export control mechanisms play an essential role in giving effect to the obligation not to contribute to the proliferation of nuclear weapons. Naturally, these are more effective if based on common understandings and guidelines, and coordinated through informal arrangements such as the Zangger Committee and Nuclear Suppliers' Group. It should be recalled that recipient states have an obligation to exercise appropriately stringent controls to prevent proliferation. As the Additional Protocol, together with an INFCIRC/153 safeguards agreement, now represents the NPT verification standard, it follows that this standard should be a condition for new supply arrangements to non-nuclear-weapon States, in line with paragraph 12 of the NPTREC decision 2 on "Principles and Objectives."