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STATEMENT

BY

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AT THE SYMPOSIUM ON INTERNATIONAL SAFEGUARDS: LINKING
STRATEGY, IMPLEMENTATION AND PEOPLE

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Mr. Chairman, respected participants of the symposium,

First of all, I would like to note that Russia was one of the originators of the IAEA safeguards system and throughout the Agency's history consistently supported its effective implementation and development. We always felt that the safeguards system is crucial for the wellbeing of the Non-Proliferation Treaty and the regime build on its foundation. The safeguards system is not something cast in stone or frozen but is a living organism that for its very survival has to change in order to adapt to the changing world and the growing demands placed upon it by the ever more complex requirement of preserving peace and international security in conditions of rapidly developing technologies and changing relationships among nations. However in the process of such adaptation the system should preserve its core features and functions which have been tested by time. It should remain objective, depoliticized, technically credible, understandable for Member States and based on rights and obligations of the Parties in accordance with Safeguards Agreements they have concluded.

Classic safeguards were fully in line with those principles. They were based on facility-specific approach and were underpinned by technical safeguards criteria that were established for each type of facility or location outside facilities and specified the scope, the normal frequency and the extent of the verification activities required to meet the inspection goals. In other words, verification activities were predetermined by quantity and quality of nuclear material as well as quantity and type of nuclear facilities in a State. This system was by nature resistant to political or other extraneous considerations and generated very little risk in terms of undue interference into the affairs of States unrelated to the nuclear sphere. In addition it was universal in the sense that verification requirements for facilities of certain types were the same for all States with the same type of legal obligations regardless of their affiliation or political system. Member States were assured that any decision by the Secretariat was based on good technical sense and science.

Mr. Chairman,

Now the situation has become more complicated. A concept of safeguards implementation at State-level (the SLC) has emerged and has been developing by the Secretariat. It had many names, however, the main idea was the same – frequency and intensity of verification should be determined by the Secretariat for each State as a whole, not for each facility type. This should be done on the basis of all available safeguards relevant information including provided by third Parties and using so-called State-specific factors. This concept is claimed to have certain advantages, particularly in terms of achieving some economy of the scarce resources, including human efforts by concentrating on points of real concern. But it also has serious vulnerabilities. First and foremost it makes safeguards implementation prone to politicization. That is why it is essential that Member States are assured that possible modifications in frequency and intensity of safeguards activities in a State are caused by honest technical analysis of facts on the ground and not by individual or collective biased thinking or prejudices. The IAEA should remain an objective mechanism for verifying non-proliferation obligations of States. It should not become an instrument for political pressure against certain countries or a means for rewarding their political loyalty. In recent years Russia as well as many other IAEA Member States has taken serious efforts aimed at ensuring that the new safeguards system is equipped with necessary protective mechanisms.

This was not an easy endeavor and it is not over yet. Decades of classic facility-specific safeguards created certain inertia of thinking that resulted in a false impression that safeguards implementation is the Secretariat's exclusive responsibility. It is true that when the IAEA Board of Governors approves a Safeguards Agreement, it authorizes the Director General to conclude and subsequently implement the Agreement. But it is also true that nothing limits the right of the IAEA Policy-Making Organs to set core parameters of such implementation. This was done in the past and this becomes especially important in the situation, when safeguards are becoming tailor-made for each State. This logic

is becoming more and more acceptable now. The year 2012 witnessed a series of bilateral and multilateral discussions on the SLC. In 2013 a report on the matter was prepared by the Director General following the request by the General Conference. This paper generated a great number of questions and comments by Member States. As a consequence the request for a further more in-depth report was made by the General Conference in 2013 and seven rounds of detailed open-ended consultations ensued in 2014. Finally in August this year Member States received a more detailed report by the Director General on the SLC, which was over 60 pages long. Thus we came a long way to recognize that Member States have the right to know what are the main principles and mechanisms of safeguards implementation.

Mr. Chairman,

The 2014 report by the Director General was a significant step in the discussion between Member States and the Secretariat on the SLC. This document contains several important assurances for States.

Firstly, it assures that the SLC will not entail the introduction of any additional rights or obligations on the part of either States or the Agency, nor any modification in the interpretation of existing rights and obligations.

Secondly, it assures that the aim of the whole safeguards reform is to optimize safeguards implementation, not to shift the verification effort from one group of States to another. The Director General stated that the Secretariat will continue to concentrate its verification efforts on the sensitive stages of the nuclear fuel cycle and on nuclear material from which nuclear weapons or other nuclear explosive devices could readily be made. The report also registers that attempts to ensure efficiency in safeguards implementation would not compromise safeguards effectiveness.

Thirdly, the Director General stated that the acquisition path analysis will be focused on nuclear material, not on weaponization. This is in line with obligations under the NPT and will help ensure that the Agency's Secretariat does not inadvertently become a conduit for nuclear proliferation.

Fourthly, it is recognized in the report that to date, customized State-level safeguards approaches for individual States have only been implemented for States under integrated safeguards.

Mr. Chairman,

There are some other important aspects in the 2014 report I'd like to highlight. The report says, for instance, that the SLC is not a substitute for an Additional Protocol; it is not designed as a means for the Agency to obtain from a State without an Additional Protocol in force the information and access provided for in this document. It registers that State-specific factors will not include political or other extraneous considerations. It also provides that nuclear material accountancy and its verification in the field will remain at the core of safeguards implementation.

All these assurances are important. They were further stressed in the resolution "Strengthening the Effectiveness and Improving the Efficiency of Agency Safeguards" GC(58)/RES/14, adopted by consensus at the 58-th session of the General Conference last month.

This resolution made a concrete contribution to developing the SLC. In the 2014 report the nature of bilateral consultations between a State and/or regional authority and the Agency was not sufficiently clarified. This generated legitimate concerns among States that such consultations could turn into some kind of briefings, where the States would be informed by the Secretariat about the details concerning safeguards measures to be implemented on their territory. The 2014 resolution has dealt with this problem. In its paragraph 25 it points out and I quote "the development and implementation of State-level approaches requires close consultation and coordination with the State and/or regional authority, and agreement by the State concerned on practical arrangements for effective implementation of all safeguards measures identified for use in the field if not already in place". This is a serious improvement.

Mr. Chairman,

Despite all efforts invested, the framework for the SLC implementations is still incomplete. As was pointed out by the Director General in his statement to the session of the Board of Governors on September 15, the release of the 2014 report is part of a continuing process of consultation, not the end. We fully agree with this. I will point out the most important elements, where, in our view, more work is needed most.

Firstly, the Secretariat has the right to use for safeguards implementation all safeguards relevant information available to the Agency about a State. As stated in the 2014 report, this information includes, inter alia, data from open sources and data provided by third parties. It should be noted that third parties include not only States that provide information with regard to another State but also organizations and even private individuals. No proper mechanism that could guarantee the accuracy and authenticity of information used for safeguards purposes is provided for in the 2014 report. In essence it is suggested that all analysis should be done by the Secretariat as decisions on whether certain data can be used for safeguards purposes are left entirely with the Secretariat. Member States according to this approach should simply trust the Secretariat's choice of information.

The risk here is obvious. False allegations generated by interested parties in order to exercise political pressure on a State unfortunately remain part of current international landscape. They are quite common in many areas, including non-proliferation and one should admit could be very important sometimes involving issues of war and peace. Moreover, the intelligence services of some States may be tempted to use the IAEA as a tool to verify the information they receive via their operative channels. In other words – they may wish to turn the IAEA Department of Safeguards into their branch.

We do not want this to happen. We stress that the right to use all available safeguards relevant information should not be perceived as a blank check that Member States have given to the Secretariat in the area of information handling. The Secretariat remains a technical body of an international organization, which should work with data submitted via official channels or received during

performing its statutory functions. The SLC shall not turn the Secretariat into a supranational structure tasked to collect and analyze intelligence information. We think that if the Secretariat decides to use any information, except for data obtained through its own inspection activity, it should duly disclose its origin and be ready to defend its credibility in an open discussion at the Board of Governors. Every State should have the right to publicly defend itself against false allegations and accusations generated by interested third parties or by the media. Moreover, any third party information should be taken on board by the Secretariat in the process of planning and implementing the safeguards measures, as well as of drawing conclusions, only if it is provided to the IAEA in an official and open manner. History of “nuclear dossiers” of different States shows that such measures are essential and urgent for maintaining and strengthening the confidence of Member-States in the safeguards activities performed by the Secretariat.

Secondly, a special procedure has to be introduced to protect Member States with Comprehensive Safeguards Agreements but without an Additional Protocol from arbitrary increase of the safeguards measures intensity under the pretext of checking indicators of undeclared nuclear activities. It is well known that if a State does not have Additional Protocol in force, the Secretariat is not expected to reach the broader conclusion regarding the absence of undeclared nuclear material and activities. The absence of Additional Protocol does not prevent the Secretariat from assessing indications of undeclared activities in such a State. But this process should not turn into the endless quest. It should be clear that if the Secretariat comes across some indications of undeclared nuclear activities, it should first seek clarification from the State concerned. If the clarification does not satisfy the Secretariat, the Secretariat should report on its findings, along with background information including on its discussions with the State concerned, to the Board of Governors for its decision.

Thirdly, a complete list of objective State-specific factors for the SLC is still pending. In the 2014 report the elements of each factor are presented just as examples. This opens the door for different interpretations and even changes to the

list that may happen without the approval of the Board. Furthermore, despite the fact that in the 2014 report all factors are called objective not all of them are objective in nature. Factor (v) “the nature and scope of the cooperation between the State and the Agency in the implementation of safeguards” and factor (vi) “the Agency’s experience in implementing safeguards in the State” are in our view subjective since they are based on the judgment and opinion of the Secretariat. Factor (ii) "the nuclear fuel cycle and related technical capabilities of the State" is formulated in such a vague way that almost everything can be considered as a related capability. Thus, in our opinion, further work on State-specific factors is needed in order to make them really objective and their list exhaustive.

Mr. Chairman,

Let me express hope that the Member States together with the Secretariat would continue their efforts aimed at the conceptualization and development of the SLC with a view of further improving the concept and achieving broad international consensus on all its parameters and methods of implementation. The 2014 report is a good working basis for it. The 2014 resolution of the General Conference stated in its paragraph 28 that the focus of the Agency for the immediate future will be on updating existing State-level approaches for 53 States under integrated safeguards. That is a reasonable starting point.

Regular reports of the Director General on this matter will be of great help to all Member States. The 2014 resolution sets a framework for such reporting. Its paragraph 26 provides that on the basis of the 2014 report and its corrigenda, the Secretariat will keep the Board of Governors informed of progress made in the development and implementation of safeguards in the context of the SLC. Paragraph 27 welcomes the intention of the Secretariat to continue to engage in open and active dialogue with States on safeguards matters, and to issue periodic update reports as the Agency and States gain further implementation experience. Paragraph 37 sets a precise timeframe for this by requesting the Director General to report on the implementation of the resolution to the General Conference at its fifty-ninth (2015) regular session.

Russia together with other IAEA Member States will be waiting for this report by the Director General before September 2015, which, as we expect, will have a substantial chapter providing further information and clarifications with regard to the SLC development and describing experience of its implementation in countries with integrated safeguards. We expect that this report will serve as a good basis for future consideration and actions by the Board of Governors and General Conference with regard to the SLC.

Mr.Chairman,

We consistently stress the role of IAEA Policy-Making Organs in conceptualization and development of the SLC, as well as in controlling its implementation. Resolutions of the General Conference have become increasingly important in this regard as they express the common will of all the IAEA Member States and give them the right tool to manage and fine-tune the basics of the safeguards system. The contribution of the Board has also become more pronounced. But much work is still before us. We hope that the discussions that we are going to have at this symposium will also help the process of improving the safeguard implementation, thus contributing to the strengthening of the non-proliferation regime and therefore to the maintenance of peace and international security.

Thank you, Mr. Chairman.