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AGREEMENT OF 10 SEPTEMBER 1991 BETWEEN THE INTERNATIONAL
ATOMIC ENERGY AGENCY AND THE GOVERNMENT OF THE ISLAMIC REPUBLIC
OF PAKISTAN FOR THE APPLICATION OF SAFEGUARDS IN CONNECTION
WITH THE SUPPLY OF A MINIATURE NEUTRON SOURCE REACTOR
FROM THE PEOPLE'S REPUBLIC OF CHINA

1. The text of the Agreement of 10 September 1991 between the Government of the Islamic Republic of Pakistan and the International Atomic Energy Agency for the application of safeguards in connection with the supply of a miniature neutron source reactor from the People's Republic of China is reproduced in this document for the information of all Members. The Agreement was approved by the Agency's Board of Governors on 20 February 1990 and signed in Vienna on 10 September 1991.
2. The Agreement entered into force upon signature on 10 September 1991, pursuant to Section 29 thereof.

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AGREEMENT BETWEEN THE INTERNATIONAL ATOMIC ENERGY AGENCY
AND THE GOVERNMENT OF THE ISLAMIC REPUBLIC OF PAKISTAN FOR
THE APPLICATION OF SAFEGUARDS IN CONNECTION WITH THE SUPPLY OF
A MINIATURE NEUTRON SOURCE REACTOR FROM THE PEOPLE'S REPUBLIC OF CHINA

WHEREAS the Government of the People's Republic of China (hereinafter referred to as "China") and the Government of the Islamic Republic of Pakistan (hereinafter referred to as "Pakistan") concluded an Agreement for Co-operation in the Peaceful Uses of Nuclear Energy (the Co-operation Agreement) and for the supply of nuclear material, facilities and equipment from China to Pakistan within the framework of the Co-operation Agreement;

WHEREAS under the Co-operation Agreement China has agreed to supply to Pakistan a Miniature Neutron Source Reactor (hereinafter referred to as "MNSR");

WHEREAS the International Atomic Energy Agency (hereinafter referred to as "the Agency") is authorized by its Statute to apply safeguards, at the request of the parties, to any bilateral arrangement or at the request of a State, to any of that State's activities in the field of atomic energy;

WHEREAS Pakistan has requested the Agency to apply safeguards to the nuclear material transferred pursuant to the Co-operation Agreement;

WHEREAS the Board of Governors of the Agency (hereinafter referred to as "the Board") has acceded to that request on 20 February 1990;

NOW THEREFORE, the Agency and Pakistan hereby agree as follows:

DEFINITIONS

Section 1.

For the purpose of this Agreement:

- (a) "reactor facility" means the Miniature Neutron Source Reactor facility (MNSR) (confined to the nuclear reactor, reactor vessel and core) supplied by China under the Co-operation Agreement;
- (b) "Safeguards Document" means Agency document INFCIRC/66/Rev.2;
- (c) "Inspectors Document" means the Annex to Agency document GC(V)/INF/39;
- (d) "nuclear material" means any source or special fissionable material as defined in Article XX of the Agency's Statute;
- (e) "nuclear facility" means:
 - (i) a principal nuclear facility as defined in paragraph 78 of the Safeguards Document as well as a critical facility or a separate storage installation; or
 - (ii) any location where nuclear material in amounts greater than one effective kilogram is customarily used;
- (f) "produced, processed or used" means any utilization or any alteration of the physical or chemical form or composition, including any change of the isotopic composition, of the nuclear material;

- (g) "effective kilogram" means:
- (i) in the case of plutonium, its weight in kilograms;
 - (ii) in the case of uranium with an enrichment of 0.01 (1%) and above, its weight in kilograms multiplied by the square of its enrichment;
 - (iii) in the case of uranium with an enrichment below 0.01 (1%) and above 0.005 (0.5%), its weight in kilograms multiplied by 0.0001; and
 - (iv) in the case of depleted uranium with an enrichment of 0.005 (0.5%) or below, and in the case of thorium its weight in kilograms multiplied by 0.00005.

UNDERTAKINGS BY PAKISTAN AND BY THE AGENCY

Section 2.

Pakistan undertakes that none of the following items shall be used for the manufacture of any nuclear weapon or to further any other military purpose and that such items shall be used exclusively for peaceful purposes and shall not be used for the manufacture of any nuclear explosive device:

- (a) the MNSR supplied by China to Pakistan under the Co-operation Agreement;
- (b) any nuclear material supplied by China to Pakistan for use in the MNSR;
- (c) any nuclear material, including subsequent generations of special fissionable material, produced, processed or used in or by the use of the MNSR or in or by the use of any other item referred to in this Section;
- (d) any other item required to be listed in the Inventory referred to in Section 5.

Section 3.

The Agency undertakes to apply safeguards, in accordance with the terms of this Agreement, to the items referred to in Section 2 so as to ensure, as far as it is able, that no such item is used for the manufacture of any nuclear weapon or to further any other military purpose and that such items are used exclusively for peaceful purposes and not for the manufacture of any nuclear explosive device.

Section 4.

Pakistan undertakes to cooperate with the Agency in, and to facilitate, the application of safeguards provided for in this Agreement.

ESTABLISHMENT AND MAINTENANCE OF INVENTORY

Section 5.

The Agency shall establish and maintain an Inventory which shall be divided into three parts. The following items shall be listed in the inventory upon receipt of the relevant notification or report provided for in Sections 7, 8 and 10:

- (a) The Main Part of the Inventory shall list:
 - (i) the MNSR;
 - (ii) any nuclear material supplied by China to Pakistan for use in the MNSR;
 - (iii) any nuclear material, including subsequent generations of special fissionable material, produced, processed or used in or by the use of the MNSR or in or by the use of any item required to be listed in the Inventory;

- (iv) any nuclear material substituted in accordance with paragraph 25 or 26(d) of the Safeguards Document for nuclear material listed in the Main Part of the Inventory;
- (b) The Subsidiary Part of the Inventory shall list:
Any facility while containing, using, processing or fabricating any nuclear material referred to in the Main Part of the Inventory;
- (c) The Inactive Part of the Inventory shall list any nuclear material which would normally be listed in the Main Part of the Inventory but which is not so listed because:
 - (i) it is exempt from safeguards in accordance with the provisions of paragraph 21, 22 or 23 of the Safeguards Document; or
 - (ii) safeguards on the nuclear material are suspended in accordance with the provisions of paragraph 24 or 25 of the Safeguards Document.

Section 6.

The Agency shall send an up-to-date copy of the Inventory to Pakistan every twelve months and also at any other times specified by Pakistan in a request communicated to the Agency at least two weeks in advance. The Agency may communicate information with respect to the Inventory to China if so requested by China, and shall transmit a copy of any such communication to Pakistan.

NOTIFICATIONS

Section 7.

Pakistan shall notify the Agency of:

- (a) nuclear material in Pakistan supplied by China for use in the MNSR;
- (b) the arrival in Pakistan of nuclear material supplied by China for use in the MNSR;
- (c) the date that the MNSR commenced operation.

The notifications provided for in Section 7(a) and (c) shall be provided within thirty days of entry into force of the Agreement. Notifications provided for in Section 7(b) shall be made within thirty days of the arrival of nuclear material in Pakistan.

Section 8.

Pakistan shall notify the Agency of any special fissionable material produced during the period covered by the report by the use of any of the items described in Section 5(a) by means of reports in accordance with the Safeguards Document, and with Subsidiary Arrangements provided for in Section 18(b) of the Agreement. The Agency may verify the calculations of the amounts of such material and appropriate adjustments in the Inventory shall be made by Agreement between Pakistan and the Agency.

Section 9.

Notifications made pursuant to Sections 7 and 12 shall specify, inter alia, to the extent relevant, the nuclear and chemical composition, physical form and quantity of the nuclear material, the type and capacity of the reactor facility where applicable, the date of shipment, the date of receipt, the identity of the consigner and the consignee and any other relevant information. In the case of a facility to be listed in the Subsidiary Part of the Inventory, the type and capacity of that facility and any other relevant information shall be notified.

Section 10.

Pakistan shall promptly notify the Agency of any facility which is required to be listed in the Subsidiary Part of the Inventory.

Section 11.

Upon receipt by the Agency of a notification from Pakistan pursuant to Section 7, 8 or 10 of this Agreement, the items referred to in the notification shall be listed in the Inventory. The Agency shall, within thirty days of such listing, inform Pakistan that the items covered by the notification are listed in the Inventory.

TRANSFER

Section 12.

- (a) Pakistan shall notify the Agency of its intention to transfer any item listed in the Main Part of the Inventory to a facility within its jurisdiction which is not yet listed in the Inventory, and shall provide to the Agency before such transfer is effected, the necessary information to enable it to arrange to apply safeguards to the items after transfer to such a facility. Pakistan may make such transfer only after the Agency has confirmed that it has concluded arrangements to apply safeguards at the facility in question.

- (b) Pakistan shall notify the Agency of any intended transfer of any item listed in the Main Part of the Inventory to a recipient which is not under the jurisdiction of Pakistan. Such items may only be transferred in accordance with the provisions of paragraph 28 of the Safeguards Document. Upon receipt by the Agency of the notification of transfer from Pakistan and the confirmation of receipt by the recipient country, such items shall be deleted from the Main Part of the Inventory.

Section 13.

The notifications referred to in Section 12 shall be made to the Agency sufficiently in advance to enable it to make the arrangements required by that Section before the transfer is effected. The Agency shall promptly take any necessary action. The time limits for and the contents of these notifications shall be laid down in the Subsidiary Arrangements referred to in Section 18(b).

EXEMPTION AND SUSPENSION

Section 14.

- (a) The Agency shall exempt from safeguards nuclear material listed in the Main Part of the Inventory under the conditions specified in paragraph 21, 22 or 23 of the Safeguards Document and shall suspend safeguards with respect to nuclear material under the conditions specified in paragraph 24 or 25 of the Safeguards Document.
- (b) Nuclear material which has been exempted from safeguards or on which safeguards have been suspended shall be deleted from the Main Part of the Inventory and shall be listed in the Inactive Part of the Inventory.

TERMINATION

Section 15.

The safeguards applied pursuant to this Agreement shall be terminated by the Agency under the following conditions:

- (a) on nuclear material listed in the Main Part of the Inventory, upon transfer in accordance with Section 12(b);
- (b) on nuclear material, under the condition specified in paragraphs 26 and 27 of the Safeguards Document;
- (c) on the MNSR, as and when Pakistan and the Agency have jointly determined that the MNSR is no longer usable for any nuclear activity relevant from point of view of safeguards.

Section 16.

Upon termination of safeguards on any item pursuant to Section 15, the item in question shall be deleted from the Inventory. The Agency shall, within thirty days of deleting the item from the Inventory pursuant to Section 15, inform Pakistan that such a deletion has been made.

SAFEGUARDS PROCEDURES AND SUBSIDIARY ARRANGEMENTS

Section 17.

In applying safeguards, the Agency shall observe the principles set forth in paragraphs 9 to 14 of the Safeguards Document.

Section 18.

- (a) The safeguards procedures to be applied by the Agency are those specified in the Safeguards Document, as well as such additional procedures as result from technological developments and as may be agreed to between the Agency and Pakistan. The Agency shall have the right to request the information referred to in paragraph 41 of the Safeguards Document and to make the inspections referred to in paragraphs 51 and 52 of the Safeguards Document.
- (b) The Agency shall make Subsidiary Arrangements with Pakistan concerning the implementation of the safeguards procedures which shall specify, in detail, to the extent necessary to permit the Agency to fulfill its responsibilities in an effective and efficient manner, how the procedures of this Agreement shall be

applied. The Subsidiary Arrangements shall also include any necessary arrangements for the application of safeguards to nuclear material and other items subject to this Agreement, and for such containment and surveillance measures as are required for the effective implementation of safeguards. The Subsidiary Arrangements shall enter into force within three months of the entry into force of this Agreement.

AGENCY INSPECTORS

Section 19.

The provisions of paragraphs 1 to 10 and 12 to 14, inclusive, of the Inspectors Document shall apply to Agency inspectors performing functions pursuant to this Agreement. However, paragraph 4 of the Inspectors Document shall not apply with regard to any facility or to nuclear material to which the Agency has access at all times. The actual procedure to implement paragraph 50 of the Safeguards Document shall be agreed to between the Agency and Pakistan before such a facility or nuclear material is listed in the Inventory.

Section 20.

The relevant provisions of the Agreement on the Privileges and Immunities of the Agency (INFCIRC/9/Rev.2) shall apply to the Agency, its inspectors performing functions under this Agreement and to any property of the Agency used by them in the performance of their functions under this Agreement.

PHYSICAL PROTECTION

Section 21.

Pakistan shall take all measures necessary for the physical protection of equipment and facilities required to be listed on the Inventory. Pakistan shall also take suitable measures for the physical protection of nuclear material subject to this Agreement, taking into account the recommendations made in Agency's document INFCIRC/225/Rev.2. Pakistan and the Agency may consult each other with regard to physical protection.

FINANCE

Section 22.

Pakistan and the Agency shall each bear any expense incurred in the implementation of their responsibilities under this Agreement. The Agency shall reimburse Pakistan for any special expenses, including those referred to in paragraph 6 of the Inspectors Document, incurred by Pakistan or persons under its jurisdiction at the written request of the Agency, if Pakistan notified the Agency before the expense was incurred that reimbursement would be required. These provisions shall not prejudice the allocation of expenses attributable to a failure by either Pakistan or the Agency to comply with this Agreement.

Section 23.

Pakistan shall ensure that any protection against third-party liability, including any insurance or other financial security, in respect of a nuclear incident occurring in a facility under its jurisdiction shall apply to the Agency and its inspectors when carrying out their functions under this Agreement as that protection applies to nationals of Pakistan.

NON-COMPLIANCE

Section 24.

If the Board determines in accordance with Article XII.C of the Statute of the Agency that there has been any non-compliance by Pakistan with this Agreement, the Board shall call upon Pakistan to remedy such non-compliance forthwith, and shall make such reports as it deems appropriate. In the event of failure by Pakistan to take fully corrective action within a reasonable time, the Board may take any other measures provided for in Article XII.C of the Statute. The Agency shall promptly notify Pakistan in the event of any determination by the Board pursuant to this Section.

INTERPRETATION AND APPLICATION OF THE AGREEMENT

AND

SETTLEMENT OF DISPUTES

Section 25.

At the request of either Pakistan or the Agency there shall be consultations about any question arising out of the interpretation or application of this Agreement.

Section 26.

- (a) Pakistan and the Agency shall endeavour to settle by negotiation any dispute arising from the interpretation or application of this Agreement.

- (b) Any dispute arising out of the interpretation or application of this Agreement which is not settled by negotiation or as may otherwise be agreed to by Pakistan and the Agency shall on the request of either Pakistan or the Agency be submitted to an arbitral tribunal composed of three persons as follows:

Pakistan and the Agency shall each designate one arbitrator and the two arbitrators so designated shall elect a third, who shall be the Chairman. If within thirty days of the request for arbitration either party has not designated an arbitrator the other party may request the President of the International Court of Justice to appoint such an arbitrator. The same procedure shall apply if within thirty days of the designation or appointment of the second arbitrator, the third arbitrator has not been elected.

- (c) Two members of the arbitral tribunal shall constitute a quorum, and all decisions shall require the concurrence of at least two members. The arbitral procedure shall be fixed by the tribunal. The decisions of the tribunal, including all rulings concerning its constitution, procedure, jurisdiction and the division of the expenses of arbitration between Pakistan and the Agency, shall be binding on Pakistan and the Agency. The remuneration of the arbitrators shall be determined on the same basis as that for adhoc judges of the International Court of Justice.

Section 27.

Decisions of the Board concerning the implementation of this Agreement, except such as relate only to Sections 22 and 23 shall, if they so provide, be given effect immediately by Pakistan and the Agency, pending the final settlement of any dispute.

FINAL CLAUSES

Section 28.

Pakistan and the Agency shall, at the request of either of them, consult about amending this Agreement. If the Board modifies the Safeguards Document, this Agreement shall be amended if Pakistan so requests to take account of such modifications. If the Board modifies the Inspectors Document, this Agreement shall be amended if Pakistan so requests to take account of such modifications.

Section 29.

This Agreement shall enter into force upon signature by or for the Director General of the Agency and by the authorized representative of Pakistan.

Section 30.

This Agreement shall remain in force until, in accordance with its provisions, safeguards have been terminated on all items referred to in Section 2.

DONE at Vienna, on the tenth day of September 1991, in duplicate, in the English language.

For the GOVERNMENT OF THE
ISLAMIC REPUBLIC OF PAKISTAN:

(signed) Ishfaq Ahmad

For the INTERNATIONAL ATOMIC
ENERGY AGENCY:

(signed) Hans Blix