



International Atomic Energy Agency

BOARD OF GOVERNORS

GOV/1621

20 August 1973

RESTRICTED Distr.

Original: ENGLISH

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Item 1(b) of the provisional agenda
(GOV/1620)

SAFEGUARDS

- (b) THE FORMULATION OF CERTAIN PROVISIONS IN AGREEMENTS UNDER THE AGENCY'S SAFEGUARDS SYSTEM (1965, AS PROVISIONALLY EXTENDED IN 1966 AND 1968)

Memorandum by the Director General

1. A substantial number of Governors have urged that there should be a greater degree of standardization than in the past with respect to the duration and termination of such agreements as may henceforth be concluded under the Agency's Safeguards System (1965, as Provisionally Extended in 1966 and 1968)^{1/} for the application of safeguards in connection with nuclear material, equipment, facilities or non-nuclear material supplied to States by third parties. To achieve this, it is recommended that the following two concepts should be reflected in these agreements:

- (a) That the duration of the agreement should be related to the period of actual use of the items in the recipient State; and
- (b) That the provisions for terminating the agreement should be formulated in such a way that the rights and obligations of the parties continue to apply in connection with supplied nuclear material and with special fissionable material produced, processed or used in or in connection with supplied nuclear material, equipment, facilities or non-nuclear material, until such time as the Agency has terminated the application

^{1/} INFCIRC/66/Rev.2.

of safeguards thereto, in accordance with the provisions of paragraph 26 or 27 of the Agency's Safeguards System.

A short exposition with respect to the application of these concepts is annexed hereto.

2. The proposed standardization would appear likely to facilitate the uniform application of safeguards measures. It is furthermore to be noted that the combined operation of the two concepts would be consistent with the application of the general principle embodied in paragraph 16 of the Agency's Safeguards System.

REQUESTED ACTION BY THE BOARD

3. In bringing this matter to the Board's attention, the Director General seeks the views of the Board as to whether it concurs with the two concepts set out in paragraph 1 above.

A N N E X

1. In the case of receipt by a State of source or special fissionable material, equipment, facilities or non-nuclear material from a supplier outside that State, the duration of the relevant agreement under the Agency's Safeguards System^{1/} would be related to the actual use in the recipient State of the material or items supplied. This may be accomplished by requiring, in accordance with present practice, that the material or items supplied be listed in the inventory called for by the agreement.
2. The primary effect of termination of the agreement, either by act of the parties or effluxion of time, would be that no further supplied nuclear material, equipment, facilities or non-nuclear material could be added to the inventory. On the other hand, the rights and obligations of the parties, as provided for in the agreement, would continue to apply in connection with any supplied material or items and with any special fissionable material produced, processed or used in or in connection with any supplied material or items which had been included in the inventory, until such material or items had been removed from the inventory.
3. With respect to nuclear material, conditions for removal are those set out in paragraph 26 or 27 of the Agency's Safeguards System; with respect to equipment, facilities and non-nuclear material, conditions for removal could be based on paragraph 26. A number of agreements already concluded have prescribed such conditions in part, by providing for deletion from the inventory of nuclear material, equipment and facilities which are returned to the supplying State or transferred (under safeguards) to a third State. The additional provisions contemplated would stipulate that items or non-nuclear material could be removed from the purview of the agreement if they had been consumed, were no longer usable for any nuclear activity relevant from the point of view of safeguards or had become practicably irrecoverable.
4. The effect of reflecting the two concepts in agreements would be that special fissionable material which had been produced, processed or used in or in connection with supplied material or items before they were removed from the scope of the agreement, would remain or be listed in the inventory, and such special fissionable material, together with any supplied nuclear material remaining in the inventory,

^{1/} The Agency's Safeguards System (1965, as Provisionally Extended in 1966 and 1968) set forth in document INFCIRC/66/Rev.2.

would be subject to safeguards until the Agency had terminated safeguards on that special fissionable and nuclear material in accordance with the provisions of the Agency's Safeguards System. Thus, the actual termination of the operation of the provisions of the agreement would take place only when everything had been removed from the inventory.