

**STATEMENT BY MS BUYELWA SONJICA
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**AT THE SPECIAL SESSION ON “NEW FRAMEWORK FOR THE UTILIZATION
OF NUCLEAR ENERGY IN THE 21ST CENTURY: ASSURANCES OF SUPPLY
AND NON-PROLIFERATION”**

VIENNA, 19 SEPTEMBER 2006

Chairman,

Allow me to express my appreciation to the Director General and the Secretariat for arranging this important Special Event.

With the establishment of the International Atomic Energy Agency almost 50 years ago and in recognition for the increasing importance of nuclear power generation and the substantial benefits of the atom in other areas of human development, the founding members had envisaged a central role for this newly established organisation in facilitating international co-operation in the peaceful uses of the atom. At the same time, these founding members also recognised the dual application of nuclear energy for both peaceful and non-peaceful uses and consequently provided a framework for safeguarding this important resource and for verifying the non-diversion thereof to non-peaceful purposes.

Whilst international co-operation in the peaceful uses of nuclear energy increased and the safeguards system expanded over the years through the development of the non-proliferation regime, including the NPT, some of the original ideas set forth by the founding members in the Statute of the Agency, never came to fruition. Included amongst these was the notion of the Agency

acting as a fuel bank to provide and assure the reliable supply of fuel for civilian use in a fair and equitable manner.

During the years a number of attempts were made to create additional measures beyond the safeguards system aimed at preventing sensitive technologies from being misused for non-peaceful purposes. These attempts included proposals during the 1970s to establish multilateral fuel cycle centres and an international nuclear fuel authority, which was intended to guarantee the supply of nuclear power plant fuel to NPT non-nuclear-weapon States (NNWS), with the proviso that such States renounce national reprocessing or enrichment plants.

If we examine the subject of today's Special Event, we have to admit that history, indeed, has a way of repeating itself. It is therefore imperative that during our discussions at this event, we interrogate the central question as to why these efforts failed and on how we can extract lessons from these experiences in finding a solution to our common concerns about the abuse of these sensitive technologies given the new realities of the 21st Century.

As Governments, one of our most important pre-occupations today is energy security. There is wide recognition for the need to diversify energy supply by developing advanced, non-polluting, more efficient, affordable and cost-effective energy technologies, including renewable energy technologies to meet the rising global demand for energy, particularly in developing countries. At the recently concluded Summit of the Non-Aligned Movement in Havana, Cuba, the Heads of State and Government of these 116 States again underlined the need to ensure that energy policies support developing countries' efforts to eradicate poverty. They also emphasised the need to accelerate the development, dissemination and deployment of affordable and cleaner energy efficiency and energy conservation technologies, as well as the transfer of such technologies, particularly to developing countries.

These Heads of State or Government agreed to enhance co-operation with a view to improving access to energy including alternative sources of energy by developing countries. At the same time they underscored the sovereign right of States over the management of their energy resources.

When looking at alternative energy sources, an increasing number of countries are today recognizing the role that nuclear energy can play.

This realization about the increased relevance of nuclear energy in contributing to global energy needs prompted a re-evaluation of supply arrangements. In this regard, studies were recently undertaken to examine the issue of assurances of the supply of nuclear fuel, including the initiative by the Director General of the IAEA to mandate an Expert Group to look at possible Multilateral Approaches to the Nuclear Fuel Cycle. As you are aware, this Expert Group issued its Report during 2005, which included a number of conclusions and recommendations. Whilst the Report contains several interesting ideas and options that require further consideration, the experts themselves stated that the desirability or feasibility of multilateral nuclear approaches and the options identified in the Report do not necessarily reflect agreement by all the experts – a clear illustration of the complexity of the issue.

When the Expert Panel's Report was discussed in the Board of Governors last year, South Africa emphasised that any decision taken in this regard may not place any unwarranted restrictions on the inalienable right of States to the peaceful application of nuclear energy. We also stated that there is a need to guard against actions, which would merely serve to exacerbate existing inequalities, including through the creation of another kind of cartel that would exclude full participation, particularly by States in full compliance with their safeguards obligations.

Why did the previous proposals especially those of the 1970s not result in the adoption of such a multilateral mechanism? Most of us would agree that the one factor that undoubtedly influenced the outcome of these proposals was the geo-political circumstances of that particular era. Another factor that may have prevented consensus was the existence of a vibrant market for the supply of nuclear fuel – a market that sufficiently supplied in the demand. In addition, the unwillingness of States to relinquish control over their national capabilities would also have influenced the outcome of these proposals.

It is important to recall that the negotiation of this instrument resulted in a carefully crafted Treaty that, although discriminatory in nature due to the creation of two distinct categories of States, provided a delicate balance between the rights and obligations of the nuclear-weapon States - the haves - and the non-nuclear-weapon States - the have-nots. As part of the deal, the Treaty not only created obligations for everyone on nuclear non-proliferation, it also included obligations on nuclear disarmament and rights on the peaceful uses of nuclear energy.

In the latter regard, Article IV of NPT states that nothing in the Treaty shall be interpreted as affecting the inalienable right of all Parties to develop research, production and use of nuclear energy for peaceful purposes without discrimination and in conformity with Articles I and II. As such, the NPT provides a framework of confidence and co-operation within which the development of the peaceful uses of the atom can take place.

In terms of the non-proliferation provisions of the Treaty, it should be noted that the NPT did not seek to limit access to any advanced or sensitive technologies by States Parties that are in conformity with their obligations. This principle is made clear in Article IV. The non-proliferation provisions therefore specifically seek to prevent the diversion of material to any nuclear weapons programmes or other nuclear explosive devices.

When we examine the proposals of the 1970s, these also included conditions for access to the reliable supply of nuclear fuel - conditions that were clearly in direct conflict with the inalienable right of States "to develop research, production and use of nuclear energy for peaceful purposes", as provided for in the NPT. Unfortunately, we have noted that some of the most recent proposals on supply mechanisms contain similar conditions. Although prevailing proliferation concerns may prompt us to consider alternative arrangements on supply mechanisms, these may under no circumstances impose unwarranted restrictions and controls over the legitimate peaceful use of nuclear energy.

One of the approaches suggested in the most recent proposals on supply arrangements is the possible establishment of regional multinational centres. Whatever the outcome of the discussions on the most appropriate approach, it is imperative that we ensure that no arrangement would prevent any country or region from full participation.

In view of the statutory mandate of the IAEA, I believe that the establishment of any credible mechanisms to assure the reliable supply of nuclear fuel should be considered in the context of the Agency. Not only does the Agency have a legitimate role to encourage and assist the practical application of nuclear energy for peaceful purposes, in accordance with its Statute, it also has a special responsibility to take into consideration the needs of the developing areas of the world.

Our discussions on the need for such a mechanism, as well as a possible framework to ensure reliable access to nuclear fuel, should therefore not involve any preconditions that would even hint at the possibility that non-nuclear-weapon States, in conformity with their legal obligations under the NPT, should forego their inalienable right to the peaceful use of nuclear energy. If we agree to such conditions, we may well be contributing to undermining the very bargains on

which the NPT was founded and further disturb the delicate balance of rights and obligations under this instrument.

The decision by States not to pursue domestic fuel cycle activities is a sovereign one. The availability of nuclear fuel in the market or the existence of mechanisms that facilitate reliable supply may well contribute to such a decision. Although it is argued that those already pursuing uranium enrichment activities would in any event not be utilising this mechanism, it should be remembered that some might choose to pursue sensitive fuel cycle activities in a limited way or only for research purposes.

However, those States that may decide to pursue domestic sensitive fuel cycle activities for peaceful purposes and in conformity with their international legal obligations should not be discriminated against by excluding them from the possible benefits that may derive from such mechanisms. In addition, we should guard against the notion that sensitive technologies are safe in the hands of some, but pose a risk when others have access to them.

The pursuance of energy security is not only a right of all states, but also a global responsibility. In recognising the potential role that nuclear energy can play in this context, it is our duty to ensure that no unwarranted restrictions are imposed. Further modalities for preventing the diversion of these sensitive technologies may be required in order to ensure that we can pursue such activities without fear and with the necessary assurances. What is required in this regard is a non-discriminatory approach that would assure the supply of nuclear fuel, whilst fully respecting the choices of States and protecting their inalienable right to the peaceful uses of nuclear energy, consistent with their non-proliferation obligations.

I would like to conclude by appreciating the dynamism of this debate, and that it is still work in progress; but listening to my colleagues' proposals I could not help

asking myself the following questions, maybe from the realization of the vulnerability of developing countries. If it were not for the multilateral instruments that are in place:

- To what extent will the establishment of the GNP or international centres undermine the multilateral tools like the IAEA?
- What would the implications be for the developing and more vulnerable countries?
- Would these new bodies not give more control to the developed nuclear power states – making the developing countries even more vulnerable?
- Would these new bodies not also widen further the inequality gap between the developed and developing countries?

I hope that these questions can and will be responded to honestly as this is a matter where all nations are directly or indirectly involved or affected.

I thank you.